

Village of Westchester, Illinois



Comprehensive Annual Financial Report

For the Fiscal Year Ended
April 30, 2015

VILLAGE OF WESTCHESTER, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

For the Year Ended
April 30, 2015

Prepared by:

Maureen Potempa
Finance Director

VILLAGE OF WESTCHESTER, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials	i
Organizational Chart	ii
Certificate of Achievement for Excellence in Financial Reporting	iii
Letter of Transmittal	iv-xi
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT	1-3
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	4
Statement of Activities	5-6
Fund Financial Statements	
Governmental Funds	
Balance Sheet	7
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	8
Statement of Revenues, Expenditures and Changes in Fund Balances	9
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	10

VILLAGE OF WESTCHESTER, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Net Position	12
Statement of Cash Flows	13-14

Fiduciary Funds

Statement of Fiduciary Net Position	15
Statement of Changes in Fiduciary Net Position	16

Notes to Financial Statements	17-56
-------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	57
Motor Fuel Tax Fund.....	58
Schedule of Funding Progress and Employer Contributions	
Illinois Municipal Retirement Fund	59
Police Pension Fund	60
Firefighters' Pension Fund	61
Other Postemployment Benefit Plan	62
Schedule of Employer Contributions	
Police Pension Fund	63
Firefighters' Pension Fund	64
Schedule of Changes in the Employer's Net Pension and Related Ratios	
Police Pension Fund	65
Firefighters' Pension Fund	66
Schedule of Investment Returns	
Police Pension Fund	67
Firefighters' Pension Fund	68
Notes to Required Supplementary Information	69

VILLAGE OF WESTCHESTER, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

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

MAJOR GOVERNMENTAL FUNDS

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Capital Improvements Fund	70
--	----

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual 911 Fund	73
Hotel/Motel Tax Fund	74
Debt Service Fund	75

FIDUCIARY FUNDS

Combining Statement of Net Position - Pension Trust Funds	76
Combining Statement of Changes in Net Position - Pension Trust Funds.....	77
Statement of Changes in Assets and Liabilities - Agency Fund	78

STATISTICAL SECTION

Financial Trends

Net Position by Component	79-80
Change in Net Position.....	81-84
Fund Balances of Governmental Funds	85-86
Changes in Fund Balances of Governmental Funds	87-88

Revenue Capacity

Assessed Value and Estimated Actual Value of Taxable Property.....	89
Property Tax Rates - Direct and Overlapping Governments Proviso Township (School District #93)	90
Proviso Township (School District #92.5)	91
Principal Property Taxpayers	92
Property Tax Levies and Collections	93
Sales Tax by Category	94
Direct and Overlapping Sales Tax Rates	95

VILLAGE OF WESTCHESTER, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

STATISTICAL SECTION (Continued)

Debt Capacity	
Ratios of Outstanding Debt by Type.....	96
Schedule of Direct and Overlapping Bonded Debt.....	97
Legal Debt Margin Information	98
Ratios of General Bonded Debt Outstanding.....	99
Demographic and Economic Information	
Demographic and Economic Information	100
Principal Employers	101
Operating Information	
Full-Time Employees.....	102
Operating Indicators.....	103-104
Capital Asset Statistics.....	105

