

Village of Westchester, Illinois



Comprehensive Annual Financial Report

For the Fiscal Year Ended
April 30, 2017

VILLAGE OF WESTCHESTER, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2017

Prepared by:

Finance Department

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INTRODUCTORY SECTION

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2017

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Paul Gattuso, President

Carl Celestino, Trustee

Angelo Calcagno, Trustee

Frank Perry, Trustee

Sherby J. Miller, Trustee

Nick Steker, Trustee

Thomas Yurkovich, Trustee

Stan Kolodziej, Village Clerk

Barbara Brandt, Village Treasurer

ADMINISTRATIVE

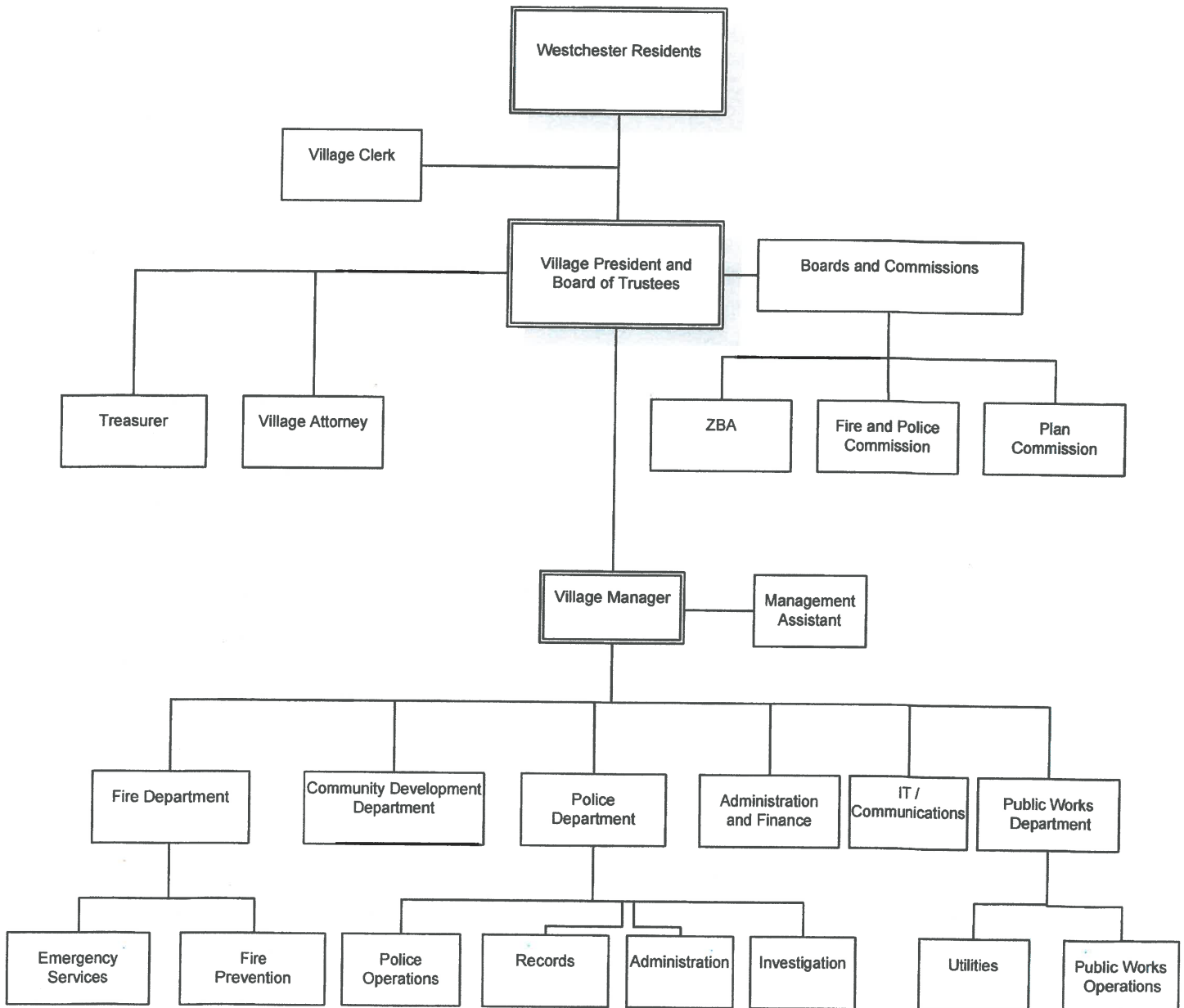
Steve Stelter, Chief of Police/Interim Village Manager



Village of Westchester

Organizational Chart

10300 Roosevelt Road, Westchester, IL 60154





Government Finance Officers Association

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

Presented to

**Village of Westchester
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2016

Executive Director/CEO



Village of Westchester

10300 ROOSEVELT ROAD, WESTCHESTER, IL 60154

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

WWW.WESTCHESTER-IL.ORG

Village President
PAUL GATTUSO

Village Clerk
STAN KOLODZIEJ

Trustees
ANGELO A. CALCAGNO
CARL C. CELESTINO
SHERBY J. MILLER
FRANK PERRY
NICK STEKER
TOM YURKOVICH

Village Manager
DAVID PLYMAN

Village Attorney
MICHAEL K. DURKIN

February 28, 2018

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.

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.

We are pleased to report that the independent audit firm Sikich LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on the Village's financial statements for the year ended April 30, 2017. The independent auditor's report is located at the front of the financial section of the CAFR.

The 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. The MD&A complements this letter of transmittal and should be read in conjunction with it.

The Village expended less than \$750,000 of federal funds during the fiscal year ended April 30, 2017 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 Uniform Guidance.

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, although legally separate entities, are, in substance, part of the primary government's operation and are included as part of the primary government. The Police Pension and Fire Pension Funds are reported as fiduciary funds of the primary government.

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. Of the total 2016 (most current year available) equalized assessed valuation (EAV) of \$455,125,517, Westchester's residential properties account for approximately 72 percent of the overall property value in the Village, and commercial properties account for an additional 27 percent. Industrial and railroad properties account for the final one percent of overall property value.

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 and Village Treasurer are 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.

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

The annual budget is the primary guiding document for the Village's financial planning and control. In addition, the Village maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. Activities of the General Fund, Special Revenue Funds, Capital Project Fund, Debt Service Fund, and Enterprise Fund 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.

Local Economy and Finances

The Village has continued to be impacted at the local level by regional, state, and national economic conditions. A continued struggling regional, state, and national economy due to housing, property values, foreclosures, interest rates, unemployment, credit/loan issues, Affordable Care Act impacts, the federal government debt/deficit, the fiscal crisis in the State of Illinois government and legislative mandates, among others have impacted the Village as well. Nevertheless, the Village's sound financial management, policies and procedures have resulted in the Village being in a relatively stable position.

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. The most recent year-over-year sales tax analysis shows sales tax for the first half of Fiscal 2018 has increased by 1% over the same period in the prior year. However, the state income tax analysis shows an approximate 4% decrease in estimated distributions through December 2017 as compared to prior year results.

The Village property tax base is founded primarily in its residential housing stock. The Village's 2016 EAV of \$455,125,517 (for taxes payable 2017) increased by 5% as compared to the 2015 EAV of \$435,054,105. The overall EAV reflects the slow recovery in property values that has occurred in Westchester as well as the region. This is the first increase in EAV since 2010. 2011 was a reassessment year and the first reassessment since the beginning of the 2008 recession. During the years between 2011 and 2015, the Village's EAV dropped to pre-2002 levels and has not yet recovered. As a non-home rule community in Illinois, the Village is limited to an

annual property tax increase of the lesser of the CPI or 5%. Property taxes, which represent approximately 39% of governmental funds revenue, were also limited to a tax cap of %.07 for the 2015 levy (payable 2016) and 1.74% for the 2016 levy.

Other statistics from the 2010 census include per capita income of \$30,883, median household income of \$69,679, and median home value of \$222,341. The median home value in Westchester, as estimated by Zillow.com, is currently \$227,470. Westchester home values have gone up over the past year and Zillow predicts they will rise 2.8% within the next year. The current median list price per square foot in Westchester is \$176, which is higher than the Chicago Metro average of \$142. The median price of homes currently listed in Westchester is \$241,900.

Economic Development Initiatives

Along with its commitment to continuously improving the City's finances, the administration has made economic development initiatives a top priority. The Village has implemented the following business attraction/retention activities:

- The preparation and dissemination of a business retention survey.
- Staff is actively identifying and pursuing developers active in the Chicago market to consider Westchester as a place to do business.
- The Community Development Director maintains the available sites database.
- The Community Development Director promotes local businesses by including a list of recently opened businesses in the Village newsletter and on the Village's website.

The Board of Trustees authorized the Village of Westchester Façade Grant Program to support rehabilitation and preservation of commercial property; encourage new business; and retain, revitalize, and expand existing business in Westchester. Property owners who propose to install at least \$5,000 of total improvements, are eligible to receive a grant equal to 50% of eligible costs, up to a maximum grant of \$7,500. The maximum amount of the grant is computed on the basis of two hundred fifty dollars (\$250) per linear foot of building frontage. Approval of the grants is based on the merit and design of project upon review by Economic Development Committee (EDC) and the Village Board. The Village reserves the right to prioritize applications on the basis of scope of work, level of private investment, and relative impact of the proposed improvements on the business district. In Fiscal 2016, one grant application was received and one project was completed in the amount of \$6,250; in Fiscal 2017, two applications were received and completed for a total disbursement of \$9,968.

During 2017, the Village also issued permits for renovations at Ingredion (construction cost \$5,000,000), build-out of office suites at Equity Office (construction cost \$500,000), office build-out at US General Service Administration (construction cost \$282,000), bathroom renovations at Westchester Public Library (construction cost \$200,000), interior alterations at Thornton's (construction cost \$182,000), interior alterations to fitness center at Lifestart Fitness (construction cost \$170,000), office build-out at Walinski & Associates (construction cost \$163,000), and construction of cell tower at Mayfair Park (construction cost \$145,000).

Long-Term Financial Planning

The Village has engaged in capital planning activities which extend beyond the annual budgetary period. The Village's focus for capital improvement projects includes, but is not limited to, the following:

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

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

In February 2013, the Village issued \$5,800,000 Taxable General Obligation Bonds, Series 2013 to fund street reconstruction and repair. The debt service will be made from the proceeds of the Village's non-home rule sales tax. The Bonds were used to provide funds to finance certain public infrastructure improvements, specifically rebuilding local roadways and related water main replacements. The bond proceeds funded the rehabilitation of approximately twenty-four streets during Fiscal 2013 and Fiscal 2014 and an additional eleven streets during Fiscal 2015.

In May 2015, the Village issued \$2,200,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2015 to fund street reconstruction and repair. The debt service will be made from the proceeds of the Village's non-home rule sales tax. The Bonds were used to provide funds to finance certain public infrastructure improvements, specifically rebuilding local roadways and related water main replacements. The bond proceeds funded the rehabilitation of four streets and various water and sewer main replacements during Fiscal 2017 and funded the rehabilitation of four streets and various water and sewer main replacements during Fiscal 2016.

Relevant Financial Policies

The Village Board has in place numerous key written financial policies including the following:

General Fund Fund Balance Policy: The policy is currently 30% of expenditures and financing uses as reported in the most recent CAFR.

Water & Sewer Fund Net Unrestricted Assets Policy: The policy is currently 15% of operating expenses and transfers out as reported in the most recent CAFR.

Capitalization Policy: The policy defines criteria to determine when capital assets shall be capitalized including criteria related to purchase price, application of purchase price thresholds and useful life.

Investment Policy: The policy provides direction related to the investment activities of the Village including criteria which includes scope, prudence, objectives, authorized financial institutions, authorized investments, collateralization, safekeeping and custody and diversification among others.

Purchasing Policy: The policy provides direction related to purchasing activity of the Village including criteria which includes procedures, pricing requirements, purchase orders, budget amendments, emergency purchases, manual checks, petty cash, credit cards, on-line purchasing and contracts among others.

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.

Major Initiatives for the Year and for the Future

Fiscal year 2017 was another successful year for the Village of Westchester filled with growth and development as well as progress. Although economic conditions continue to impede commercial development, staff has continued to work diligently to recruit developers and retailers for the Village.

The Village will continue its rehabilitation of infrastructure as discussed in the long-term financial planning section above. The Village has been approved for funding of the replacement of the Gladstone Bridge through a

Department of Transportation Surface Transportation Bridge Program (80% funding). The estimated cost of the replacement is \$924,000. Construction is expected to begin in Spring 2018.

The Village has received applicable licenses and permits for a proposed new sanitary sewer alignment from the forest preserve to Sunnyside Avenue. The estimated project cost is \$3,100,000. The project is anticipated to be funded through a loan obtained through the Illinois Environmental Protection Agency (IEPA) low interest loan program. Construction is estimated to commence during Fiscal 2019.

For additional information on our goals and accomplishments, please review our annual budget.

The Village is proud of its many accomplishments over the last year to better our community. Westchester continues to be a full service Village with strong financial management, efficient service delivery, high customer service response, positive community relations and neighborhood pride. Staff looks forward to entering Fiscal Year 2018 continuing these traditions, working with the Board and community to uphold our excellence in local government management, and continuing to be a community that pursues progress.

Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Westchester for its comprehensive annual financial report for the fiscal year ended April 30, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire finance department. I would like to express my appreciation to each of those staff members who assisted and contributed to the preparation of this report. I would also like to thank GW & Associates, PC, for their dedicated services throughout the report preparation process.

In closing, I would also like to thank the Honorable President and Board of Trustees for their leadership and support in maintaining the highest standard of professionalism in the financial operations of the Village.

Respectfully submitted,



Steven Stelter
Acting Village Manager

FINANCIAL SECTION

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Westchester, Illinois, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other information

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

information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Sikich LLP

Naperville, Illinois

February 28, 2018

(except for the Police and Firefighters'
Pension Trust Funds, as to which the
date is October 10, 2017)

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF WESTCHESTER, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
APRIL 30, 2017

As management of the Village (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2017. Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter which can be found on pages v-viii of this report.

Financial Highlights

- The net position of the Village at the close of the most recent fiscal year was \$(9,801,059). Of this amount, the unrestricted net position posted a deficit \$39,896,657. The deficit unrestricted net position is primarily due to the pension liability for the Village portion of the Illinois Municipal Retirement Fund (IMRF) which was \$1,748,139, the Police Pension Liability that totals \$25,134,179 and the Fire Pension Liability that totals \$16,160,663. The Village's total net position decreased by \$3,043,308 or 45.03% during the fiscal year ending April 30, 2017. Governmental net position decreased \$2,920,834 or 18.3% while Business-type net position decreased \$122,474 or 1.3%.
- Approximately 38.43% of the Village's \$25.97 million in expenses as reported in the Statement of Activities were paid for with program revenues, including \$9.49 million of charges for services and \$0.49 million of operating grants and contributions. Of the remaining \$15.99 million, \$10.18 million was paid for with taxes, \$2.68 million was paid with state shared income, and \$0.09 million was paid for with miscellaneous income.
- The governmental activities net position is a deficit of \$18.87 million, while the business-type activities had a net position of \$9.07 million.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5.03 million, a decrease of \$1.11 million in comparison with the prior year's balance of \$6.13 million. Approximately \$3.1 million of this total amount is available for spending at the government's discretion (unassigned fund balance). The remainder of \$1.93 million is comprised of non-spendable (prepaid items) of \$0.29 million and assets restricted for public safety, tourism, streets and transportation, and capital projects aggregating \$1.64 million.
- The General Fund of the Village recognized \$14.57 million in revenues. After expenditures of \$15.53 million, the Village's General Fund was left with a fund balance of \$3.44 million, which is 22.15% of current year expenditures.

VILLAGE OF WESTCHESTER, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
APRIL 30, 2017

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements (see pages 4 to 7) are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business and are reported using the accrual basis of accounting and economic resources measurement focus.

The Statement of Net Position (pages 4 to 5) presents information on the Village's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as net position. The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village of Westchester is improving or deteriorating.

The Statement of Activities (pages 6 to 7) presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave) and is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

Governmental activities and Business-type activities - Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities reflect the Village's basic services including police, fire, public works and administrative functions. The Business-Type Activities reflect private sector-type operations (Utility Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

VILLAGE OF WESTCHESTER, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
APRIL 30, 2017

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, 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 maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Capital Improvement Fund and Motor Fuel Tax Fund, which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements and individual schedules elsewhere in this report. The basic governmental fund financial statements can be found on pages 8 through 11 of this report.

Proprietary funds - The Village 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'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 16 of the report.

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Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The Village maintains two fiduciary funds for its police and fire pension funds and an agency fund. The accounting used for the pension funds is much like that used for the proprietary funds. Agency funds are custodial in nature and do not involve measurement or results of operations. The Fiduciary fund statements can be found on pages 17 through 18 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 immediately following the Basic Financial Statements section of this report beginning on page 19.

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 accompanying notes, this report also presents certain required supplementary information including the general fund and motor fuel tax fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements beginning on page 66. The combining and individual fund financial statements referred to earlier in connection with major governmental funds are presented immediately following the required supplementary information beginning on page 78. The combining and individual fund financial statements for non-major governmental and fiduciary funds are presented immediately following, beginning on page 79.

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GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the Condensed Statement of Net Position:

Condensed Statement of Net Position as of April 30, 2017 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current and other assets	\$ 9.07	\$ 10.20	\$ 1.52	\$ 1.03	\$ 10.59	\$ 11.23
Capital Assets	<u>30.30</u>	<u>31.34</u>	<u>11.99</u>	<u>12.49</u>	<u>42.29</u>	<u>43.83</u>
Total Assets	<u>39.37</u>	<u>41.54</u>	<u>13.51</u>	<u>13.52</u>	<u>52.88</u>	<u>55.06</u>
Deferred outflows of Resources – Pension Items	<u>6.20</u>	<u>7.25</u>	<u>0.30</u>	<u>0.31</u>	<u>6.50</u>	<u>7.56</u>
Total Assets & Deferred Outflows of Resources	45.57	48.79	13.81	13.83	59.38	62.62
Liabilities						
Current Liabilities	1.08	0.70	1.19	0.51	2.27	1.21
Non-current Liabilities	<u>53.40</u>	<u>54.65</u>	<u>3.54</u>	<u>4.11</u>	<u>56.94</u>	<u>58.76</u>
Total Liabilities	<u>54.48</u>	<u>55.35</u>	<u>4.73</u>	<u>4.62</u>	<u>59.21</u>	<u>59.97</u>
Deferred Inflows of Resources – Pension Items	9.96	9.39	0.02	0.02	9.98	9.41
Total Liabilities & Deferred Inflows of Resources	64.44	64.74	4.75	4.64	69.19	69.38
Net position:						
Net Investment in Cap Assets	19.98	21.05	9.05	9.00	29.03	30.05
Restricted	1.06	0.46	0.00	0.00	1.06	0.46
Unrestricted	<u>(39.91)</u>	<u>(37.46)</u>	<u>0.01</u>	<u>0.19</u>	<u>(39.90)</u>	<u>(37.28)</u>
Total Net Position	<u>\$(18.87)</u>	<u>\$(15.95)</u>	<u>\$ 9.06</u>	<u>\$ 9.19</u>	<u>\$ (9.81)</u>	<u>\$ (6.76)</u>

Normal Impacts

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

1. Net results of activities – which will impact (increase/decrease) current assets and unrestricted net position.
2. Borrowing for capital – which will increase current assets and long-term debt.
3. 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 position invested in capital assets, net of related debt.

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4. Spending of non-borrowed current assets on new capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase invested in capital assets, net of related debt.
5. Principal payment on debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net position invested in capital assets, net of related debt.
6. Reduction of capital assets through depreciation – which will reduce capital assets and net position invested in capital assets, net of related debt.

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position decreased \$3.04 million in fiscal year 2017. A number of factors caused the decrease including the following:

1. A decrease of \$1.7 million in receivables with the largest single portion being a \$0.62 million decrease in allotments receivable from the Metropolitan Water Reclamation District for their share of project costs accrued by the Village in 2016.
2. A \$1.5 million decrease in capital assets due to depreciation exceeding additions.
3. A \$0.57 million increase in deferred inflows of resources with the amount related to police pension increasing \$1.5 million, the amount related to fire pension decreasing by \$0.5 million and the amount related to property taxes decreasing \$0.4 million.
4. A \$1.05 million decrease in deferred outflows of resources related to pensions.
5. A \$0.45 million increase in cash and investments and a \$0.87 million decrease in liabilities partially offset the items decreasing net position.

Total net position at April 30, 2017 was a deficit of \$9.81 million, as compared to \$6.76 million deficit in total net position in the prior year. For more detailed information, see the Statement of Net Position on pages 4 to 5 of the report.

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The following table reflects the Condensed Statement of Activities:

Condensed Statement of Activities
For the Year Ended April 30, 2017 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 2.73	\$ 3.78	\$ 6.76	\$ 656	\$ 9.49	\$ 10.34
Operating grants and contributions	0.49	0.57	-	-	0.49	0.57
Capital grants and contributions	0.00	0.01	-	-	0.00	0.01
General Revenues:						
Property and Replacement taxes	6.22	6.15	-	-	6.22	6.15
Other taxes	3.96	4.14	-	-	3.96	4.14
State Shared Income	2.68	2.74	-	-	2.68	2.74
Miscellaneous	0.09	0.23	-	-	0.09	0.23
Total Revenues	<u>16.17</u>	<u>17.62</u>	<u>6.76</u>	<u>6.56</u>	<u>22.93</u>	<u>24.18</u>
Expenses:						
General government	2.62	2.56	-	-	2.62	2.56
Public safety	12.04	11.66	-	-	12.04	11.66
Public works	4.00	5.09	-	-	4.00	5.09
Interest	0.42	0.45	-	-	0.42	0.45
Utility	-	-	6.88	6.81	6.88	6.81
Total Expenses	<u>19.09</u>	<u>19.76</u>	<u>6.88</u>	<u>6.81</u>	<u>25.97</u>	<u>26.57</u>
Change in net position	<u>(2.92)</u>	<u>(2.14)</u>	<u>(0.12)</u>	<u>(0.25)</u>	<u>(3.04)</u>	<u>(2.39)</u>
Net position, May 1	(15.95)	24.29	9.19	9.78	(6.76)	34.07
Change in Account Principle	-	(38.10)	-	(0.41)	-	(38.51)
Prior period adjustment	-	-	-	0.07	-	0.07
Net position, May 1, restated	<u>(15.95)</u>	<u>(13.81)</u>	<u>9.19</u>	<u>9.44</u>	<u>(6.76)</u>	<u>(4.37)</u>
Net position, April 30	<u>\$ (18.87)</u>	<u>\$ (15.95)</u>	<u>\$ 9.07</u>	<u>\$ 9.19</u>	<u>\$ (9.80)</u>	<u>\$ (6.76)</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.

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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

Governmental activities from operations decreased net position of the Village by \$2.92 million while business-type activities decreased net position by \$0.12 million for a net decrease in the Village's net position of \$3.04 million. Key elements of these changes are as follows:

Revenues

The Village's governmental activities had revenues of \$16.17 million in fiscal year 2017, which represents a decrease of \$1.45 million from the prior year. Property taxes collected in 2017 represent the majority of revenues, at 38.47% of governmental activities and were up slightly from the prior year. All other revenue categories (charges for services, operating grants and contributions, capital grants and contributions, other taxes, state shared income and miscellaneous) decreased from the prior year. Utility taxes vary from year to year and are dependent upon weather

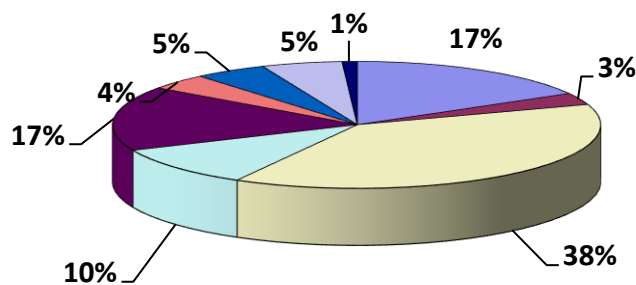
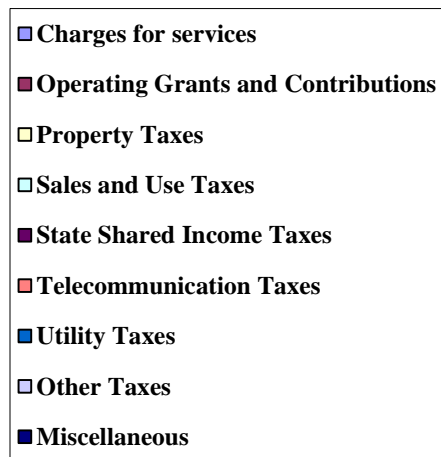
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conditions and can be difficult to project exactly. State shared revenues with the State of Illinois may be viewed as an undependable source of income as they depend on the economy. Telecommunication taxes could be causalional due to the reliance of citizens on their communications appetite and changing provider rates. The most significant decrease from the prior year was in charges for services which is down over \$1 million. This decrease is primarily a result of a final reimbursement in fiscal 2016 from the Metropolitan Water Reclamation District for shared project costs.

Below is a chart depicting revenues to the Village by source for the fiscal year 2017:

Governmental Activities - Revenues by Source (in millions)

Charges for Services	\$ 2.73
Operating Grants and Contributions	0.49
Capital Grants and Contributions	0.00
Property Taxes	6.23
Sales and Use Taxes	1.66
State Shared Income Taxes	2.68
Telecommunications Taxes	0.65
Utility Taxes	0.78
Other Taxes	0.86
Miscellaneous	<u>0.09</u>
TOTAL	<u>\$ 16.17</u>



Expenses

General Government

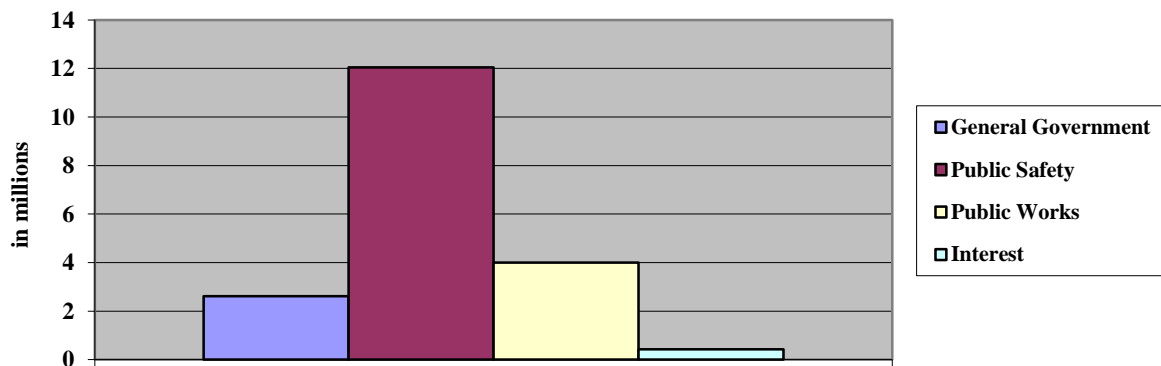
Expenses incurred for governmental activities were approximately \$19.10 million for fiscal year 2017, which represents a decrease of \$0.67 million or 3.4 % from the prior year.

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The following chart depicts expenses of the Village by activity for the fiscal year 2017:

Governmental Activities Expenses (in millions)

General Government	\$ 2.62
Public Safety	12.04
Public Works	4.00
Interest	<u>0.42</u>
TOTAL	<u>\$ 19.09</u>



Business-type Activities

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

The total assets and deferred outflows of resourced of the business-type activity are \$13.81 million and the total liabilities and deferred inflows of resources are \$4.75 million, leaving net position at \$9.07 million. Current year activity decreased net position by \$0.12 million. The operating revenues and expenses of the Utility Fund were \$6.76 million and \$6.88 million, respectively, for fiscal year 2017.

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FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. The purpose of this section is to focus on the significant differences from year to year.

The Village's major funds are the General Fund, the Capital Improvements Fund and the Motor Fuel Tax Fund. The Village's special revenue (non-major) funds include the 911 Fund, Hotel/Motel Tax Fund, and Police Forfeiture Fund. The Village also created a Debt Service fund during FY 2013 in concurrence with the issuance of the \$5,800,000 General Obligation (Alternate Revenue Bonds) Series 2014.

At the end of the current fiscal year, the Village's governmental funds reported a combined (major and non-major) total ending fund balance of \$5.03 million, a decrease of \$1.11 million from fiscal year 2016. Of that \$5.03 million, \$3.10 million is unrestricted and unassigned.

Revenues

General Fund: The General Fund had revenues of \$14.57 million, a decrease of \$1.45 million over prior year revenues of \$16.02 million. This represents a 9.07% decrease from the prior year.

Revenues	Fiscal 2017	Fiscal 2016	Variance	Percentage
Taxes	\$ 8,389,260	\$ 8,398,609	\$ (9,349)	(0.11%)
Intergovernmental	3,431,467	4,530,790	(1,099,323)	(24.26%)
Licenses and Permits	1,188,147	1,360,371	(172,224)	(12.66%)
Charges for Services	545,774	687,823	(142,049)	(20.65%)
Fines and Forfeits	774,735	655,215	119,520	18.24%
Miscellaneous	241,899	391,473	(149,574)	(38.21%)
Totals	\$ 14,571,282	\$ 16,024,281	\$ (1,452,999)	(9.07%)

Taxes approximated the prior year. Intergovernmental revenue decreased by 24.26% due primarily to a 11.30% decrease in state income tax and a \$0.83 million final reimbursement from the Metropolitan Water Reclamation District in fiscal 2016 for project costs. After a 10.33% increase in fiscal 2016, licenses and permits decreased 12.66%. The fluctuations are primarily a result of additional building permits and compliance permits issued during fiscal 2016 for home and business improvement and remodeling projects within the Village. Charges for services decreased by 20.65% primarily due to a drop in ambulance fees and advertising revenues. Fines and forfeits are up 18.24% due to increased police fines and photo enforcement fines.

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Motor Fuel Tax Fund: The Motor Fuel Tax Fund had revenues of \$472,010, a slight decrease from the prior year. The ongoing operating source of revenue for this fund is an allotment from the State.

Capital Improvement Fund: The Capital Improvement Fund was established during the 2012-13 Fiscal Year to account for road projects within the Village funded by the newly adopted 1% Non Home Rule Sales Tax, which was approved by referendum in November, 2012 and took effect within the Village on January 1, 2013. During fiscal 2017, the Village recognized non-home rule sales tax revenue totaling \$694,700 which was a slight decrease from the prior year.

Expenditures

General Fund: During fiscal year 2017, expenditures were \$15,528,958, a decrease of \$1,061,321 from \$16,590,279 in the previous year. This represents a 6.40% decrease for the year.

Expenditures	Fiscal 2017	Fiscal 2016	Variance	Percentage
General Government	\$ 1,776,305	\$ 1,970,697	\$ (194,392)	(9.86%)
Comm Development Dept	555,385	495,794	59,591	12.02%
Fire & Police Commission	20,207	16,444	3,763	22.88%
Police Department	5,688,593	5,426,719	261,874	4.83%
Civil Defense	2,944	4,109	(1,165)	(28.35%)
Fire Department	4,553,364	4,731,571	(178,207)	(3.77%)
Public Works	2,088,606	3,552,800	(1,464,194)	(41.21%)
Capital Outlay	579,590	149,122	430,468	308.79%
Debt Service	263,964	243,023	20,941	8.62%
Totals	\$ 15,528,958	\$ 16,590,279	\$ (1,061,321)	(6.40%)

Public Works expenditures have decreased by \$1,464,194 or 41.21% during 2017. The decrease in the 2017 expenditures is due to the costs associated with the 2015 street improvement program which was completed during fiscal 2016.

Capital Outlay expenditures increased due to the purchase of a public works dump truck.

Motor Fuel Tax Fund: During the fiscal year expenditures were \$396,196, which was a decrease over the previous year's expenditures of \$431,513. The primary decrease was a result of the Village spending \$31,000 less on salt in 2017 as compared to the prior year.

Proprietary Funds

The Proprietary Fund is the Utility Fund. The Utility Fund had a decrease in net position during the 2017 fiscal year of \$122,474. The net position of the Utility Fund at the end of fiscal 2017 equaled \$9.07 million, of which \$0.16 million, or 2.0%, is unrestricted.

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Revenues

The Utility Fund recognized \$6,759,246 in revenues, an increase of \$198,006, or 3.02% from \$6,561,240 in fiscal 2016. In the Utility Fund this increase was attributable to a full year of the monthly infrastructure fee charge. These increased revenues were partially offset by a decrease in water and sewer sales.

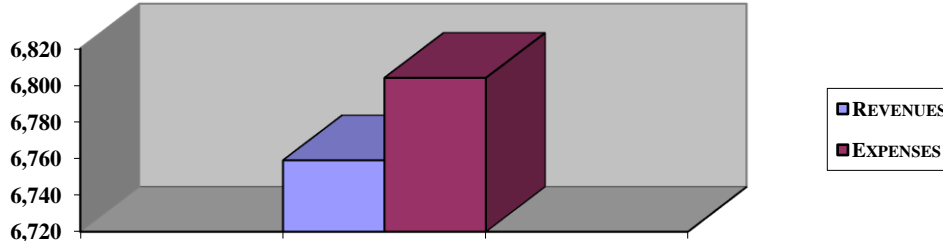
Expenses

Utility Fund operating expenses for the year increased from \$6,736,763 in fiscal 2016 to \$6,804,282, an increase of \$67,519 or 1.0%.

At \$2,865,332, contractual services represent a substantial portion of expenses in the Utility Fund. These costs increased \$200,547 from the prior year. The largest portion of contractual services represents fees paid to Waste Management for refuse collection. During the current year, the Village spent \$2.14 million, or 31.5% of utility fund expenses on refuse collection.

Commodities decreased from \$2,710,843 in Fiscal 2016 to \$2,445,309 in Fiscal 2017, a decrease of \$265,534 or 9.80%. This decrease was due primarily to a decrease in water costs.

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



General Fund Budgetary Highlights

Over the course of Fiscal 2017, the Village's General Fund fell short of the budget by \$761,931. This is primarily attributed to property taxes, intergovernmental revenue and miscellaneous revenue being below budget.

The total General Fund expenditures of \$15,528,958 were over the budget amount by \$45,799. The General Fund budget anticipated a net change in fund balance of \$(149,946); the actual change in fund balance after unbudgeted loan proceeds was (\$702,676) resulting in a total net budget variance of (\$552,730).

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General Fund Budget and Actual (in millions)

2017

	Original Budget	Amended Budget	Actual	Difference Over/(Under)
Total Revenues	\$ 15.33	\$ 15.33	\$ 14.57	\$ (0.76)
Total Expenditures	<u>15.48</u>	<u>15.48</u>	<u>15.53</u>	<u>0.05</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(0.15)	(0.15)	(0.96)	(0.81)
Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>0.26</u>	<u>0.26</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$ (0.15)</u>	<u>\$ (0.15)</u>	(0.70)	<u>\$ (0.55)</u>
Fund Balance, Beginning of Year			<u>4.15</u>	
Fund Balance, End of Year			<u>\$ 3.44</u>	

Capital Asset and Debt Administration

Capital Assets

As of the end of Fiscal 2017, the Village has capital assets, net of depreciation, of \$42.30 million, compared to capital assets, net of depreciation, of \$43.83 million held at the end of Fiscal 2016. For governmental activities, capital assets were increased by capital additions of \$0.80 million, and decreased by depreciation of \$1.83 million in the current year. For business-type activities, the capital assets were increased by capital additions of \$0.02 million and decreased by depreciation expense of \$0.51 million.

Capital assets are invested in a broad range of resources including, but not limited to, police and fire equipment, buildings, village facilities, computer equipment, water facilities, roads, streets, and sewer lines. Governmental capital assets, net, account for \$30.30 million or 71.6% of total capital assets. The business-type capital assets, net, represent \$12.00 million or 28.4% of total capital assets.

Capital Assets (in millions)
April 30, 2017

	Governmental Activities	Business-Type Activities	Total
Land	\$ 5.37	\$ 0.11	\$ 5.48
Construction in Process	0.09	0.07	0.16
Buildings, Net	2.35	0.86	3.21
Building Improvements, Net	0.15	0.00	0.15
Equipment, Net	2.83	1.54	4.37
Software, Net	0.03	0.03	0.06
Infrastructure, Net	<u>19.48</u>	<u>9.38</u>	<u>28.86</u>
Total Capital Assets	<u>\$ 30.30</u>	<u>\$ 11.99</u>	<u>\$ 42.29</u>

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Please refer to Note 4 on Capital Assets for more information.

Debt Administration

The Village's debt is comprised of the categories referenced below. Total net pension liabilities comprise about 76% of long term debt. General obligation bonds account for approximately 11% of long term debt. The most notable is the \$5,800,000 General Obligation (Alternate Revenue Source) Bonds, Series 2013. The Village has dedicated the 1% non-home rule sales tax as an alternate revenue source to these bonds. Other components of the Village's debt include several installment contracts (split between governmental activities and business type activities) and participation in an IEPA loan. Total debt decreased \$1.8 million from last year due to scheduled principal payments as well as a decrease in the net pension liabilities.