INTRODUCTORY SECTION

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2015

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Sam D. Pulia, President

Paul Gattuso, Trustee

Angelo Calcagno, Trustee

Frank Perry, Trustee

Celestine Reda, Trustee

Nick Steker, Trustee

Thomas Yurkovich, Trustee

Sherby Miller, Village Clerk

Barbara Brandt, Village Treasurer

ADMINISTRATIVE

Janet M. Matthys, Village Manager

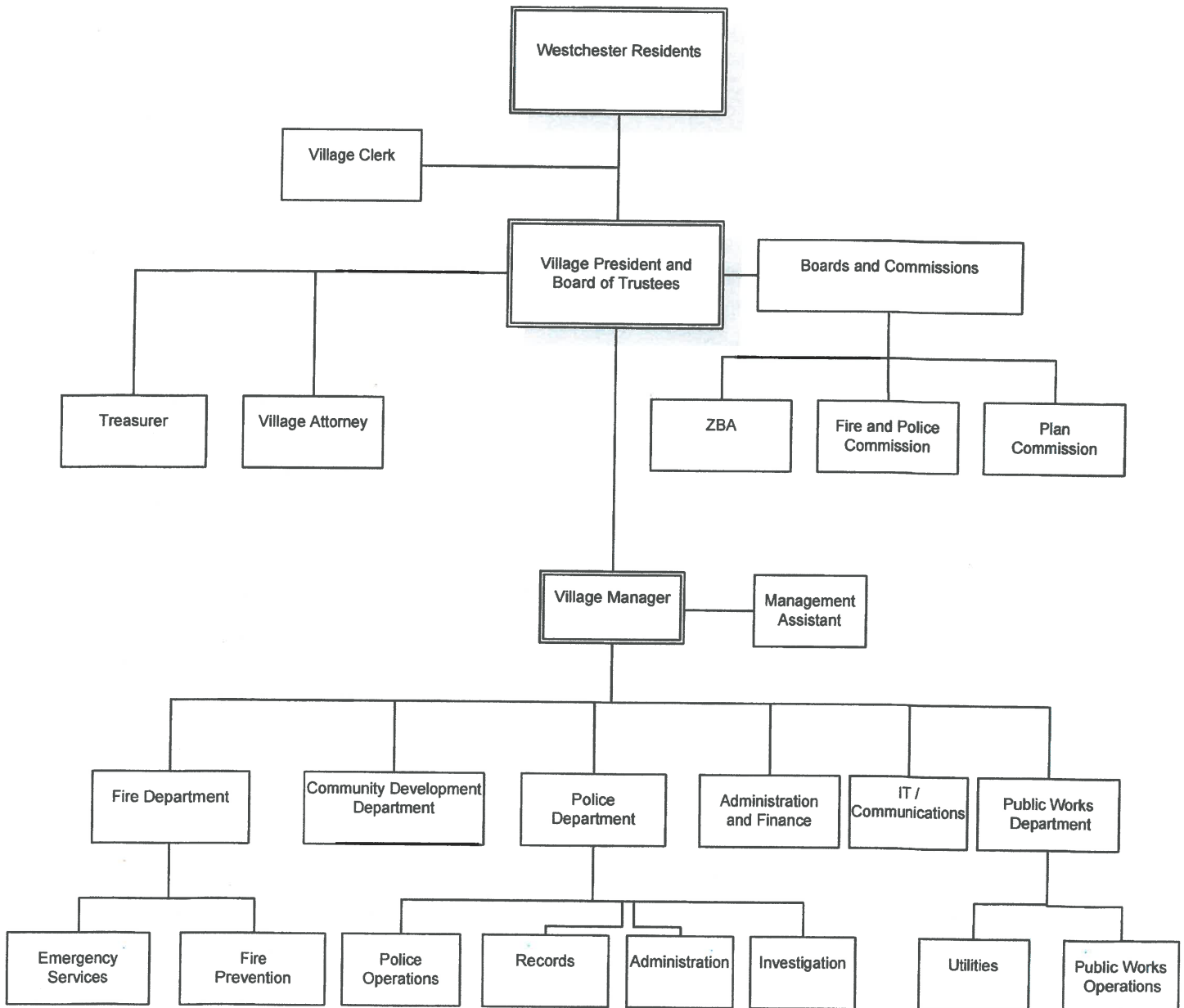
Maureen B. Potempa, Finance Director



Village of Westchester

Organizational Chart

10300 Roosevelt Road, Westchester, IL 60154





Government Finance Officers Association

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

Presented to

**Village of Westchester
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2014

Executive Director/CEO



Village of Westchester

10300 ROOSEVELT ROAD, WESTCHESTER, IL 60154

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

WWW.WESTCHESTER-IL.ORG

Village President
SAM D. PULIA

Village Clerk
SHERBY J. MILLER

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

Village Manager
JANET M. MATTHYS

Village Attorney
MICHAEL K. DURKIN

January 18, 2016

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

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

We are pleased to report that the independent audit firm Sikich LLP, Certified Public Accountants, have issued an unmodified opinion on the Village's financial statements for the year ended April 30, 2015. The independent auditors' report is located at the front of the financial section of the CAFR.

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

The Village expended in excess of \$500,000 of federal funds during the fiscal year ended April 30, 2015 and, therefore, was required to undergo an annual single audit in conformity with the provisions of the Single Audit act of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Entities*.

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

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

Profile of the Village of Westchester

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

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

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

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

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

Factors Affecting the Village's Economic Condition

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 and have caused revenue projection for state and local revenue to be flat as compared to the prior year. The most recent year-over-year sales tax analysis shows a 39% increase for the first and second quarters of Fiscal 2016, primarily attributable to the opening of the Mariano's Fresh Market in November 2014. The state income tax analysis shows a 12.5% increase for the last six months.