Long Term Debt (in millions)
April 30, 2017

	Governmental Activities	Business-Type Activities	Total
Taxable G.O. Bonds, 2010	\$ 2.68	\$ 0.70	\$ 3.38
Taxable G.O. Bonds, 2013	5.14	0.00	5.14
Taxable G.O. Bonds, 2015	2.11	0.00	2.11
Installment Contracts	0.69	1.04	1.73
Compensated Absences	0.14	0.02	0.16
IEPA Loan	0.00	1.20	1.20
NPL – IMRF	1.17	0.58	1.75
NPL – Police Pension	25.13	0.00	25.13
NPL – Fire Pension	16.16	0.00	16.16
Unamortized Bond Premium	<u>0.17</u>	<u>0.00</u>	<u>0.17</u>
Total Long Term Debt	<u>\$ 53.39</u>	<u>\$ 3.54</u>	<u>\$ 56.93</u>

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

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the 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, 10300 W Roosevelt Road, Westchester, Illinois 60154.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2017

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 787,261	\$ 1,105,668	\$ 1,892,929
Investments	3,048,110	-	3,048,110
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	3,032,386	-	3,032,386
Intergovernmental	1,092,790	-	1,092,790
Accounts	84,712	744,175	828,887
Other	274,545	-	274,545
Prepaid Expenses	284,933	62,883	347,816
Net Other Postemployment Benefit Asset	66,660	-	66,660
Internal Balances	394,725	(394,725)	-
Capital Assets			
Nondepreciable	5,458,360	179,864	5,638,224
Depreciable, Net of Accumulated Depreciation	24,847,698	11,815,922	36,663,620
Total Assets	39,372,180	13,513,787	52,885,967
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	556,436	303,900	860,336
Pension Items - Police Pension	4,297,220	-	4,297,220
Pension Items - Firefighters' Pension	1,343,443	-	1,343,443
Total Deferred Outflows of Resources	6,197,099	303,900	6,500,999
Total Assets and Deferred Outflows of Resources	45,569,279	13,817,687	59,386,966
LIABILITIES			
Accounts Payable	545,843	973,486	1,519,329
Deposits Payable	-	3,439	3,439
Other Liabilities	245,627	-	245,627
Accrued Interest Payable	142,859	19,199	162,058
Unearned Revenue	149,845	189,333	339,178
Noncurrent Liabilities			
Due Within One Year	805,610	551,462	1,357,072
Due in More than One Year	52,585,933	2,990,013	55,575,946
Total Liabilities	54,475,717	4,726,932	59,202,649
DEFERRED INFLOWS OF RESOURCES			
Pension Items - IMRF	44,252	24,168	68,420
Pension Items - Police Pension	4,133,001	-	4,133,001
Pension Items - Firefighters' Pension	2,751,569	-	2,751,569
Deferred Revenue - Property Taxes	3,032,386	-	3,032,386
Total Deferred Inflows of Resources	9,961,208	24,168	9,985,376
Total Liabilities and Deferred Inflows of Resources	64,436,925	4,751,100	69,188,025

(This statement is continued on the following page.)

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
NET POSITION			
Net Investment in Capital Assets	\$ 19,982,437	\$ 9,050,621	\$ 29,033,058
Restricted for			
Public Safety	68,454	-	68,454
Tourism	169,221	-	169,221
Streets and Transportation	245,311	-	245,311
Capital outlay	579,554	-	579,554
Unrestricted	(39,912,623)	15,966	(39,896,657)
TOTAL NET POSITION	<u>\$ (18,867,646)</u>	<u>\$ 9,066,587</u>	<u>\$ (9,801,059)</u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2017

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,623,177	\$ 1,050,851	\$ -	\$ -
Public Safety	12,037,568	1,273,401	20,503	-
Public Works	4,003,232	404,857	423,743	-
Interest	424,369	-	48,267	-
Total Governmental Activities	19,088,346	2,729,109	492,513	-
Business-Type Activities				
Utility	6,883,734	6,759,246	-	-
Total Business-Type Activities	6,883,734	6,759,246	-	-
TOTAL PRIMARY GOVERNMENT	\$ 25,972,080	\$ 9,488,355	\$ 492,513	\$ -

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (1,572,326)	\$ -	\$ (1,572,326)
	(10,743,664)	-	(10,743,664)
	(3,174,632)	-	(3,174,632)
	(376,102)	-	(376,102)
	(15,866,724)	-	(15,866,724)
	-	(124,488)	(124,488)
	-	(124,488)	(124,488)
	(15,866,724)	(124,488)	(15,991,212)
General Revenues			
Taxes			
Property Taxes	6,225,036	-	6,225,036
Sales Tax	1,250,377	-	1,250,377
Use Tax	411,476	-	411,476
Utility	782,104	-	782,104
Telecommunications	646,610	-	646,610
Places for Eating Tax	266,550	-	266,550
Hotel/Motel Tax	131,169	-	131,169
Other	468,960	-	468,960
State Shared Income	2,681,404	-	2,681,404
Investment Income	8,916	2,014	10,930
Loss on Sale of Capital Asset	(2,586)	-	(2,586)
Miscellaneous	75,874	-	75,874
Total	12,945,890	2,014	12,947,904
CHANGE IN NET POSITION	(2,920,834)	(122,474)	(3,043,308)
NET POSITION, MAY 1	(15,946,812)	9,189,061	(6,757,751)
NET POSITION, APRIL 30	\$ (18,867,646)	\$ 9,066,587	\$ (9,801,059)

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2017

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 342,309	\$ 172,171	\$ -	\$ 272,781	\$ 787,261
Investments	455,260	425,186	2,167,664	-	3,048,110
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	3,032,386	-	-	-	3,032,386
Intergovernmental	849,598	36,604	160,784	45,804	1,092,790
Accounts	70,866	-	-	13,846	84,712
Other	274,545	-	-	-	274,545
Due from Other Funds	1,979,150	-	2,990	91	1,982,231
Prepaid Items	284,933	-	-	-	284,933
TOTAL ASSETS	\$ 7,289,047	\$ 633,961	\$ 2,331,438	\$ 332,522	\$ 10,586,968
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 416,930	\$ 44,404	\$ 72,049	\$ 12,460	\$ 545,843
Other Liabilities	245,627	-	-	-	245,627
Unearned revenue	149,845	-	-	-	149,845
Due to Other Funds	-	344,246	1,100,822	142,438	1,587,506
Total Liabilities	812,402	388,650	1,172,871	154,898	2,528,821
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue - Property Taxes	3,032,386	-	-	-	3,032,386
Total Liabilities and Deferred Inflows of Resources	3,844,788	388,650	1,172,871	154,898	5,561,207
FUND BALANCES					
Nonspendable - Prepaid Items	284,933	-	-	-	284,933
Restricted for Public Safety	24,297	-	-	44,157	68,454
Restricted for Tourism	-	-	-	169,221	169,221
Restricted for Streets and Transportation	-	245,311	-	-	245,311
Restricted for Capital Projects	-	-	1,158,567	-	1,158,567
Unrestricted					
Assigned for Debt Service	-	-	-	91	91
Assigned for Capital Projects	-	-	-	-	-
Unassigned	3,135,029	-	-	(35,845)	3,099,184
Total Fund Balances	3,444,259	245,311	1,158,567	177,624	5,025,761
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 7,289,047	\$ 633,961	\$ 2,331,438	\$ 332,522	\$ 10,586,968

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

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

April 30, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 5,025,761
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	30,306,058
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Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position

Illinois Municipal Retirement Fund	
Deferred outflows of resources	556,436
Deferred inflows of resources	(44,252)
Police Pension Fund	
Deferred outflows of resources	4,737,776
Deferred inflows of resources	(4,573,557)
Firefighters' Pension Fund	
Deferred outflows of resources	1,730,659
Deferred inflows of resources	(3,138,785)

The net other postemployment benefit asset is shown as an asset on the statement of net position	66,660
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Premiums or discounts on long-term liabilities and gains and losses on debt refundings are amortized at the government-wide level	(169,213)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds

General obligation bonds payable	(9,920,000)
Installment contracts	(694,946)
Compensated absences	(142,255)
Net pension liability - Illinois Municipal Retirement Fund	(1,170,287)
Net pension liability - Police Pension Plan	(25,134,179)
Net pension liability - Firefighters' Pension Plan	(16,160,663)
Interest payable	(142,859)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (18,867,646)
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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, 2017

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Governmental Funds
REVENUES					
Property Taxes	\$ 6,225,036	\$ -	\$ -	\$ -	\$ 6,225,036
Other Local Taxes	2,164,224	-	694,700	131,169	2,990,093
Licenses and Permits	1,188,147	-	-	-	1,188,147
Intergovernmental	3,431,467	472,010	-	293,623	4,197,100
Charges for Services	545,774	-	-	-	545,774
Investment Income	6,582	-	1,976	358	8,916
Fines and Forfeits	774,735	-	-	-	774,735
Grant Reimbursements	-	-	-	4,530	4,530
Miscellaneous	70,897	-	-	450	71,347
Rental Income	164,420	-	-	-	164,420
Total Revenues	14,571,282	472,010	696,676	430,130	16,170,098
EXPENDITURES					
Current					
General Government	1,776,305	-	-	-	1,776,305
Community Development Department	554,019	-	-	-	554,019
Planning and Zoning	1,366	-	-	-	1,366
Fire and Police Commission	20,207	-	-	-	20,207
Tourism	-	-	-	157,685	157,685
Police 911	-	-	-	268,471	268,471
Police Department	5,688,593	-	-	52,444	5,741,037
Civil Defense	2,944	-	-	-	2,944
Fire Department	4,553,364	-	-	-	4,553,364
Public Works	2,088,606	97,548	-	-	2,186,154
Capital Outlay	579,590	-	523,003	-	1,102,593
Debt Service					
Principal	247,844	150,000	-	395,367	793,211
Interest and Fiscal Charges	16,120	148,648	-	210,802	375,570
Total Expenditures	15,528,958	396,196	523,003	1,084,769	17,532,926
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(957,676)	75,814	173,673	(654,639)	(1,362,828)
OTHER FINANCING SOURCES (USES)					
Loan Issuance	255,000	-	-	-	255,000
Transfers In	-	-	-	563,725	563,725
Transfers (Out)	-	-	(563,725)	-	(563,725)
Total Other Financing Sources (Uses)	255,000	-	(563,725)	563,725	255,000
NET CHANGE IN FUND BALANCES	(702,676)	75,814	(390,052)	(90,914)	(1,107,828)
FUND BALANCES, MAY 1	4,146,935	169,497	1,548,619	268,538	6,133,589
FUND BALANCES, APRIL 30	\$ 3,444,259	\$ 245,311	\$ 1,158,567	\$ 177,624	\$ 5,025,761

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, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,107,828)
---	-----------------------

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

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	802,060
--	---------

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	
Loss on disposal/sale of capital assets	(2,586)
Depreciation	(1,828,884)

The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures but are recorded as long-term liabilities and deferred outflows and inflows of resources on the government-wide statements	
Issuance of installment contracts	(255,000)

The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Principal on bonds	505,000
Principal on installment contracts	288,210

Governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	2,372
--	-------

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	
Change in compensated absences	(42,674)
Change in net other postemployment benefit asset	19,691
Change in accrued interest payable	(51,171)

The change in the net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	
Illinois Municipal Retirement Fund	(24,116)
Police Pension Fund	(965,661)
Firefighters' Pension Fund	(260,247)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (2,920,834)
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See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

April 30, 2017

	Enterprise Fund
	<hr/>
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 1,105,668
Receivables (Net of Allowances for Uncollectibles)	
Accounts	744,175
Prepaid Items	<hr/> 62,883
Total Current Assets	<hr/> 1,912,726
NONCURRENT ASSETS	
Capital Assets	
Nondepreciable	179,864
Depreciable, Net of Accumulated Depreciation	<hr/> 11,815,922
Net Capital Assets	<hr/> 11,995,786
Total Noncurrent Assets	<hr/> 11,995,786
Total Assets	<hr/> 13,908,512
DEFERRED OUTFLOWS OF RESOURCES	
Pension Items - IMRF	<hr/> 303,900
Total Deferred Outflows of Resources	<hr/> 303,900
Total Assets and Deferred Outflows of Resources	<hr/> 14,212,412

(This statement is continued on the following page.)

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS

April 30, 2017

	Enterprise Fund
<hr/>	
CURRENT LIABILITIES	
Accounts Payable	\$ 973,486
Accrued Interest Payable	19,199
Unearned Revenue	189,333
Deposits	3,439
Due to Other Funds	394,725
Compensated Absences	1,845
Installment Contracts Payable	315,140
Illinois EPA Revolving Loan Payable	64,477
General Obligation Bonds Payable	170,000
	<hr/>
Total Current Liabilities	2,131,644
	<hr/>
LONG-TERM LIABILITIES	
Net Pension Liability - IMRF	577,852
Installment Contracts Payable	729,680
Illinois EPA Revolving Loan Payable	1,135,868
Compensated Absences	16,613
General Obligation Bonds Payable	530,000
	<hr/>
Total Long-Term Liabilities	2,990,013
	<hr/>
Total Liabilities	5,121,657
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Pension Items - IMRF	24,168
	<hr/>
Total Liabilities and Deferred Inflows of Resources	5,145,825
	<hr/>
NET POSITION	
Net Investment in Capital Assets	9,050,621
Unrestricted	15,966
	<hr/>
TOTAL NET POSITION	<u><u>\$ 9,066,587</u></u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2017

	Enterprise Fund
OPERATING REVENUES	
Charges for Services	\$ 6,734,131
Grant Reimbursements and Other Income	25,115
Total Operating Revenues	<u>6,759,246</u>
OPERATING EXPENSES	
Personal Services	981,785
Commodities	2,445,309
Contractual Services	2,865,332
Depreciation	511,856
Total Operating Expenses	<u>6,804,282</u>
OPERATING INCOME (LOSS)	<u>(45,036)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment Income	2,014
Interest Expense	(79,452)
Total Non-Operating Revenues (Expenses)	<u>(77,438)</u>
CHANGE IN NET POSITION	(122,474)
NET POSITION, MAY 1	<u>9,189,061</u>
NET POSITION, APRIL 30	<u><u>\$ 9,066,587</u></u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2017

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 6,810,822
Receipts from Miscellaneous Revenues	25,115
Payments to Suppliers	(4,694,056)
Payments to Employees	(996,572)
Net Cash from Operating Activities	<u>1,145,309</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Assets Purchased	(16,175)
Proceeds on Long-Term Debt	-
Principal Payments on Long-Term Debt	(543,206)
Interest Payments on Long-Term Debt	(83,462)
Net Cash from Capital and Related Financing Activities	<u>(642,843)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Receipt from interfund loan	<u>531,862</u>
Net Cash from Noncapital and Related Financing Activities	<u>531,862</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	<u>2,014</u>
Net Cash from Investing Activities	<u>2,014</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,036,342
CASH AND CASH EQUIVALENTS, MAY 1	<u>69,326</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 1,105,668</u></u>

(This statement is continued on the following page.)

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended April 30, 2017

	Enterprise Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (45,036)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities	
Depreciation	511,856
Changes in Assets and Liabilities	
(Increase) Decrease in Assets	
Accounts Receivable	6,535
Prepaid Items	12,893
Increase (Decrease) in Liabilities	
Accounts Payable and Other Liabilities	603,692
Unearned Revenue	70,156
Compensated Absences	1,324
Pension Related Items	(16,111)
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 1,145,309</u></u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2017

	Pension Trust Funds	Agency Fund
ASSETS		
Cash and Cash Equivalents	\$ 2,285,630	\$ 615,771
Investments		
U.S. Government and Agency Obligations	7,673,568	-
State and Local Obligations	436,904	-
Corporate Bonds	7,105,658	-
Mutual Funds	30,808,895	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accrued Interest	106,371	-
Prepaid Items	4,761	-
Total Assets	<u>48,421,787</u>	<u>\$ 615,771</u>
LIABILITIES		
Accounts Payable	37,128	\$ -
Due to Others	-	615,771
Total Liabilities	<u>37,128</u>	<u>\$ 615,771</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 48,384,659</u>	

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2017

ADDITIONS

Contributions

Employer Contributions	\$ 1,894,725
Employee Contributions	<u>492,030</u>

Total Contributions	<u>2,386,755</u>
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Investment Income

Net Appreciation in Fair Value of Investments	3,177,466
Interest	<u>1,111,647</u>

Total Investment Income	4,289,113
Less Investment Expense	<u>(112,438)</u>

Net Investment Income	<u>4,176,675</u>
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Total Additions	<u>6,563,430</u>
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DEDUCTIONS

Benefits and Refunds	3,649,196
Administrative Expenses	<u>91,864</u>

Total Deductions	<u>3,741,060</u>
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NET INCREASE	2,822,370
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**NET POSITION HELD IN TRUST
FOR PENSION BENEFITS**

May 1	<u>45,562,289</u>
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April 30	<u><u>\$ 48,384,659</u></u>
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See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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. The most 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. GAAP requires that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. 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 Fund 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, 2017, 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 Fund 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, 2017, are reported in the Village's fund financial statements as a pension trust fund.

There are no component units that are required to be included in the Village's basic financial statements.

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). The Village does not report any internal service funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds to account for the single-employer defined benefit police and firefighters' pension plans. The Village utilizes an agency fund to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity, 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 funds:

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

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

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

The Village reports the following major proprietary fund:

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports deferred/unavailable revenue and unearned revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. 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 deferred inflow for deferred/unavailable revenue or the liability for 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 include cash on hand, savings accounts and checking accounts.

f. Investments

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

g. Inventory

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

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses on the consumption method.

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

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 acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of asset or materially extend asset lives are not capitalized.

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

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

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.

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

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 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization and any changes from the prior year are reflected in the second installment bill. The levy becomes an enforceable lien against the property as of January 1 of the levy year.

For governmental funds, property taxes collected, which are used to finance the current year's operations, are recognized as revenue. Property taxes uncollected, which are to be used to finance the subsequent year's operations, are reported as net taxes receivable and deferred revenue. The 2017 tax levy, which attached as an enforceable lien on property as of January 1, 2017, has not been recorded as a receivable as of April 30, 2017 as the tax has not yet been levied by the Village and will not be levied until December 2017 and, therefore, the levy is not measurable at April 30, 2017.

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.

n. Deferred Inflows/Outflows

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred Inflows/Outflows (Continued)

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

o. Long-Term Debt

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

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

p. Fund Balances/Net Position

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Fund Balances/Net Position (Continued)

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 funds 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. This is reported as unassigned fund balance.

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

q. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows 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

The Village and pension funds categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

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.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Deposits with Financial Institutions (Continued)

At April 30, 2017, all of the Village's deposits with financial institutions were fully insured and collateralized with the exception of approximately \$35,494, which was exposed to custodial credit risk.

Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (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) and IMET, 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.

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
IMET	\$ 1,486,588	\$ -	\$ 1,486,588	\$ -	\$ -
TOTAL	\$ 1,486,588	\$ -	\$ 1,486,588	\$ -	\$ -

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

Credit risk - the Village's general investment policy is to apply the prudent person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The Village's investment policy limits investments in short-term obligations of corporations organized in the United States 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 270 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 Village's funds may be invested in short-term obligations of corporations. The Village's investments consist primarily of corporate bonds.

Credit ratings for the Village's investments in debt securities as described by Standard & Poor's and Moody's at April 30, 2017 are as follows:

Investment Type	Credit Rating	Percent of Investment Type	Percent of Total Investments
IMET	AAA	100%	37%

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

Concentration of credit risk - the Village places no limit on the amount the Village may invest in any one issuer. More than 5% of the Village's investments are in Illinois Funds and IMET. These investments are 63% and 37%, respectively, of the Village's total investments.

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

3. INTERFUND TRANSACTIONS

a. Due From/To Other Funds

Due from/to other funds as of April 30, 2017 are summarized below:

	Due From	Due To
Major Governmental Funds		
General	\$ 1,979,150	\$ -
Motor Fuel Tax	-	344,246
Capital Improvements	2,990	1,100,822
Nonmajor Governmental Funds		
911	-	142,438
Debt Service Fund	91	-
Proprietary Fund		
Enterprise Fund	-	394,725
TOTAL	\$ 1,982,231	\$ 1,982,231

Amounts due and payable between governmental funds and between governmental funds and the proprietary fund represent short-term interfund loans.

b. Transfers In/Out

Individual fund transfers were as follows:

Fund	Transfers In	Transfers Out
Capital Improvements	\$ -	\$ 563,725
Debt Service	563,725	-
TOTAL	\$ 563,725	\$ 563,725

The purposes of significant transfers are as follows:

- \$563,725 was transferred from the Capital Improvements Fund to the Debt Service Fund to provide funds for a portion of various debt service payments.

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

4. CAPITAL ASSETS

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

	Beginning Balances, Reclassified	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 5,373,407	\$ -	\$ -	\$ 5,373,407
Construction in Progress	31,426	56,505	2,978	84,953
Total Capital Assets not Being Depreciated	5,404,833	56,505	2,978	5,458,360
Capital Assets Being Depreciated				
Land Improvements	326,765	-	-	326,765
Buildings	4,056,941	-	-	4,056,941
Building Improvements	253,166	139,500	-	392,666
Machinery and Equipment	7,377,534	84,208	9,500	7,452,242
Software	84,185	-	-	84,185
Infrastructure	46,280,925	524,821	-	46,805,746
Total Capital Assets Being Depreciated	58,379,516	748,529	9,500	59,118,545
Less Accumulated Depreciation for				
Land Improvements	323,644	1,440	-	325,084
Buildings	1,653,081	50,471	-	1,703,552
Building Improvements	215,926	23,208	-	239,134
Machinery and Equipment	4,223,021	401,053	6,914	4,617,160
Software	49,694	9,854	-	59,548
Infrastructure	25,983,515	1,342,855	-	27,326,370
Total Accumulated Depreciation	32,448,881	1,828,881	6,914	34,270,848
Total Capital Assets Being Depreciated, Net	25,930,635	(1,080,352)	2,586	24,847,697
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 31,335,468	\$ (1,023,847)	\$ 5,564	\$ 30,306,057
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 112,825	\$ -	\$ -	\$ 112,825
Construction in Progress	72,798	-	5,759	67,039
Total Capital Assets not Being Depreciated	185,623	-	5,759	179,864
Capital Assets Being Depreciated				
Land Improvements	38,892	-	-	38,892
Buildings	1,257,174	-	-	1,257,174
Machinery and Equipment	2,372,142	-	26,200	2,345,942
Software	49,275	-	-	49,275
Infrastructure	19,143,181	21,938	-	19,165,119
Total Capital Assets Being Depreciated	22,860,664	21,938	26,200	22,856,402
Less Accumulated Depreciation for				
Land Improvements	38,892	-	-	38,892
Buildings	343,792	50,165	-	393,957
Machinery and Equipment	631,106	201,227	26,200	806,133
Software	12,319	4,928	-	17,247
Infrastructure	9,528,716	255,535	-	9,784,251
Total Accumulated Depreciation	10,554,825	511,855	26,200	11,040,480
Total Capital Assets Being Depreciated, Net	12,305,839	(489,917)	-	11,815,922
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 12,491,462	\$ (489,917)	\$ 5,759	\$ 11,995,786

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 81,726
Public Safety	234,353
Public Works	<u>1,517,500</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1,833,579</u>

5. RECEIVABLES - GOVERNMENTAL ACTIVITIES/GOVERNMENTAL FUNDS

The following is a summary of accounts receivable, other receivables and intergovernmental receivables by fund at April 30, 2017. Any uncollectible amount is not believed to be material.

	General	Nonmajor Governmental	Total Governmental Activities
ACCOUNTS RECEIVABLE			
Photo Enforcement	\$ 46,560	\$ -	\$ 46,560
Ambulance	22,946	-	22,946
Hotel and Motel Taxes	-	11,723	11,723
Other Accounts	1,360	2,123	3,483
TOTAL ACCOUNTS RECEIVABLE	<u>\$ 70,866</u>	<u>\$ 13,846</u>	<u>\$ 84,712</u>
OTHER RECEIVABLES			
Cable Fees	\$ 55,753	\$ -	\$ 55,753
Places for Eating Tax	19,305	-	19,305
Utility Tax			
ComEd	35,577	-	35,577
Nicor	18,120	-	18,120
Other	145,790	-	145,790
TOTAL OTHER RECEIVABLES	<u>\$ 274,545</u>	<u>\$ -</u>	<u>\$ 274,545</u>

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

5. RECEIVABLES GOVERNMENTAL ACTIVITIES/GOVERNMENTAL FUNDS
(Continued)

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Statement of Net Position
INTERGOVERNMENTAL RECEIVABLES					
Taxes					
Income	\$ 254,840	\$ -	\$ -	\$ -	\$ 254,840
Sales	293,238	-	160,784	-	454,022
Local Use	98,398	-	-	-	98,398
Gaming	11,515	-	-	-	11,515
Telecommunications	157,304	-	-	-	157,304
911 Telecommunication	-	-	-	45,804	45,804
Circuit Court	5,225	-	-	-	5,225
IMET	29,078	-	-	-	29,078
Motor Fuel Tax Allotments	-	36,604	-	-	36,604
TOTAL INTERGOVERNMENTAL RECEIVABLES	\$ 849,598	\$ 36,604	\$ 160,784	\$ 45,804	\$ 1,092,790

6. LONG-TERM DEBT

The following is a summary of changes to the Village's long-term debt for the year ended April 30, 2017:

Governmental Activities

	Balances May 1, 2016	Additions	Retirements	Balances April 30, 2017	Due Within One Year
Taxable General Obligation Alternate Revenue Source Bonds Series of 2010A	\$ 2,830,000	\$ -	\$ 150,000	\$ 2,680,000	\$ 155,000
General Obligation Alternate Revenue Source Bonds Series of 2013	5,395,000	-	260,000	5,135,000	265,000
General Obligation Alternate Revenue Source Bonds Series of 2015	2,200,000	-	95,000	2,105,000	95,000
Installment Contracts Payable	728,157	255,000	288,211	694,946	276,385
Compensated Absences Payable	99,581	43,745	1,071	142,255	14,225
Net Pension Liability - IMRF	1,213,596	-	43,309	1,170,287	-
Net Pension Liability - Police Pension Plan	26,190,029	-	1,055,850	25,134,179	-
Net Pension Liability - Firefighters' Pension Plan	15,825,675	334,988	-	16,160,663	-
Unamortized Bond Premiums	171,585	-	2,372	169,213	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 54,653,623	\$ 633,733	\$ 1,895,813	\$ 53,391,543	\$ 805,610

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

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Compensated absences and the net pension liability have historically been liquidated by the General Fund of the Village.

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

Business-Type Activities

	Balances May 1, 2016	Additions	Retirements	Balances April 30, 2017	Due Within One Year
Taxable General Obligation Alternate Revenue Source Bonds Series of 2010B	\$ 865,000	\$ -	\$ 165,000	\$ 700,000	\$ 170,000
Installment Contracts Payable	1,359,518	-	314,698	1,044,820	315,140
IEPA Loan 1	734,108	-	40,325	693,783	40,830
IEPA Loan 2	529,744	-	23,182	506,562	23,647
Net Pension Liability - IMRF	601,506	-	23,654	577,852	-
Compensated Absences Payable	17,134	1,324	-	18,458	1,845
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 4,107,010	\$ 1,324	\$ 566,859	\$ 3,541,475	\$ 551,462

Taxable General Obligation Bonds (Alternate Revenue Source)

Long-term obligations outstanding at April 30, 2017 and the remaining principal and interest payments to maturity are as follows:

	Payable From	Total	Due Within One Year
\$3,500,000 Series 2010A, dated May 18, 2010, interest payable June 1 and December 1 of each year at rates of 1.10% 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 Tax	\$ 2,680,000	\$ 155,000

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

6. LONG-TERM DEBT (Continued)

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

	Payable From	Total	Due Within One Year
\$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	\$ 700,000	\$ 170,000
\$5,800,000 Series 2013, dated March 12, 2013, interest payable June 15 and December 15 of each year at rates of 2.00% to 3.15%.	Capital Improvements and Debt Service	5,135,000	265,000
\$2,200,000 Series 2015, dated May 14, 2015, interest payable June 15 and December 15 of each year at rates of 2.250% to 3.125%.	Capital Improvements and Debt Service	2,105,000	95,000
TOTAL		\$ 10,620,000	\$ 685,000

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

Fiscal Year Ending April 30,	Principal	Interest
2018	\$ 685,000	\$ 372,305
2019	700,000	352,491
2020	710,000	330,942
2021	730,000	308,006
2022	565,000	283,787
2023	580,000	263,556
2024	595,000	242,761
2025	610,000	221,405
2026	635,000	198,663
2027	650,000	174,931
2028	675,000	150,586
2029	690,000	124,916
2030	715,000	98,536
2031	740,000	70,646
2032	520,000	41,726
2033	535,000	25,549
2034	140,000	8,906
2035	145,000	4,532
TOTAL	\$ 10,620,000	\$ 3,274,244

6. LONG-TERM DEBT (Continued)

Taxable General Obligation Sales Tax Alternate Revenue Source Bonds

The Village has issued General Obligation Sales Tax Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2015 General Obligation Sales Tax Alternate Revenue Source Bonds, issued for various infrastructure improvements, are payable from a pledge of the Village's 1% sales, use and non-home rule sales taxes, with a remaining total pledge of \$2,704,278 and the bonds maturing December 15, 2034. During the current fiscal year, \$95,000 in principal and \$58,030 in interest payments were due on the bonds which was 6.50% of the total 1% sales, use and non-home rule sales tax revenue received.

The Village has issued General Obligation Sales Tax Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2013 General Obligation Sales Tax Alternate Revenue Source Bonds, issued for various infrastructure improvements, are payable from a pledge of the Village's 1% sales, use and non-home rule sales taxes, with a remaining total pledge of \$6,524,693 and the bonds maturing December 15, 2032. During the current fiscal year, \$260,000 in principal and \$149,520 in interest payments were due on the bonds which was 17.40% of the total 1% sales, use and non-home rule sales tax revenue received.

Taxable General Obligation Water and Sewer Alternate Revenue Source Bonds

The Village has issued Taxable General Obligation Water and Sewer Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2010B Taxable General Obligation Water and Sewer Alternate Revenue Source Bonds, issued for various waterworks and sewerage system improvements, are payable from a pledge of the Village's water and sewerage fees, with a remaining total pledge of \$776,880, with the bonds maturing December 1, 2020. During the current fiscal year, \$165,000 in principal and \$34,980 in interest payments were due on the bonds which was 2.90% of the total water and sewer fee revenue.

Taxable General Obligation Motor Fuel Tax Alternate Revenue Source Bonds

The Village has issued Taxable General Obligation Motor Fuel Tax Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2010A Taxable General Obligation Motor Fuel Tax Alternate Revenue Source Bonds, issued for various motor fuel tax improvements, are payable from a pledge of the Village's motor fuel tax, with a remaining total pledge of \$4,888,473, with the bonds maturing December 1, 2030. During the current fiscal year, \$150,000 in principal and \$148,047 in interest payments were due on the bonds, which was 70.30% of the total Motor Fuel Tax revenue received.

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

6. LONG-TERM DEBT (Continued)

IEPA Loans

Future principal and interest requirements applicable to the IEPA Loan 1 are:

<u>Fiscal Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 40,830	\$ 8,545
2019	41,342	8,033
2020	41,861	7,515
2021	42,386	6,990
2022	42,917	6,458
2023	43,455	5,920
2024	44,000	5,375
2025	44,552	4,824
2026	45,111	4,265
2027	45,676	3,699
2028	46,249	3,127
2029	46,829	2,547
2030	47,416	1,959
2031	48,011	1,365
2032	48,613	763
2033	24,535	154
TOTAL	<u>\$ 693,783</u>	<u>\$ 71,539</u>

Future principal and interest requirements applicable to the IEPA Loan 2 are:

<u>Fiscal Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 23,647	\$ 9,898
2019	24,121	9,514
2020	24,604	9,031
2021	25,098	8,538
2022	25,601	8,034
2023	26,115	7,521
2024	26,638	6,997
2025	27,173	6,463
2026	27,717	5,919
2027	28,273	5,363
2028	28,839	4,796
2029	29,418	4,218
2030	30,007	3,628
2031	30,610	3,026
2032	31,223	2,413
2033	31,850	1,787
2034	32,487	1,148
2035	33,141	496
TOTAL	<u>\$ 506,562</u>	<u>\$ 98,790</u>

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

6. LONG-TERM DEBT (Continued)

The principal and interest payments will be paid from the General Fund, Water Fund, Capital Improvements Fund, 911 Fund and Debt Service Fund.

Installment Contracts

	Payable From	Total	Due Within One Year
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	General	\$ 7,403	\$ 7,403
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	Water	6,561	6,561
Dated December 20, 2012, principal and interest payable semiannually at 2.44%	General	12,808	12,808
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	General/ 911 Fund	82,602	54,759
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	Water	20,335	13,481
Dated October 1, 2013, principal and interest payable semiannually at 2.55%	General	143,558	46,645
Dated October 24, 2013, principal and interest payable semiannually at 2.20%	General	82,102	40,602
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	General	22,366	11,062
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	Water	22,366	11,062
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	General	10,124	10,124
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	Water	10,124	10,124
Dated March 26, 2014, principal and interest payable semiannually at 2.40%	General	81,015	40,025
Dated August 28, 2014, principal and interest payable quarterly at 1.50%	General	16,123	16,123
Dated August 6, 2015, principal and interest payable semiannually at 2.20%	Water	874,996	243,212
Dated January 29, 2016, principal and interest payable semiannually at 2.20%	Water	110,447	30,700
Dated June 24, 2016, principal and interest payable semiannually at 7.31%	General	\$ 236,836	\$ 36,834
TOTAL		\$ 1,739,766	\$ 591,525

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

6. LONG-TERM DEBT (Continued)

Installment Contracts (Continued)

Fiscal Year Ending April 30,	Principal	Interest	Total
2018	\$ 591,525	\$ 33,250	\$ 624,775
2019	505,149	88,671	593,820
2020	373,533	10,954	384,487
2021	184,515	3,871	188,386
2022	35,896	1,494	37,390
2023	32,602	816	33,418
2024	16,546	164	16,710
TOTAL	\$ 1,739,766	\$ 139,220	\$ 1,878,986

The principal and interest payments will be paid from the General Fund, 911 Fund and Water Fund.

Legal Debt Margin

Equalized Assessed Value - 2016 Levy	<u>\$ 455,125,517</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 39,254,576
Amount of Debt Applicable to Debt Limit	<u>1,739,785</u>
LEGAL DEBT MARGIN	<u>\$ 37,514,791</u>

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

Other Non-Obligation Type Bonded Debt

On June 27, 2012, the Village passed a resolution enabling the Village to provide, not to exceed \$7,000,000 of financing, for the refinancing of existing loans for a high school building by the issuance of industrial revenue bonds. The bonds are secured solely by the property financed. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2017, the principal amount payable for the bonds was indeterminable. The original issue amounts of the bonds were \$6,825,000.

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

7. DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, reported as a cost-sharing multiple employer plan to recognize the inclusion of Westchester Public Library as a part of the plan, as a separate employer; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. The pension plans issue separate reports, which can be obtained by contacting the Village. However, IMRF does issue 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 at www.imrf.org or by writing to Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or online at www.imrf.org.

Below is a summary of all pension related items in the aggregate across both governmental and business-type activities. Details related to these items are presented separately for each plan on the following pages.

	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
Illinois Municipal Retirement Fund	\$ 2,078,383	\$ 860,336	\$ 68,420	\$ 289,355
Police Pension Plan	25,134,180	4,297,220	4,133,001	1,976,050
Fire Pension Plan	16,160,663	1,343,443	2,751,569	1,144,583
TOTAL	\$ 43,373,226	\$ 6,500,999	\$ 6,952,990	\$ 3,409,988

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police Pension Plan or the Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2016, membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	66
Inactive Employees Entitled to but not yet Receiving Benefits	58
Active Employees	<u>52</u>
 TOTAL	 <u>176</u>

The IMRF data included in the table above includes membership of both the Village and the Westchester Public Library (the Library).

Benefits Provided

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 are established by State statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2016 was 11.91% of covered payroll.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

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

Actuarial Valuation Date	December 31, 2016
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Assumptions	
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Cost of Living Adjustments	3.00%

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

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 19,733,733	\$ 17,573,926	\$ 2,159,807
Changes for the Period			
Service Cost	309,005	-	309,005
Interest	1,442,839	-	1,442,839
Difference Between Expected and Actual Experience	126,176	-	126,176
Assumption Changes	(44,192)	-	(44,192)
Employer Contributions	-	352,951	(352,951)
Employee Contributions	-	128,710	(128,710)
Net Investment Income	-	1,204,838	(1,204,838)
Benefit Payments and Refunds	(1,197,895)	(1,197,895)	-
Other (Net Transfer)	-	228,753	(228,753)
Net Changes	635,933	717,357	(81,424)
BALANCES AT DECEMBER 31, 2016	\$ 20,369,666	\$ 18,291,283	\$ 2,078,383

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

The table presented above includes amounts for both the Village and the Library. The Village's proportionate share of the net pension liability at January 1, 2016, the employer contributions and the net pension liability at December 31, 2016 were \$1,815,102, \$290,267 and \$1,748,139, respectively. The Library's proportionate share of the net pension liability at January 1, 2016, the employer contributions and the net pension liability at December 31, 2016 were \$344,705, \$62,684 and \$330,244, respectively.

There was a change in assumptions related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.48%.

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

For the year ended April 30, 2017, the Village recognized pension expense of \$289,355. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 89,390	\$ 51,887
Changes in Assumption	9,056	31,308
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	814,335	-
Employer Contributions after the Measurement Date	133,348	-
TOTAL	\$ 1,046,129	\$ 83,195

The deferred outflows of resources and deferred inflows of resources presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the net deferred outflows of resources at December 31, 2016, was \$791,917. The Library's proportionate share of the net deferred outflows of resources at December 31, 2016 was \$171,014.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

\$112,545 and \$20,803 of contributions made after the plan's measurement date, for the Village and the Library, respectively, will be recognized in pension expense for the fiscal year ending April 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending April 30,</u>	
2018	\$ 259,480
2019	275,727
2020	275,393
2021	<u>18,986</u>
 TOTAL	 <u><u>\$ 829,586</u></u>

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net Pension Liability - Village	\$ 3,671,617	\$ 1,748,139	\$ 95,217
Net Pension Liability - Library	<u>792,898</u>	<u>330,244</u>	<u>20,562</u>
 Net Pension Liability - Total	 <u><u>\$ 4,464,515</u></u>	 <u><u>\$ 2,078,383</u></u>	 <u><u>\$ 115,779</u></u>

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

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

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required and benefits and refunds are recognized as an expense and liability when due and payable.

Administrative costs are financed through contributions and investment income.

Plan Membership

At April 30, 2017, membership consisted of:

Inactive Plan Members or Beneficiaries	28
Currently Receiving Benefits	
Inactive Plan Members Entitled to but not yet	-
Receiving Benefits	
Active Plan Members	<u>28</u>
 TOTAL	 <u><u>56</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a police officer 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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2017, the Village's contribution was 38.73% of covered payroll.

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

The Police Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds and Illinois Funds (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).

During the year, there were no material changes to the investment policy.

It is the policy of the Fund to invest its funds with care, skill, prudence and diligence, using the "prudent person" standard for managing the overall portfolio.

The Fund's investment manager establishes the following target allocations across asset classes:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2%	1.00%
Fixed Income	38%	2.20%
U.S. Large Cap Equities	27%	6.70%
U.S. Mid Cap Equities	3%	7.20%
U.S. Small Cap Equities	3%	7.70%
Developed International Equities	16%	6.50%
Emerging International Equities	8%	8.20%
Real Estate Equities	3%	5.70%

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study by the Global Investment Committee of Morgan Stanley published in March of 2017. Long-term returns for the asset classes are calculated on a geometric means basis.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Valuations

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

Investment Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.34%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Notes	\$ 2,709,636	\$ -	\$ 1,355,641	\$ 1,353,995	\$ -
U.S. Treasury Bills	1,198,548	1,198,548	-	-	-
Federal National Mortgage Association	195,251	-	7,987	167,170	20,094
Federal Home Loan Mortgage Corporation	128,627	40,013	-	-	88,614
Corporate Bonds	3,685,173	271,353	2,073,811	1,176,481	163,528
State and Local Obligations	199,531	-	199,531	-	-
TOTAL	\$ 8,116,766	\$ 1,509,914	\$ 3,636,970	\$ 2,697,646	\$ 272,236

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk (Continued)

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund.

The Fund has the following recurring fair value measurements as of April 30, 2017, The U.S. Treasury obligations and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, corporate bonds and state and local obligations are valued using quoted matrix pricing models (Level 2 inputs).

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. agency obligations and the state and local obligations were either not rated or were rated from AA to AAA. The corporate bonds were rated BBB or better.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Fund's investment policy allows the broker/dealer (counterparty) to maintain custody over the investments that they purchase, which exposes the investments to custodial credit risk. In addition the policy requires the broker/dealer that serves as custodian to provide the fund with an excess SIPC policy to mitigate the exposure to custodial credit risk. Also, the Fund limits its exposure by requiring the investment broker/custodian to acquire an excess Securities Investor Protection Corporation (SIPC) policy to provide the same coverage for the portfolio as would be provided by the SIPC.

Concentrations

There were no investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Police Pension Plan.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 5.94%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and, therefore, the long-term expected rate of return of 7.00% was blended with the index rate of 3.82% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2017 to arrive at a discount rate of 5.94% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2016	\$ 50,928,915	\$ 24,738,885	\$ 26,190,030
Changes for the Period			
Service Cost	735,886	-	735,886
Interest	2,963,588	-	2,963,588
Difference Between Expected and Actual Experience	1,129,094	-	1,129,094
Assumption Changes	(2,399,754)	-	(2,399,754)
Employer Contributions	-	1,010,389	(1,010,389)
Employee Contributions	-	269,063	(269,063)
Net Investment Income	-	2,252,947	(2,252,947)
Benefit Payments and Refunds	(2,073,721)	(2,073,721)	-
Administrative Expense	-	(47,735)	47,735
Net Changes	355,093	1,410,943	(1,055,850)
BALANCES AT APRIL 30, 2017	\$ 51,284,008	\$ 26,149,828	\$ 25,134,180

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates. Additionally, there were changes to the following actuarial assumptions from the prior year: (1) the discount rate used in the determination of the total pension liability was changed from 5.68% to 5.94%; (2) the assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 3.32% to 3.82%.

Actuarial Assumptions

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

Actuarial Valuation Date	April 30, 2017
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Assumptions	
Inflation	2.50%
Salary Increases	3.06% to 16.04%
Investment Rate of Return	7.00%
Cost of Living Adjustments	2.50%

Mortality rates were based on the L&A 2016 Illinois Police Mortality Rates table.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 5.94% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.94%) or 1 percentage point higher (6.94%) than the current rate:

	1% Decrease (4.94%)	Current Discount Rate (5.94%)	1% Increase (6.94%)
Net Pension Liability	\$ 32,896,544	\$ 25,134,180	\$ 18,851,430

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2017, the Village recognized police pension expense of \$1,976,050. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 943,081	\$ 2,128,594
Changes in Assumptions	2,503,837	2,004,407
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	850,302	-
TOTAL	<u>\$ 4,297,220</u>	<u>\$ 4,133,001</u>

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

<u>Year Ending April 30,</u>	
2018	\$ 200,156
2019	200,156
2020	200,156
2021	(230,130)
2022	(191,463)
Thereafter	<u>(14,646)</u>
TOTAL	<u>\$ 164,219</u>

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

Plan Administration

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 ILCS (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.

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required and benefits and refunds are recognized as an expense and liability when due and payable.

Administrative costs are financed through contributions and investment income.

Plan Membership

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

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	28
Inactive Plan Members Entitled to but not yet	
Receiving Benefits	-
Active Plan Members	27
	<hr/>
TOTAL	55
	<hr/>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Benefits Provided (Continued)

such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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

Contributions

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with 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% of the past service costs for the Firefighters' Pension Plan. For the year ended April 30, 2017, the Village's contribution was 37.30% of covered payroll.

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy

ILCS limits the Firefighters' Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund can invest in the same securities as Village plus the following: certain non-U.S. obligations (corporate debt securities), Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political divisions (rated Aa or better), Illinois insurance company general and separate accounts, equity mutual funds and equity securities.

During the year, there were no material changes to the investment policy.

The Fund's investment manager establishes the following target allocation across asset classes:

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2%	1.00%
Fixed Income	38%	2.20%
U.S. Large Cap Equities	27%	6.70%
U.S. Mid Cap Equities	3%	7.20%
U.S. Small Cap Equities	3%	7.70%
Developed International Equities	16%	6.50%
Emerging International Equities	8%	8.20%
Real Estate Equities	3%	5.70%

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study by the Global Investment Committee of Morgan Stanley published in March of 2017. Long-term returns for the asset classes are calculated on a geometric means basis.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Valuations (Continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Investment Rate of Return

For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.71%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of April 30, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Notes	\$ 2,625,364	\$ 121,744	\$ 1,617,294	\$ 886,326	\$ -
Government National Mortgage Association	160,935	-	7,958	-	152,977
Small Business Administration	205,929	-	-	-	205,929
Federal Home Loan Mortgage Corporation	276,988	230,000	-	-	46,988
Federal National Mortgage Association	172,290	-	74,879	97,411	-
Corporate Bonds	3,420,485	161,057	1,872,499	1,286,109	100,820
State and Local Obligations	237,373	-	237,373	-	-
TOTAL	\$ 7,099,364	\$ 512,801	\$ 3,810,003	\$ 2,269,846	\$ 506,714

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk (Continued)

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Fund.

The Fund has the following recurring fair value measurements as of April 30, 2017, The U.S. Treasury notes and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, corporate bonds and state and local obligations are valued using quoted matrix pricing models (Level 2 inputs).

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The U.S. agency obligations and the state and local obligations were either not rated or were rated from AA to AAA. The corporate bonds were rated BBB or better.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Fund's investment policy allows the broker/dealer (counterparty) to maintain custody over the investments that they purchase, which exposes the investments to custodial credit risk. In addition the policy requires the broker/dealer that serves as custodian to provide the fund with an excess SIPC policy to mitigate the exposure to custodial credit risk. Also, the Fund limits its exposure by requiring the investment broker/custodian to acquire an excess Securities Investor Protection Corporation (SIPC) policy to provide the same coverage for the portfolio as would be provided by the SIPC.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Concentrations

There were no investments (other than United States Government guaranteed obligations and mutual funds) in any one organization that represent 5% or more of plan net position for the Firefighters' Pension Plan

Discount Rate

The discount rate used to measure the total pension liability was 6.41%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and, therefore, the long-term expected rate of return of 7.00% was blended with the index rate of 3.82% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2017 to arrive at a discount rate of 6.41% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2016	\$ 36,649,081	\$ 20,823,405	\$ 15,825,676
Changes for the Period			
Service Cost	624,637	-	624,637
Interest	2,298,712	-	2,298,712
Difference Between Expected and Actual Experience	147,120	-	147,120
Assumption Changes	251,419	-	251,419
Employer Contributions	-	884,336	(884,336)
Employee Contributions	-	222,967	(222,967)
Net Investment Income	-	1,923,728	(1,923,728)
Benefit Payments and Refunds	(1,575,475)	(1,575,475)	-
Administrative Expense	-	(44,129)	44,129
Net Changes	1,746,413	1,411,427	334,986
BALANCES AT APRIL 30, 2017	\$ 38,395,494	\$ 22,234,831	\$ 16,160,663

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, retirement rates and the projected marriage rates of plan members. Additionally, there were changes to the following actuarial assumptions from the prior year: (1) the discount rate used in the determination of the total pension liability was changed from 6.48% to 6.41%; (2) the assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 3.32% to 3.82%.

Actuarial Assumptions

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

Actuarial Valuation Date	April 30, 2017
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Assumptions	
Inflation	2.50%
Salary Increases	3.38% to 7.85%
Investment Rate of Return	7.00%
Cost of Living Adjustments	2.50%

Mortality rates were based on the L&A 2016 Illinois Firefighters' Mortality Rates table.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.41% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.41%) or 1 percentage point higher (7.41%) than the current rate:

	1% Decrease (5.41%)	Current Discount Rate (6.41%)	1% Increase (7.41%)
Net Pension Liability	\$ 21,922,223	\$ 16,160,663	\$ 11,492,884

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended April 30, 2017, the Village recognized firefighters' pension expense of \$1,144,583. At April 30, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 466,883	\$ -
Changes in Assumptions	217,212	2,751,569
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	659,348	-
TOTAL	\$ 1,343,443	\$ 2,751,569

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

Year Ending April 30,	
2018	\$ (160,221)
2019	(160,221)
2020	(160,221)
2021	(509,077)
2022	(412,273)
Thereafter	(6,113)
TOTAL	\$ (1,408,126)

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.

The Village purchases employee health insurance from commercial carriers.

Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois, which have formed an association under the Illinois Intergovernmental Cooperation Statute, to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive 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. 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, experience modification factors based on past member loss experience and optional deductible credits. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. There were no significant reductions in insurance coverage during the year. The Village did not have any claims that exceeded insurance coverage for the last three fiscal years.

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

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

c. Membership

At April 30, 2015, the most recent actuarial valuation, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	33
Terminated Employees Entitled to Benefits but not Yet Receiving Them	-
Active Employees	98
	<hr/>
TOTAL	131
	<hr/>

d. Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees (except as noted below) contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the retirees (pay as you go) which results in an implicit subsidy to the Village as defined by 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, 2017, retirees contributed \$326,146 and the Village contributed \$198,294. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for April 30, 2015, 2016 and 2017 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2015	\$ 178,917	\$ 198,294	110.80%	\$ (27,409)
2016	178,734	198,294	110.94%	(46,969)
2017	178,734	198,294	110.94%	(66,659)

The net OPEB obligation (asset) as of April 30, 2017 was calculated as follows:

Annual Required Contribution	\$ 178,917
Interest on Net OPEB Obligation (Asset)	(1,879)
Adjustment to Annual Required Contribution	<u>1,566</u>
Annual OPEB Cost	178,604
Contributions Made	<u>(198,294)</u>
Decrease in Net OPEB Obligation (Asset)	(19,690)
Net OPEB Obligation (Asset), Beginning of Year	<u>(46,969)</u>
NET OPEB OBLIGATION (ASSET), END OF YEAR	<u><u>\$ (66,659)</u></u>

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of April 30, 2015, the most recent actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,019,172
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	3,019,172
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
Covered Payroll (Active Plan Members)	\$ 7,099,992
UAAL as a Percentage of Covered Payroll	42.52%

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

In the April 30, 2015 actuarial valuation, the latest valuation conducted, the entry-age actuarial cost method was used. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), a 4.00% discount rate and a 4.00% salary rate increase rate. Additionally, the assumptions included an initial annual healthcare cost trend rate of 6.00% for PPO, 8.00% for HMP and 6.00% for dental. All 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.

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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 6,480,588	\$ 6,480,588	\$ 6,225,036	\$ (255,552)
Other Local Taxes	2,243,000	2,243,000	2,164,224	(78,776)
Intergovernmental	3,598,672	3,598,672	3,431,467	(167,205)
Licenses and Permits	1,280,734	1,280,734	1,188,147	(92,587)
Charges for Services	556,922	556,922	545,774	(11,148)
Fines and Forfeitures	738,000	738,000	774,735	36,735
Rental Income	188,000	188,000	164,420	(23,580)
Investment Income	4,500	4,500	6,582	2,082
Miscellaneous	242,797	242,797	70,897	(171,900)
Total Revenues	15,333,213	15,333,213	14,571,282	(761,931)
EXPENDITURES				
Current				
General Government	1,695,303	1,695,303	1,776,305	81,002
Community Development Department	638,913	638,913	554,019	(84,894)
Planning and Zoning	2,600	2,600	1,366	(1,234)
Fire and Police Commission	27,215	27,215	20,207	(7,008)
Police Department	5,566,288	5,566,288	5,688,593	122,305
Civil Defense	5,239	5,239	2,944	(2,295)
Fire Department	4,582,713	4,582,713	4,553,364	(29,349)
Public Works	2,073,351	2,073,351	2,088,606	15,255
Capital Outlay	618,560	618,560	579,590	(38,970)
Debt Service				
Principal	255,343	255,343	247,844	(7,499)
Interest and Fiscal Charges	17,634	17,634	16,120	(1,514)
Total Expenditures	15,483,159	15,483,159	15,528,958	45,799
OTHER FINANCING SOURCES				
Loan Proceeds	-	-	255,000	255,000
Total Other Financing Sources	-	-	255,000	255,000
NET CHANGE IN FUND BALANCE	\$ (149,946)	\$ (149,946)	(702,676)	\$ (552,730)
FUND BALANCE, MAY 1			4,146,935	
FUND BALANCE, APRIL 30			\$ 3,444,259	

(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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
State Allotments	\$ 499,347	\$ 499,347	\$ 472,010	\$ (27,337)
Total Revenues	499,347	499,347	472,010	(27,337)
EXPENDITURES				
Current				
Public Works	236,800	236,800	97,548	(139,252)
Debt Service				
Principal	150,000	150,000	150,000	-
Interest	148,047	148,047	148,648	601
Total Expenditures	534,847	534,847	396,196	(138,651)
NET CHANGE IN FUND BALANCE	<u>\$ (35,500)</u>	<u>\$ (35,500)</u>	75,814	<u>\$ 111,314</u>
FUND BALANCE, MAY 1			<u>169,497</u>	
FUND BALANCE, APRIL 30			<u>\$ 245,311</u>	

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2017

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Active Members Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4) / (5)
2012	\$ -	\$ 1,627,299	0.00%	\$ 1,627,299	\$ 7,025,713	23.16%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	-	3,019,172	0.00%	3,019,172	7,099,992	42.52%
2016	N/A	N/A	N/A	N/A	N/A	N/A
2017	N/A	N/A	N/A	N/A	N/A	N/A

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

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2012	\$ 41,994	\$ 40,512	103.66%
2013	41,994	40,512	103.66%
2014	41,994	40,512	103.66%
2015	198,294	178,917	110.83%
2016	198,294	178,917	110.83%
2017	198,294	178,917	110.83%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Two Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017
Actuarially Determined Contribution	\$ 315,377	\$ 281,349
Contributions in Relation to the Actuarially Determined Contribution	<u>315,377</u>	<u>281,349</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered-Employee Payroll	\$ 2,440,087	\$ 2,362,939
Contributions as a Percentage of Covered-Employee Payroll	12.92%	11.91%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2015 and December 31, 2016. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percentage of payroll, closed; the amortization period was 27-years, closed until the remaining period reaches 15 years (then a 15-year rolling period); the asset valuation method was five-year smoothed market with a 20.00% corridor; and the significant actuarial assumptions were wage growth at 3.50%; price inflation at 2.75%; salary increases of 3.75% to 14.50%, including inflation; and an investment rate of return at 7.50% annually.

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

VILLAGE OF WESTCHESTER, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017
Actuarially Determined Contribution	\$ 1,053,264	\$ 1,061,927	\$ 1,079,840
Contributions in Relation to the Actuarially Determined Contribution	918,481	996,315	1,010,389
CONTRIBUTION DEFICIENCY (Excess)	\$ 134,783	\$ 65,612	\$ 69,451
Covered-Employee Payroll	\$ 2,357,318	\$ 2,455,279	\$ 2,609,053
Contributions as a Percentage of Covered-Employee Payroll	38.96%	40.58%	38.73%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of the beginning of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed; and the amortization period was 23 years; the asset valuation method was five-year smoothing of asset gains and losses; and the significant actuarial assumptions were an investment rate of return at 7.00% annually; inflation at 2.50% annually; projected individual salary increases of 3.06% to 16.04% annually; projected increases in total payroll of 3.25% annually; and cost-of-living adjustments of 2.50% annually.

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

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS FIREFIGHTERS' PENSION FUND

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017
Actuarially Determined Contribution	\$ 707,271	\$ 915,936	\$ 943,029
Contributions in Relation to the Actuarially Determined Contribution	628,706	1,027,335	884,336
CONTRIBUTION DEFICIENCY (Excess)	\$ 78,565	\$ (111,399)	\$ 58,693
Covered-Employee Payroll	\$ 2,343,788	\$ 2,299,574	\$ 2,371,109
Contributions as a Percentage of Covered-Employee Payroll	26.82%	44.68%	37.30%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of the beginning of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed; and the amortization period was 24 years; the asset valuation method was five-year smoothing of asset gains and losses; and the significant actuarial assumptions were an investment rate of return at 7.00% annually; inflation at 2.50% annually; projected individual salary increases of 2.50% to 17.85% annually; projected increases in total payroll of 3.25% annually; and cost-of-living adjustments of 2.50% annually.

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

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

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

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service Cost	\$ 746,186	\$ 644,513	\$ 735,886
Interest	2,463,037	2,727,718	2,963,588
Changes in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	(3,142,212)	1,129,094
Change of Assumptions	-	3,696,141	(2,399,754)
Benefit Payments, Including Refunds of Member Contributions	(1,982,798)	(2,040,864)	(2,073,721)
Net Change in Total Pension Liability	1,226,425	1,885,296	355,093
Total Pension Liability - Beginning	47,817,194	49,043,619	50,928,915
TOTAL PENSION LIABILITY - ENDING	\$ 49,043,619	\$ 50,928,915	\$ 51,284,008
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 918,481	\$ 996,315	\$ 1,010,389
Contributions - Members	253,106	257,642	269,063
Net Investment Income	1,569,330	(364,913)	2,252,947
Benefit Payments, Including Refunds of Member Contributions	(1,982,798)	(2,040,864)	(2,073,721)
Administrative Expense	(55,905)	(48,849)	(47,735)
Net Change in Plan Fiduciary Net Position	702,214	(1,200,669)	1,410,943
Plan Fiduciary Net Position - Beginning	25,237,340	25,939,554	24,738,885
PLAN FIDUCIARY NET POSITION - ENDING	\$ 25,939,554	\$ 24,738,885	\$ 26,149,828
EMPLOYER'S NET PENSION LIABILITY	\$ 23,104,065	\$ 26,190,030	\$ 25,134,180
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.89%	48.58%	50.99%
Covered-Employee Payroll	\$ 2,357,318	\$ 2,455,279	\$ 2,609,053
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	980.10%	1066.68%	963.34%

Notes to Required Supplementary Information

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates and retirement rates. Additionally, there were changes to the following actuarial assumptions from the prior year: (1) from 2015 to 2016, the discount rate used in the determination of the total pension liability was changed from 5.26% to 5.68% and from 2016 to 2017 was changed from 5.68% to 5.94%; (2) from 2015 to 2016, the assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 3.62% to 3.32% and from 2016 to 2017 was changed from 3.32% to 3.82%; (3) from 2015 to 2016, the rates of projected individual salary increases changed from 4.00% to 11.00% to 3.25% to 4.47%; (4) from 2015 to 2016, the projected increase in total payroll changed from 3.50% to 3.25%; (5) from 2015 to 2016, the projected Consumer Price Index (Utilities) increase was changed from 3.00% to 2.50%; and (6) from 2015 to 2016, the inflation rate was changed from 3.00% to 2.50%.

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

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

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

Last Three Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017
TOTAL PENSION LIABILITY			
Service Cost	\$ 799,025	\$ 548,586	\$ 624,637
Interest	1,997,463	2,443,423	2,298,712
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	471,224	147,120
Changes of Assumptions	-	(3,816,007)	251,419
Benefit Payments, Including Refunds of Member Contributions	(1,271,307)	(1,410,583)	(1,575,475)
Net Change in Total Pension Liability	1,525,181	(1,763,357)	1,746,413
Total Pension Liability - Beginning	36,887,257	38,412,438	36,649,081
TOTAL PENSION LIABILITY - ENDING	\$ 38,412,438	\$ 36,649,081	\$ 38,395,494
PLAN FIDUCIARY NET POSITION			
Contributions - Employer	\$ 628,706	\$ 1,027,335	\$ 884,336
Contributions - Members	223,583	217,769	222,967
Net Investment Income	1,336,306	(260,954)	1,923,728
Benefit Payments, Including Refunds of Member Contributions	(1,271,307)	(1,410,583)	(1,575,475)
Administrative Expense	(48,107)	(46,419)	(44,129)
Net Change in Plan Fiduciary Net Position	869,181	(472,852)	1,411,427
Plan Fiduciary Net Position - Beginning	20,427,076	21,296,257	20,823,405
PLAN FIDUCIARY NET POSITION - ENDING	\$ 21,296,257	\$ 20,823,405	\$ 22,234,832
EMPLOYER'S NET PENSION LIABILITY	\$ 17,116,181	\$ 15,825,676	\$ 16,160,662
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.44%	56.82%	57.91%
Covered-Employee Payroll	\$ 2,343,788	\$ 2,299,574	\$ 2,371,109
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	730.28%	688.20%	681.57%

Notes to Required Supplementary Information

There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, retirement rates and the percentage of participants that are married. Additionally, there were changes to the following actuarial assumptions from the prior year: (1) from 2015 to 2016, the discount rate used in the determination of the total pension liability was changed from 5.51% to 6.48% and from 2016 to 2017 from 6.48% to 6.41%; (2) from 2015 to 2016, the assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 3.62% to 3.32% and from 2016 to 2017 from 3.32% to 3.82%; (3) from 2015 to 2016, the rates of projected individual salary increases changed from 4.00% to 15.00% to 2.50% to 17.85%; (4) from 2015 to 2016, the projected increase in total payroll changed from 3.50% to 3.25%; (5) from 2015 to 2016, the projected Consumer Price Index (Urban) increase was changed from 3.00% to 2.50%; and (6) from 2015 to 2016, the inflation rate was changed from 3.00% to 2.50%.

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

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF THE VILLAGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS ILLINOIS MUNICIPAL RETIREMENT FUND

Last Two Calendar Years

MEASUREMENT DATE DECEMBER 31,	2016	2017
Employer's Proportion of Net Pension Liability	84.04%	82.24%
Employer's Proportionate Share of Net Pension Liability	\$ 1,815,102	\$ 1,748,139
Employer's Covered-Employee Payroll	2,440,087	2,860,229
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	74.39%	61.12%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.06%	89.80%

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

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017
<hr/>			
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.90%	(1.39%)	9.34%

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

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
FIREFIGHTERS' PENSION FUND**

Last Three Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017
<hr/>			
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.38%	(1.02%)	9.71%

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

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2017

BUDGETS

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

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

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

The budget may be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. There was one budget amendment during the year.

The following funds actual expenses/expenditures exceeded budget:

Fund	Budget	Actual
General Fund	\$ 15,483,159	\$ 15,528,958
911 Fund	288,887	310,917
Debt Service Fund	562,550	563,725

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

MAJOR GOVERNMENTAL FUNDS

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

For the Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes				
Non-Home Rule Sales Tax	\$ 700,000	\$ 700,000	\$ 694,700	\$ (5,300)
Investment Income	-	-	1,976	1,976
Total Revenues	700,000	700,000	696,676	(3,324)
EXPENDITURES				
Capital Outlay	925,000	925,000	523,003	(401,997)
Total Expenditures	925,000	925,000	523,003	(401,997)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(225,000)	(225,000)	173,673	398,673
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	(563,725)	(563,725)
Total Other Financing Sources (Uses)	-	-	(563,725)	(563,725)
NET CHANGE IN FUND BALANCE	<u>\$ (225,000)</u>	<u>\$ (225,000)</u>	(390,052)	<u>\$ (165,052)</u>
FUND BALANCE, MAY 1			<u>1,548,619</u>	
FUND BALANCE, APRIL 30			<u>\$ 1,158,567</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF WESTCHESTER, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2017

	<u>Special Revenue</u>			<u>Debt Service</u>	<u>Total Nonmajor Governmental</u>
	<u>Police Forfeiture</u>	<u>911</u>	<u>Hotel/ Motel Tax</u>		
ASSETS					
Cash and Cash Equivalents	\$ 42,034	\$ 64,264	\$ 166,483	\$ -	\$ 272,781
Due From Other funds	-	-	-	91	91
Receivables					
Intergovernmental	-	45,804	-	-	45,804
Accounts	2,123	-	11,723	-	13,846
TOTAL ASSETS	<u>\$ 44,157</u>	<u>\$ 110,068</u>	<u>\$ 178,206</u>	<u>\$ 91</u>	<u>\$ 332,522</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 3,475	\$ 8,985	\$ -	\$ 12,460
Due to Other Funds	-	142,438	-	-	142,438
Total Liabilities	-	145,913	8,985	-	154,898
FUND BALANCES					
Restricted for Public Safety	44,157	-	-	-	44,157
Restricted for Tourism	-	-	169,221	-	169,221
Assigned for Debt Service	-	-	-	91	91
Unassigned	-	(35,845)	-	-	(35,845)
Total Fund Balances	<u>44,157</u>	<u>(35,845)</u>	<u>169,221</u>	<u>91</u>	<u>177,624</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 44,157</u>	<u>\$ 110,068</u>	<u>\$ 178,206</u>	<u>\$ 91</u>	<u>\$ 332,522</u>

(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, 2017

	Special Revenue			Debt Service	Total Nonmajor Governmental
	Police Forfeiture	911	Hotel/ Motel Tax		
REVENUES					
Other Local Taxes	\$ -	\$ -	\$ 131,169	\$ -	\$ 131,169
Intergovernmental	3,011	255,809	34,803	-	293,623
Investment Income	358	-	-	-	358
Grant Reimbursements	-	-	4,530	-	4,530
Miscellaneous	450	-	-	-	450
Total Revenues	3,819	255,809	170,502	-	430,130
EXPENDITURES					
Current					
Tourism	-	-	157,685	-	157,685
Police 911	-	268,471	-	-	268,471
Police Department	52,444	-	-	-	52,444
Debt Service					
Principal	-	40,367	-	355,000	395,367
Interest and Fiscal Charges	-	2,079	-	208,723	210,802
Total Expenditures	52,444	310,917	157,685	563,723	1,084,769
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(48,625)	(55,108)	12,817	(563,723)	(654,639)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	563,725	563,725
Total Other Financing Sources (Uses)	-	-	-	563,725	563,725
NET CHANGE IN FUND BALANCES	(48,625)	(55,108)	12,817	2	(90,914)
FUND BALANCES, MAY 1	92,782	19,263	156,404	89	268,538
FUND BALANCES (DEFICIT), APRIL 30	\$ 44,157	\$ (35,845)	\$ 169,221	\$ 91	\$ 177,624

(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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes	\$ 160,000	\$ 160,000	\$ -	\$ (160,000)
Intergovernmental	125,000	125,000	255,809	130,809
Investment Income	500	500	-	(500)
Total Revenues	285,500	285,500	255,809	(29,691)
EXPENDITURES				
Current				
Police 911	246,441	246,441	268,471	22,030
Debt Service				
Principal	40,367	40,367	40,367	-
Interest	2,079	2,079	2,079	-
Total Expenditures	288,887	288,887	310,917	22,030
NET CHANGE IN FUND BALANCE	<u>\$ (3,387)</u>	<u>\$ (3,387)</u>	(55,108)	<u>\$ (51,721)</u>
FUND BALANCE, MAY 1			<u>19,263</u>	
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (35,845)</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, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes	\$ 135,000	\$ 135,000	\$ 131,169	\$ (3,831)
Intergovernmental	-	40,000	34,803	(5,197)
Grant Reimbursements	7,500	7,500	4,530	(2,970)
Total Revenues	142,500	182,500	170,502	(11,998)
EXPENDITURES				
Current				
Tourism	245,652	245,652	157,685	(87,967)
Total Expenditures	245,652	245,652	157,685	(87,967)
NET CHANGE IN FUND BALANCE	<u>\$ (103,152)</u>	<u>\$ (63,152)</u>	12,817	<u>\$ 75,969</u>
FUND BALANCE, MAY 1			<u>156,404</u>	
FUND BALANCE, APRIL 30			<u>\$ 169,221</u>	

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

For the Year Ended April 30, 2017

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal	355,000	355,000	355,000	-
Interest and Fiscal Charges	207,550	207,550	208,723	1,173
Total Expenditures	562,550	562,550	563,723	1,173
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(562,550)	(562,550)	(563,723)	(1,173)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	563,725	563,725
Total Other Financing Sources (Uses)	-	-	563,725	563,725
NET CHANGE IN FUND BALANCE	<u>\$ (562,550)</u>	<u>\$ (562,550)</u>	2	<u>\$ 562,552</u>
FUND BALANCE, MAY 1			89	
FUND BALANCE, APRIL 30			<u>\$ 91</u>	

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF WESTCHESTER, ILLINOIS

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

April 30, 2017

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Cash Equivalents	\$ 1,380,271	905,359	\$ 2,285,630
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	58,015	48,356	106,371
Investments			
U.S. Government and Agency Obligations	4,232,062	3,441,506	7,673,568
State and Local Obligations	199,531	237,373	436,904
Corporate Bonds	3,685,173	3,420,485	7,105,658
Mutual Funds	16,603,756	14,205,139	30,808,895
Prepaid Items	4,231	530	4,761
Total Assets	26,163,039	22,258,748	48,421,787
LIABILITIES			
Accounts Payable	13,211	23,917	37,128
Total Liabilities	13,211	23,917	37,128
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 26,149,828</u>	<u>\$ 22,234,831</u>	<u>\$ 48,384,659</u>

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended April 30, 2017

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	\$ 1,010,389	\$ 884,336	\$ 1,894,725
Plan Members	269,063	222,967	492,030
Total Contributions	1,279,452	1,107,303	2,386,755
Investment Income			
Net Appreciation in Fair Value of Investments	1,653,465	1,524,001	3,177,466
Interest	649,475	462,172	1,111,647
Total Investment Income	2,302,940	1,986,173	4,289,113
Less Investment Expense	(49,993)	(62,445)	(112,438)
Net Investment Income	2,252,947	1,923,728	4,176,675
Total Additions	3,532,399	3,031,031	6,563,430
DEDUCTIONS			
Retirement Benefits and Refunds	2,073,721	1,575,475	3,649,196
Administrative Expenses	47,735	44,129	91,864
Total Deductions	2,121,456	1,619,604	3,741,060
NET INCREASE	1,410,943	1,411,427	2,822,370
NET POSITION RESRICTED FOR PENSION BENEFITS			
May 1	24,738,885	20,823,404	45,562,289
April 30	\$ 26,149,828	\$ 22,234,831	\$ 48,384,659

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2017

	Balances				Balances
	May 1	Additions	Deletions		April 30
	<hr/>				
Refundable Deposits					
ASSETS					
Cash	\$ 578,284	\$ 132,202	\$ 94,715	\$	615,771
	<hr/>				
TOTAL ASSETS	\$ 578,284	\$ 132,202	\$ 94,715	\$	615,771
	<hr/>				
LIABILITIES					
Due to Others	\$ 578,284	\$ 234,821	\$ 197,334	\$	615,771
	<hr/>				
TOTAL LIABILITIES	\$ 578,284	\$ 234,821	\$ 197,334	\$	615,771
	<hr/>				

(See independent auditor's report.)

STATISTICAL SECTION

This part of the Village of Westchester, Illinois' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	87-96
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue sources, the property tax and sales tax.	97-103
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	104-107
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	108-109
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	110-113

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

VILLAGE OF WESTCHESTER, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 24,087,301	\$ 25,720,503	\$ 24,722,401	\$ 24,533,889
Restricted	1,080,659	445,605	484,697	935,253
Unrestricted	5,290,928	4,324,333	3,747,530	2,144,143
TOTAL GOVERNMENTAL ACTIVITIES	\$ 30,458,888	\$ 30,490,441	\$ 28,954,628	\$ 27,613,285
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 7,936,598	\$ 7,751,481	\$ 7,710,865	\$ 6,910,269
Unrestricted	1,047,755	2,038,004	1,697,637	1,846,113
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 8,984,353	\$ 9,789,485	\$ 9,408,502	\$ 8,756,382
PRIMARY GOVERNMENT				
Net Investment in Capital Assets	\$ 32,023,899	\$ 33,471,984	\$ 32,433,266	\$ 31,444,158
Restricted	1,080,659	445,605	484,697	935,253
Unrestricted	6,338,683	6,362,337	5,445,167	3,990,256
TOTAL PRIMARY GOVERNMENT	\$ 39,443,241	\$ 40,279,926	\$ 38,363,130	\$ 36,369,667

Note: GASB Statement Number 68 was implemented in 2016.

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ 23,453,120	\$ 21,898,803	\$ 21,164,996	\$ 22,124,391	\$ 21,051,837	\$ 19,982,437
1,057,485	763,725	361,722	491,755	463,431	1,062,540
1,955,569	2,575,023	3,393,989	1,678,304	(37,462,080)	(39,912,623)
\$ 26,466,174	\$ 25,237,551	\$ 24,920,707	\$ 24,294,450	\$ (15,946,812)	\$ (18,867,646)
\$ 7,434,766	\$ 7,472,315	\$ 8,754,657	\$ 9,445,125	\$ 9,003,132	\$ 9,050,621
2,132,453	2,696,187	1,476,459	339,977	185,929	15,966
\$ 9,567,219	\$ 10,168,502	\$ 10,231,116	\$ 9,785,102	\$ 9,189,061	\$ 9,066,587
\$ 30,887,886	\$ 29,371,118	\$ 29,919,653	\$ 31,569,516	\$ 30,054,969	\$ 29,033,058
1,057,485	763,725	361,722	491,755	463,431	1,062,540
4,088,022	5,271,210	4,870,448	2,018,281	(37,276,151)	(39,896,657)
\$ 36,033,393	\$ 35,406,053	\$ 35,151,823	\$ 34,079,552	\$ (6,757,751)	\$ (9,801,059)

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
EXPENSES				
Governmental Activities				
General Government	\$ 1,969,667	\$ 2,061,823	\$ 2,336,063	\$ 2,243,335
Public Safety	8,532,345	9,777,684	9,843,048	10,225,622
Public Works	4,380,139	3,270,206	3,253,548	2,818,288
Interest	29,963	23,186	21,779	188,772
Total Governmental Activities Expenses	14,912,114	15,132,899	15,454,438	15,476,017
Business-Type Activities				
Water and Sewer	3,210,844	4,958,778	5,411,161	5,855,690
Total Business-Type Activities Expenses	3,210,844	4,958,778	5,411,161	5,855,690
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 18,122,958	\$ 20,091,677	\$ 20,865,599	\$ 21,331,707
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 1,148,987	\$ 912,469	\$ 852,133	\$ 845,037
Public Safety	855,664	927,702	1,221,796	1,173,519
Public Works	1,897,654	382,104	397,661	427,211
Operating Grants and Contributions	560,159	454,932	447,755	619,870
Capital Grants and Contributions	239,371	2,254,867	65,844	418,374
Total Governmental Activities Program Revenues	4,701,835	4,932,074	2,985,189	3,484,011
Business-Type Activities				
Charges for Services				
Water and Sewer	2,921,063	4,922,086	5,005,316	5,200,548
Operating Grants and Contributions	-	-	-	9,169
Capital Grants and Contributions	-	60,000	-	-
Total Business-Type Activities Program Revenues	2,921,063	4,982,086	5,005,316	5,209,717
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 7,622,898	\$ 9,914,160	\$ 7,990,505	\$ 8,693,728
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (10,210,279)	\$ (10,200,825)	\$ (12,469,249)	\$ (11,992,006)
Business-Type Activities	(289,781)	23,308	(405,845)	(645,973)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	\$ (10,500,060)	\$ (10,177,517)	\$ (12,875,094)	\$ (12,637,979)

2012	2013	2014	2015	2016	2017
\$ 2,321,017	\$ 3,303,980	\$ 2,117,829	\$ 2,368,964	\$ 2,560,521	\$ 2,623,177
10,000,780	10,030,144	9,570,853	10,422,325	11,664,678	12,037,568
3,170,591	2,315,612	4,674,296	4,362,860	5,089,156	4,003,232
186,623	348,228	311,993	331,036	450,430	424,369
15,679,011	15,997,964	16,674,971	17,485,185	19,764,785	19,088,346
4,866,286	5,570,540	5,985,449	6,522,563	6,816,129	6,883,734
4,866,286	5,570,540	5,985,449	6,522,563	6,816,129	6,883,734
\$ 20,545,297	\$ 21,568,504	\$ 22,660,420	\$ 24,007,748	\$ 26,580,914	\$ 25,972,080
\$ 1,053,503	\$ 1,270,038	\$ 1,393,545	\$ 1,990,955	\$ 2,130,993	\$ 1,050,851
926,556	970,056	1,020,548	1,015,341	1,222,136	1,273,401
412,398	400,653	394,466	370,982	428,128	404,857
585,489	427,034	913,289	698,316	572,090	492,513
486,155	75,491	310,320	206,791	5,191	-
3,464,101	3,143,272	4,032,168	4,282,385	4,358,538	3,221,622
5,552,156	6,173,333	6,047,268	6,075,978	6,551,240	6,759,246
-	-	-	-	-	-
-	-	-	-	-	-
5,552,156	6,173,333	6,047,268	6,075,978	6,551,240	6,759,246
\$ 9,016,257	\$ 9,316,605	\$ 10,079,436	\$ 10,358,363	\$ 10,909,778	\$ 9,980,868
\$ (12,214,910)	\$ (12,854,692)	\$ (12,642,803)	\$ (13,202,800)	\$ (15,406,247)	\$ (15,866,724)
685,870	602,793	61,819	(446,585)	(264,889)	(124,488)
\$ (11,529,040)	\$ (12,251,899)	\$ (12,580,984)	\$ (13,649,385)	\$ (15,671,136)	\$ (15,991,212)

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL REVENUES AND OTHER				
CHANGES IN NET ASSETS				
Governmental Activities				
Taxes				
Property	\$ 5,241,736	\$ 5,374,147	\$ 5,831,140	\$ 5,417,410
Sales and Use	1,348,330	1,298,967	1,105,099	976,165
Income	1,549,042	1,532,916	1,336,226	1,311,711
Telecommunications	1,123,987	1,088,078	1,110,277	1,010,038
Utility	1,043,185	976,302	868,953	896,838
Places for Eating	201,391	185,366	164,413	180,099
Hotel/Motel Tax	154,767	124,607	112,206	119,904
Other	66,722	35,116	53,192	62,040
Investment Earnings	255,427	138,719	55,219	42,198
State Shared Income	-	-	-	-
Transfers	-	(750,000)	-	-
Gain on sale of capital asset	-	-	-	-
Miscellaneous	271,689	228,160	296,711	309,605
Total Governmental Activities	11,256,276	10,232,378	10,933,436	10,326,008
Business-Type Activities				
Investment Earnings	42,703	31,824	15,862	15,873
Transfers	-	750,000	-	-
Miscellaneous	-	-	9,000	-
Total Business-Type Activities	42,703	781,824	24,862	15,873
TOTAL PRIMARY GOVERNMENT	\$ 11,298,979	\$ 11,014,202	\$ 10,958,298	\$ 10,341,881
CHANGE IN NET POSITION				
Governmental Activities	\$ 1,045,997	\$ 31,553	\$ (1,535,813)	\$ (1,665,998)
Business-Type Activities	(247,078)	805,132	(380,983)	(630,100)
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ 798,919	\$ 836,685	\$ (1,916,796)	\$ (2,296,098)

Note: GASB Statement Number 68 was implemented in 2016.

Data Source

Audited Financial Statements

2012	2013	2014	2015	2016	2017
\$ 5,809,700	\$ 5,786,028	\$ 6,023,480	\$ 6,037,619	\$ 6,149,145	\$ 6,225,036
1,225,610	1,391,445	1,903,597	2,067,455	1,657,523	1,250,377
1,318,224	1,551,311	1,629,105	1,662,052	-	411,476
892,456	791,670	800,847	753,774	725,182	782,104
807,207	817,669	898,340	825,878	713,829	646,610
177,494	188,328	205,276	219,711	254,221	266,550
143,876	108,924	98,713	126,863	132,104	131,169
611,343	718,024	651,454	567,746	661,172	468,960
14,388	7,990	6,739	9,498	9,031	8,916
-	-	-	-	2,738,373	2,681,404
-	(12,723)	-	-	-	-
-	-	-	-	-	(2,586)
67,501	63,975	108,408	356,812	222,125	75,874
11,067,799	11,412,641	12,325,959	12,627,408	13,262,705	12,945,890
2,553	1,042	795	571	-	2,014
-	12,723	-	-	-	-
-	-	-	-	-	-
2,553	13,765	795	571	-	2,014
\$ 11,070,352	\$ 11,426,406	\$ 12,326,754	\$ 12,627,979	\$ 13,262,705	\$ 12,947,904
\$ (1,147,111)	\$ (1,442,051)	\$ (316,844)	\$ (575,392)	\$ (2,143,542)	\$ (2,920,834)
688,423	616,558	62,614	(446,014)	(264,889)	(122,474)
\$ (458,688)	\$ (825,493)	\$ (254,230)	\$ (1,021,406)	\$ (2,408,431)	\$ (3,043,308)

VILLAGE OF WESTCHESTER, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009	2010	2011
GENERAL FUND				
Reserved	\$ 360,994	\$ 468,986	\$ 746,554	\$ 326,144
Unreserved	5,678,638	5,294,385	5,219,256	4,601,465
Nonspendable - Prepaid Items	-	-	-	-
Restricted for Public Safety	-	-	-	-
Unrestricted				
Assigned - Capital Projects	-	-	-	-
Assigned - Subsequent Budget	-	-	-	-
Assigned for Fund Balance Reserve	-	-	-	-
TOTAL GENERAL FUND	\$ 6,039,632	\$ 5,763,371	\$ 5,965,810	\$ 4,927,609
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 1,080,659	\$ 445,605	\$ 484,697	\$ 1,562,550
Unreserved, Reported In				
Special Revenue Funds	-	-	(104,458)	-
Debt Service Fund	(200)	(200)	-	-
Nonspendable - Prepaid Items	-	-	-	-
Assigned for Capital Projects	-	-	-	-
Assigned for Debt Service	-	-	-	-
Restricted for Public Safety	-	-	-	-
Restricted for Tourism	-	-	-	-
Restricted for Streets and Transportation	-	-	-	-
Restricted for Capital Projects	-	-	-	-
Restricted for Debt Service	-	-	-	-
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 1,080,459	\$ 445,405	\$ 380,239	\$ 1,562,550

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

Data Source

Audited Financial Statements

2012*	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
302,937	313,646	367,165	300,437	320,974	284,933
-	-	-	-	25,485	24,297
-	-	-	699,207	-	-
642,838	48,471	813,818	411,566	141,861	-
3,438,312	4,463,875	4,027,660	3,301,723	3,658,615	3,135,029
\$ 4,384,087	\$ 4,825,992	\$ 5,208,643	\$ 4,712,933	\$ 4,146,935	\$ 3,444,259
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	1,750	5,064	-	-	-
-	169,309	867,119	-	497,279	-
-	-	-	-	-	-
417,487	302,081	201,191	144,282	112,045	44,157
95,112	76,356	87,936	100,015	156,404	169,221
544,886	385,288	72,595	123,729	169,497	245,311
-	4,453,051	1,498,833	222,331	1,051,340	1,158,567
-	119,537	38	89	89	91
-	-	-	-	-	(35,845)
\$ 1,057,485	\$ 5,507,372	\$ 2,732,776	\$ 590,446	\$ 1,986,654	\$ 1,581,502

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2008	2009 (1)	2010	2011
REVENUES				
Real Estate Taxes	\$ 5,117,943	\$ 5,265,623	\$ 5,741,031	\$ 5,321,112
Other Local Taxes	2,546,640	2,365,346	2,423,621	2,447,970
Licenses and Permits	1,084,121	887,044	912,776	838,792
Intergovernmental	3,981,100	4,094,819	3,190,481	3,470,405
Charges for Services	2,089,529	490,503	467,366	467,185
Investment Income	255,427	138,719	55,219	42,198
Fines and Forfeits	456,619	444,320	774,464	701,869
Grant Reimbursements	-	-	-	-
Miscellaneous	233,710	260,235	183,436	271,126
Rental Income	165,022	167,563	170,231	173,032
Total Revenues	15,930,111	14,114,172	13,918,625	13,733,689
EXPENDITURES				
General Government	1,331,339	1,180,578	1,452,466	1,358,597
Legal Department	181,870	206,404	334,692	258,977
CATS	14,506	-	-	-
Community Development Department	385,613	396,671	517,469	466,905
Planning and Zoning	-	-	-	-
Elections Department	-	-	43	-
Fire and Police Commission	25,837	11,307	22,237	26,566
Tourism	65,263	154,691	163,295	124,978
Police 911	820,672	889,859	870,231	954,713
Police Department	4,509,046	4,751,912	4,839,326	4,775,711
Civil Defense	3,124	977	4,761	358,818
Fire Department	3,238,011	3,720,002	3,375,500	4,152,250
Street Lighting	132,278	208,981	165,584	151,927
Public Works	824,553	827,375	885,195	786,863
Streets	1,183,584	1,962,917	1,371,597	3,497,240
Sanitation	1,463,002	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	210,734	207,455	280,734	292,090
Interest and Fiscal Charges	31,041	24,408	23,179	216,810
Bond Issuance Costs	-	-	-	-
Total Expenditures	14,420,473	14,543,537	14,306,309	17,422,445
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,509,638	(429,365)	(387,684)	(3,688,756)
OTHER FINANCING SOURCES (USES)				
Transfers In	978,138	81,193	113	-
Transfers (Out)	(978,138)	(831,193)	(113)	-
Sale of Capital Assets	9,676	56,025	8,050	22,695
Bonds Issued	-	-	-	3,500,000
Premium on Bonds Issued	-	-	-	28,431
Proceeds from Capital Leases	-	212,025	145,907	-
Proceeds from Installment Contracts	-	-	220,000	380,000
Total Other Financing Sources (Uses)	9,676	(481,950)	373,957	3,931,126
NET CHANGE IN FUND BALANCES	\$ 1,519,314	\$ (911,315)	\$ (13,727)	\$ 242,370
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	1.78%	1.76%	2.23%	3.63%

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

Data Source

Audited Financial Statements

	2012	2013	2014	2015	2016	2017
\$	5,711,343	\$ 5,702,949	\$ 5,928,406	\$ 6,037,619	\$ 6,149,145	\$ 6,225,036
	2,509,129	2,425,860	2,527,755	2,493,971	3,190,461	2,990,093
	964,003	1,129,173	1,208,708	1,232,950	1,360,371	1,188,147
	3,843,358	3,673,393	4,998,261	4,757,918	5,176,019	4,197,100
	470,790	600,508	616,737	555,568	687,823	545,774
	14,388	7,990	6,739	9,498	9,031	8,916
	533,889	444,882	493,238	518,261	655,215	774,735
	6,000	46,464	11,743	6,625	6,030	4,530
	303,026	358,354	376,134	350,187	216,092	71,347
	175,974	179,063	190,406	194,608	171,057	164,420
	14,531,900	14,568,636	16,358,127	16,157,205	17,621,244	16,170,098
	1,661,707	1,460,251	1,510,102	1,620,697	1,970,697	1,776,305
	-	-	-	-	-	-
	-	-	-	-	-	-
	477,844	378,933	558,832	514,857	492,778	554,019
	-	-	1,063	1,160	3,016	1,366
	-	-	-	-	-	-
	31,835	15,446	23,639	22,950	16,444	20,207
	145,190	172,394	95,562	126,473	81,745	157,685
	960,875	1,024,642	1,209,638	309,009	266,095	268,471
	5,012,019	4,737,936	5,047,229	5,260,068	5,427,483	5,741,037
	6,428	71,643	6,281	3,986	4,109	2,944
	3,855,189	3,876,174	3,913,548	4,286,298	4,731,571	4,553,364
	-	-	-	-	-	-
	2,974,258	2,166,103	5,152,267	5,983,608	3,686,698	2,186,154
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	1,224,386	1,430,872	452,499	1,207,788	1,102,593
	398,318	276,931	620,361	666,321	663,975	793,211
	191,068	185,934	324,676	343,748	457,646	375,570
	-	153,062	-	-	-	-
	15,714,731	15,743,835	19,894,070	19,591,674	19,010,045	17,532,926
	(1,182,831)	(1,175,199)	(3,535,943)	(3,434,469)	(1,388,801)	(1,362,828)
	-	1,183,512	-	-	444,832	563,725
	-	(1,196,235)	-	-	(444,832)	(563,725)
	16,714	-	-	-	-	-
	-	5,800,000	-	-	2,200,000	-
	-	157,138	-	-	19,011	-
	-	-	-	-	-	-
	117,530	122,576	1,143,998	94,707	-	255,000
	134,244	6,066,991	1,143,998	94,707	2,219,011	255,000
\$	(1,048,587)	\$ 4,891,792	\$ (2,391,945)	\$ (3,339,762)	\$ 830,210	\$ (1,107,828)
	4.04%	3.21%	6.11%	6.39%	6.32%	6.99%

VILLAGE OF WESTCHESTER, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2007	\$ 407,517,174	\$ 170,112,622	\$ 14,204,191	\$ 28,419	\$ 591,862,406	0.894	\$ 1,775,587,218	33.333%
2008	439,774,795	194,188,226	16,189,377	37,165	650,189,563	0.848	1,950,568,689	33.333%
2009	479,487,029	163,433,512	13,633,599	45,682	656,599,822	0.843	1,969,799,466	33.333%
2010	496,732,686	158,189,505	15,045,031	47,637	670,014,859	0.849	2,010,044,577	33.333%
2011	403,599,361	132,866,054	13,967,270	43,184	550,475,869	1.052	1,651,427,607	33.333%
2012	371,404,427	117,980,313	10,487,865	52,851	499,925,456	1.194	1,499,776,368	33.333%
2013	349,697,449	113,196,970	9,777,225	56,062	472,727,706	1.285	1,418,183,118	33.333%
2014	323,112,516	121,241,730	4,315,397	75,837	448,745,480	1.377	1,346,236,440	33.333%
2015	314,159,385	117,312,821	3,499,544	82,355	435,054,105	1.438	1,305,162,315	33.333%
2016	328,175,010	122,886,644	3,963,035	100,828	455,125,517	1.386	1,365,376,551	33.333%

N/A - Data not available from County.

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

Data Source

Office of the County Clerk

VILLAGE OF WESTCHESTER, ILLINOIS

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

Last Ten Levy Years

Tax Levy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Suburban TB Sanitarium	0.005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.012	0.012	0.011	0.011	0.014	0.015	0.016	0.016	0.017	0.017
Water Reclamation District	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406
Westchester Park District	0.318	0.219	0.257	0.264	0.315	0.357	0.381	0.406	0.422	0.408
Triton College District #504	0.224	0.212	0.214	0.225	0.267	0.269	0.325	0.336	0.352	0.330
High School District #209	1.839	1.752	1.759	1.813	2.263	2.518	2.722	2.913	3.060	2.988
School District #93	1.486	1.433	1.567	1.643	1.980	2.230	2.401	2.543	2.695	2.625
Westchester Library Fund	0.173	0.164	0.164	0.166	0.206	0.234	0.252	0.270	0.282	0.272
Village of Westchester	0.894	0.848	0.843	0.849	1.052	1.194	1.285	1.377	1.438	1.386
Proviso Mental Health District	0.117	0.113	0.113	0.117	0.145	0.150	0.150	0.150	0.150	0.144
Proviso General Assistance	0.034	0.033	0.033	0.031	0.038	0.045	0.052	0.053	0.057	0.059
Town of Proviso	0.059	0.057	0.057	0.062	0.081	0.095	0.110	0.106	0.115	0.119
Forest Preserve District	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063
Consolidated Elections	0.012	-	0.021	-	0.025	-	0.031	-	0.034	0.031
County of Cook	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.502
TOTAL	5.935	5.561	5.743	5.929	7.226	8.071	8.771	9.237	9.669	9.350

N/A - data not available

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

Data Source

Cook County Clerk's Office

VILLAGE OF WESTCHESTER, ILLINOIS

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

Last Ten Levy Years

Tax Levy Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Suburban TB Sanitarium	0.005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.012	0.012	0.011	0.011	0.014	0.015	0.016	0.016	0.017	0.017
Water Reclamation District	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426	0.406
Westchester Park District	0.318	0.219	0.257	0.264	0.315	0.357	0.381	0.406	0.422	0.408
Triton College District #504	0.224	0.212	0.214	0.225	0.267	0.269	0.325	0.336	0.352	0.330
High School District #209	1.839	1.752	1.759	1.813	2.263	2.518	2.722	2.913	3.060	2.988
School District #92.5	2.230	2.116	2.044	2.048	2.536	2.844	3.073	3.626	3.815	3.679
Westchester Library Fund	0.173	0.164	0.164	0.166	0.206	0.234	0.252	0.270	0.282	0.272
Village of Westchester	0.894	0.848	0.843	0.849	1.052	1.194	1.285	1.377	1.438	1.386
Proviso Mental Health District	0.117	0.113	0.113	0.117	0.145	0.150	0.150	0.150	0.150	0.144
Proviso General Assistance	0.034	0.033	0.033	0.031	0.038	0.045	0.052	0.053	0.057	0.059
Town of Proviso	0.059	0.057	0.057	0.062	0.081	0.095	0.110	0.106	0.115	0.119
Forest Preserve District	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069	0.063
Consolidated Elections	0.012	-	0.021	-	0.025	-	0.031	-	0.034	0.031
County of Cook	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552	0.502
TOTAL	6.679	6.244	6.220	6.334	7.782	8.685	9.443	10.320	10.789	10.404

N/A - data not available

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

Data Source

Cook County Clerk's Office

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

Taxpayer	2017			Taxpayer	2007		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Bre IL OFC Owner LLC	\$ 21,263,121	1	4.67%	Long Ridge Office LP	\$ 32,340,600	1	5.46%
Regency Centers	2,748,387	2	0.60%	Regency Centers	4,237,605	2	0.72%
Marc Realty	1,348,646	3	0.30%	Marc Realty	2,542,852	3	0.43%
GAMA LP	1,330,547	4	0.29%	Prime Group Realty	1,750,867	4	0.30%
Mariner Health Care	1,220,244	5	0.27%	Mariner Health Care	1,504,798	5	0.25%
Vinayakahos Westchester	1,020,212	6	0.22%	Grand Prix Westchester	1,499,999	6	0.25%
New Albertsons	923,378	7	0.20%	WiFi 2400 LLC	1,181,895	7	0.20%
Catholic Cemeteries	816,716	8	0.18%	Westchester Partners	1,177,998	8	0.20%
J Cacciatore Co	809,339	9	0.18%	Albertsons	1,148,055	9	0.19%
MB Real Estate	<u>778,050</u>	10	<u>0.17%</u>	Pension Fund Laborers Union	<u>829,033</u>	10	<u>0.14%</u>
TOTAL	<u>\$ 32,258,640</u>		<u>7.09%</u>		<u>\$ 48,213,702</u>		<u>8.15%</u>

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

Data Source

Office of the County Clerk

VILLAGE OF WESTCHESTER, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 5,133,027	\$ 5,036,497	98.12%	\$ 52,177	\$ 5,088,674	99.14%
2008	5,291,250	5,157,802	97.48%	27,925	5,185,727	98.01%
2009	5,513,607	5,317,418	96.44%	81,605	5,399,023	97.92%
2010	5,535,137	5,381,139	97.22%	35,947	5,417,086	97.87%
2011	5,688,426	2,491,858	43.81%	3,095,450	5,587,308	98.22%
2012	5,791,006	2,964,049	51.18%	2,718,522	5,682,571	98.13%
2013	5,970,491	3,028,389	50.72%	2,830,833	5,859,222	98.14%
2014	6,074,551	3,169,135	52.17%	2,896,951	6,066,086	99.86%
2015	6,256,078	3,213,877	51.37%	2,970,690	6,184,567	98.86%
2016	6,308,040	3,271,005	51.85%	-	3,271,005	51.85%

N/A - Information not available

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

Data Source

Office of the County Clerk

VILLAGE OF WESTCHESTER, ILLINOIS

SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Merchandise	\$ 138	\$ -	\$ 152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	381,063	370,606	344,437	319,334	298,779	291,285	287,509	254,811	573,311	574,689
Drinking and Eating Places	196,087	185,900	174,563	168,451	169,668	172,243	191,567	201,270	204,528	214,703
Apparel	1,469	-	949	-	-	-	594	-	-	-
Furniture, H.H. and Radio	1,492	2,034	1,562	2,307	1,069	3,057	1,778	1,227	8,463	9,233
Lumber and Building Hardware	3,945	10,530	16,662	11,366	1,587	333	-	1,288	6,890	8,588
Automobile and Filling Stations	82,662	78,224	65,853	73,577	77,133	79,159	81,082	93,732	86,174	87,898
Drugs and Miscellaneous Retail	185,935	164,082	142,019	307,783	347,371	311,225	362,657	341,223	338,733	276,149
Agriculture and All Others	196,479	272,991	156,587	72,868	70,588	85,720	48,700	52,288	13,052	85,707
Manufacturers	10,887	16,989	8,671	10,163	6,789	8,711	7,299	13,920	12,371	11,131
TOTAL	\$ 1,060,157	\$ 1,101,356	\$ 911,455	\$ 965,848	\$ 972,984	\$ 951,732	\$ 981,187	\$ 959,759	\$ 1,243,522	\$ 1,268,099
VILLAGE DIRECT SALES										
TAX RATE	8.00%	8.00%	9.00%	8.50%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%

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

Data Source

Illinois Department of Revenue

VILLAGE OF WESTCHESTER, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Overlapping Rate		State Rate
	Regional Transportation Authority Rate	Cook County Rate	
2008	1.00%	0.75%	6.25%
2009	1.00%	0.75%	6.25%
2010	1.00%	1.75%	6.25%
2011	1.00%	1.25%	6.25%
2012	1.00%	1.00%	6.25%
2013	1.00%	1.00%	6.25%
2014	1.00%	1.75%	6.25%
2015	1.00%	1.75%	6.25%
2016	1.00%	1.75%	6.25%
2017	1.00%	1.75%	6.25%

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

Data Source

Illinois Department of Revenue

VILLAGE OF WESTCHESTER, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities					Business-Type Activities					Total Primary Government	EAV	Percentage of EAV	Per Capita*
	General Obligation Bonds	General Obligation Alternate Revenue Source Bonds	Capital Leases	Installment Contracts	Debt Certificates	General Obligation Bonds	Capital Leases	IEPA Loans	Installment Contracts					
2008	\$ -	\$ -	\$ 126,907	\$ 5,736	\$ 485,000	\$ -	\$ -	\$ -	\$ -	\$ 617,643	\$ 591,862,406	0.10%	\$ 36.71	
2009	-	-	252,213	-	370,000	-	-	-	-	622,213	650,189,563	0.10%	36.98	
2010	-	-	250,937	220,000	250,000	-	98,583	-	-	819,520	656,599,822	0.12%	49.02	
2011	3,500,000	-	123,847	560,000	125,000	1,610,000	25,053	-	-	5,943,900	670,014,859	0.89%	355.54	
2012	3,390,000	-	75,134	554,330	-	1,485,000	-	950,793	61,450	6,516,707	550,475,869	1.18%	389.80	
2013	3,255,000	5,800,000	27,011	583,098	-	1,335,000	-	1,119,179	56,042	12,175,330	449,925,456	2.71%	728.28	
2014	3,115,000	5,800,000	-	1,273,746	-	1,180,000	-	813,265	196,436	12,378,447	472,727,706	2.62%	740.43	
2015	2,975,000	5,650,000	-	992,131	-	1,025,000	-	1,323,895	151,822	12,117,848	448,745,480	2.70%	724.84	
2016	2,850,612	7,745,973	-	728,157	-	865,000	-	1,263,852	1,359,518	14,813,112	435,054,105	3.40%	886.06	
2017	2,699,191	7,390,022	-	694,954	-	700,000	-	1,200,345	1,044,820	13,729,332	455,125,517	3.02%	821.23	

*See the Schedule of Demographic and Economic Information on page 111 for population data.

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

Data Sources

Office of the County Clerk
U.S. Census Bureau

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2017

	Gross Debt (1)	Percentage of Debt Applicable to the Village (2)	Village's Share of Debt
DIRECT DEBT			
Village of Westchester	<u>\$ 10,784,167</u>	100.00%	<u>\$ 10,784,167</u>
OVERLAPPING DEBT			
Cook County	3,397,806,079	0.33%	11,212,760
Cook County Forest Preserve District	191,698,444	0.33%	632,605
Metropolitan Water Reclamation District	2,770,788,000	0.33%	9,143,601 (3)
Westchester Park District	528,000	98.26%	518,813 (4)
School District #92.5	13,066,000	93.74%	12,248,068
School District #93	2,275,000	44.57%	1,013,968
High School #209	<u>35,540,000</u>	21.57%	<u>7,665,978</u>
Total Overlapping Debt	<u>6,411,701,523</u>		<u>42,435,794</u>
TOTAL	<u><u>\$ 6,422,485,690</u></u>		<u><u>\$ 53,219,961</u></u>

Notes:

- (1) Office of the Cook County Clerk. Certain Gross Bonded Debt amounts as of April 30, 2017 could not be obtained as of the date of printing. In these instances, April 30, 2016 amounts are shown.
- (2) Overlapping debt percentages based on 2015 EAV, as of April 30, 2016, for Cook County.
- (3) Includes Revolving Loan Fund Bonds Issued with the IEPA.
- (4) Excludes outstanding principal amounts of General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

VILLAGE OF WESTCHESTER, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	Legal Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of of Debt Limit
2008	\$ 51,048,133	\$ 490,736	\$ 50,557,397	0.96%
2009	56,078,850	370,000	55,708,850	0.66%
2010	56,631,735	250,000	56,381,735	0.44%
2011	57,788,782	5,235,000	52,553,782	9.06%
2012	47,478,544	4,875,000	42,603,544	10.27%
2013	38,806,071	10,390,000	28,416,071	26.77%
2014	30,677,765	10,095,000	20,582,765	32.91%
2015	38,704,298	1,143,953	37,560,345	2.96%
2016	37,523,416	2,087,675	35,435,741	5.56%
2017	39,254,575	1,739,774	37,514,801	4.43%

Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value	\$ 455,125,517
Legal Debt Margin	8.625%
Legal Debt Limit	39,254,575
Debt Applicable to Limit Installment contracts	1,739,774
LEGAL DEBT MARGIN	\$ 37,514,801

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
2008	\$ -	\$ -	\$ -	0.00%	\$ -
2009	-	-	-	0.00%	-
2010	-	-	-	0.00%	-
2011	5,110,000	-	5,110,000	0.25%	305.66
2012	4,875,000	-	4,875,000	0.30%	291.60
2013	10,390,000	119,537	10,270,463	0.68%	614.34
2014	10,095,000	-	10,095,000	0.71%	603.84
2015	9,650,000	-	9,650,000	0.72%	577.22
2016	11,461,585	-	11,461,585	0.88%	685.58
2017	10,789,213	-	10,789,213	0.79%	645.37

* See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 100 for property value data.

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

Data Source

U.S. Census Bureau

VILLAGE OF WESTCHESTER, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

Calendar Year	Population	Median Family Income	Income Per Capita	Unemployment Rate
2016	16,718	\$ 72,470	\$ 36,076.00	6.2%
2015	16,718	71,479	29,056.50	6.4%
2014	16,718	69,679	28,324.80	7.8%
2013	16,718	69,989	28,450.81	9.2%
2012	16,718	72,966	29,660.98	8.9%
2011	16,718	69,679	28,324.80	9.0%
2010	16,718	68,400	27,804.88	10.1%
2009	16,824	66,450	27,012.20	10.0%
2008	16,824	67,451	27,419.11	7.6%
2007	16,824	70,309	28,580.89	4.1%

Data Sources

U.S. Census Bureau

Unemployment Rate:

Illinois Department of Employment Security
Economic Information and Analysis

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Ten Years Prior

Employer	2017		Employer	2007	
	Rank	Employees as a % of Village Population		Rank	Employees as a % of Village Population
Follett Corporation	1	4.19%	Corn Products International	1	3.59%
Ingredion Inc.	2	3.59%	Grove, Inc.	2	1.65%
CPS Inc	3	2.76%	Nonni's Food Company, Inc.	3	1.50%
Mariano's Westchester	4	2.39%	SAP America, Inc.	4	1.50%
Sterling Engineering, Inc./Sterling Staffing	5	1.91%	Jewel Food Stores, Inc.	5	1.26%
Nonni's Food Company, Inc.	6	1.50%	Fresenius Medical Care	6	1.02%
Sogeti USA, LLC	7	1.44%	Andrew Corportation	7	0.90%
Westchester School District 92.5	8	1.05%	Revenue Cycle Solutions, Inc.	8	0.87%
Chicago Laborers' Pension & Welfare Fund	9	0.90%	Software Architects, Inc.	9	0.84%
Insurance Auto Auctions, Inc.	9	0.90%	Loyola University Physician Foundation	10	0.84%
Jewel-Osco	9	0.90%			
Revenue Cycle Solutions, Inc.	10	0.72%			
TOTAL		22.24%	TOTAL		13.97%
Total Population		16,718	Total Population		16,824

Data Sources

LocationOne Information System, ESRI Business Analyst Online, and a selective telephone survey

VILLAGE OF WESTCHESTER, ILLINOIS

FULL-TIME EMPLOYEES

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GENERAL GOVERNMENT										
Village Manager's Office	2	2	3	3	2	2	2	2	2	2
Finance	5	5	3	2	2	4	4	4	4	5
Building/Code Enforcement	4	4	4	4	4	3	3	2	2	2
PUBLIC SAFETY										
Police										
Officers	35	35	36	35	33	31	31	30	30	29
Administration/Civilians	13	13	11	8	10	12	12	12	12	12
Fire										
Firefighters and Officers	27	27	28	29	29	27	27	27	27	27
Administration/Civilians	1	1	-	-	-	-	-	-	-	-
PUBLIC WORKS										
Administration	4	4	4	3	2	4	3	3	3	3
Works and Street Maintenance	8	8	8	6	9	9	9	9	9	8
Water/Sewer Operations	9	9	9	9	8	8	8	8	8	8
TOTAL	108	108	106	99	100	100	99	97	97	96

Data Source

Village records

VILLAGE OF WESTCHESTER, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PUBLIC SAFETY										
Police										
Total Accidents	578	572	376	443	361	399	577	517	607	585
Total Burglaries	129	116	139	83	104	95	50	69	37	125
Total Thefts	174	218	144	160	192	144	149	118	158	167
Total Criminal Damage	212	142	111	115	63	87	62	56	100	114
Total Arrests and Citations	10,089	8,190	8,313	7,553	9,555	5,762	5,209	3,572	3,229	2,115
Total Juvenile Cases	217	210	183	200	169	145	85	35	37	50
Fire										
Ambulance calls	1,491	1,777	1,554	1,716	1,720	1,709	1,823	1,881	2,069	2,024
Fire Alarms	73	40	87	46	51	49	46	47	54	43
Nonfire Alarms	721	833	710	855	631	709	842	933	998	831
Fire Prevention Inspections	875	587	621	312	502	829	414	434	836	620
PUBLIC WORKS										
Parkway Maintenance (Hours)	1,084	683	1,126	1,217	1,152	1,096	1,448	2,064	2,488	1,080
Branch Pick-Up (Hours)	979	1,188	948	1,277	1,780	1,610	1,168	912	1,008	744
Tree Maintenance (Hours)	887	875	1,296	1,152	2,424	2,696	2,340	4,056	5,224	4,464
Street and Alley Maintenance (Hours)	3,503	3,313	5,127	5,362	5,672	7,420	7,624	6,944	7,114	7,164
Snow Removal and Salt Spreading (Hours)	2,384	1,432	912	1,521	431	834	3,196	1,471	557	570
WATER/SEWER										
Sanitary Sewers										
Manholes Inspected	664	901	46	482	144	121	42	130	73	47
Manholes Cleaned and Repaired - Vacuumed	11	79	7	23	15	1	6	61	2	4
Total Feet Replaced	6	20	-	-	2,500	1,500	5,355	946	15	-
Storm Sewers										
Manholes Repaired	10	-	6	-	10	1	3	20	1	4
Total Rodded (Feet)	21,200	47,500	39,300	10,875	12,650	3,645	1,890	4,960	2,295	12,182
Total Replaced/Installed (Feet)	115	-	680	-	15	20	151	3,309	151	161
Catch Basins Cleaned and Repaired	17	48	47	285	239	72	157	312	324	75
Inlets Cleaned and Repaired	296	1,603	155	549	427	229	1,496	2,292	221	10
Jetting Sewer System (Feet)	117,400	196,200	51,800	19,275	15,150	4,770	7,245	21,442	4,915	18,227
Water Main Breaks	45	29	30	39	25	40	41	34	36	28
Fire Hydrants Replaced	9	2	-	3	1	4	3	7	7	4
Water Meters Replaced	147	23	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
BUILDING DEPARTMENT										
Residential Alteration Permits Issued	266	174	131	102	109	81	139	91	166	127
Commercial Alteration Permits Issued	193	152	186	161	167	163	52	29	32	36
Electrical Permits Issued - Residential	179	163	128	112	83	79	82	77	59	33
Plumbing Permits Issued - Residential	154	202	131	132	46	98	155	173	155	130
Compliance for Sale										
Residential	521	353	425	364	587	721	412	652	657	630
Commercial	7	2	3	2	3	4	2	8	7	10
Industry	1	-	-	-	-	2	2	-	1	1
Code Enforcement										
Citations Issued	113	62	111	63	31	41	89	20	55	62

N/A - Not available

Data Source

Various Village departments

VILLAGE OF WESTCHESTER, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	5	5	5	5	5	5	5	5	5	5
Patrol Units	9	9	9	9	9	9	9	9	9	9
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Engines	4	4	4	4	4	4	4	4	4	4
Ambulance	1	1	2	2	2	2	2	2	2	2
HIGHWAY AND STREETS										
Streets (Miles)	49	49	49	49	49	49	49	49	49	49
WATERWORKS										
Water Mains (Miles)	65	65	65	65	65	65	68	65	65	65
Fire Hydrants	783	783	783	870	870	870	870	870	870	870
Storage Capacity (million Gallons)	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Storm Drains (Miles)	51	51	51	51	51	51	51	51	51	51
SEWERAGE										
Sanitary Sewers (Miles)	54	54	54	54	54	54	54	54	54	54

Data Source

Various Village departments