The Village property tax base is founded primarily in its residential housing stock. The Village's 2014 EAV of \$448,745,480 (for taxes payable 2015) decreased by another 5.7% as compared to the 2013 EAV of \$472,727,706. The overall EAV reflects the significant decrease in property values that has occurred in Westchester as well as the region since 2008. The 2014 decrease followed decreases of 5.4%, 9.1% and 17.8% in 2013, 2012 and 2011, respectively. 2011 was a reassessment year and the first reassessment since the beginning of the "great recession" in 2008. The EAV for 2012 and 2013 likely reflect continued impact of the 2011 reassessment. 2014 was also a reassessment year. In just four years, the Village's EAV has dropped to pre-2002 levels. Property taxes, which represent 37% of governmental funds revenue, were also limited to a tax cap of 1.7% for the 2013 (payable 2014) levy (decrease from 3.0%) and 1.5% for the 2014 (payable 2015) levy.

The unemployment rate continued a trend of historically high numbers with the rate at or above 7.5% since 2009. The Consumer Price Index (CPI) for the Chicago area was only -0.9% for April 2015; a figure below the national average of -0.2% and representing a reduced trend of inflation which has evolved into a deflationary period. The Village's investment income was impacted as market interest rates remained at historic lows during the fiscal year. The Federal Reserve did not make any changes to the overnight bank lending rate during the fiscal year with the rate remaining in a 0.00-0.25% "range." 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 Village's expenditures were impacted in recent years by two devastating one-hundred year floods that occurred in July 2010 and again in April 2013, causing more than half of the single family residential units in town to have either sewer backups or seepage in basements. The town was declared a disaster area after the 2010 and 2013 flood events by the President of the United States. The Village incurred approximately \$150,000 in unbudgeted expenditures in Fiscal 2013 related to the 2013 flood event, consisting primarily of debris removal, personnel overtime costs and equipment rental. The Village expenditures have also been impacted by numerous water main breaks in Fiscal 2015 and Fiscal 2014 due to the aging infrastructure of the Village and the severe weather during the winter of 2014.

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

Economic Development Initiatives

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

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

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

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

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

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

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

In Fiscal 2014, the Board of Trustees authorized the Village of Westchester Façade grant Program to support rehabilitation and preservation of commercial property; encourage new business; and retain, revitalize, and expand existing business in Westchester. Property owners who propose to install at least \$5,000 of total improvements, are eligible to receive a grant equal to 50% of eligible costs, up to a maximum grant of \$7,500. The maximum amount of the grant 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 2015, three grant applications were received and two projects completed for a total disbursement of \$15,000.

During 2015, the Village also issued permits for renovations at Midwest Orthopedics at Rush (construction cost \$290,000), Life Start Fitness (construction cost \$295,000), Burger King (construction cost \$315,000), Jewel/Osco (construction cost \$420,000) and First Merit Bank (construction cost \$219,000). Permits were issued for several significant leasehold improvements within the Westbrook Corporate Center including LBP Kitchen/Training Center (construction cost \$745,000), Silveredge Consulting (construction cost \$288,000) and CVM Solutions (construction cost \$250,000). The Prescott Square Subdivision was issued a permit for replacement of siding, gutters and roofing on all of its fifteen buildings (construction cost \$1,200,000).

Flood Mitigation

The Village entered into an intergovernmental agreement with the Metropolitan Water Reclamation District of Greater Chicago (MWRD), executed May 6, 2014, which provides for the expansion of the existing

Mayfair Reservoir for additional storage and the installation of a storm sewer for additional flooding relief. The Mayfair Reservoir is located in Mayfair Park, which is north of 31st Street and west of Mayfair Avenue.

During the 2010 and 2013 storm events, this area was subject to severe flooding which damaged basements of over 120 homes and first floors of over 30 homes in each of the storm events. Water surface elevations and depths at the Mayfair Reservoir and in the depressional area between Carlisle and Bedford Streets are controlled by a combination of storage capacity of the Mayfair Reservoir, storm sewer capacity, inlet capacity, elevation of the receiving water body (Salt Creek) and overland flow route elevations and capacity. Our engineers estimate that the expansion of the Mayfair Reservoir will provide an additional 27 acre-feet of storage which should result in a lowering of water surface elevations downstream of the Mayfair Reservoir of approximately 2-feet with beneficial, but diminishing, reductions along the corridor to Salt Creek. The Project budget is estimated at \$2,586,650. MWRD will participate in funding not to exceed \$2,121,000. The Village will finance the remaining cost of the Project. Construction commenced in October 2014 on the expansion of the reservoir and was completed in the fall of 2015. Construction of the additional storm sewer began in the summer of 2015 and will be completed in the Spring of 2016.

Long-Term Financial Planning

In April 2013, the Board of Trustees voted to outsource the functions of the E-911 telecommunications system. The outsourcing of those services was estimated to provide a cost savings of approximately \$1.2 million over the next five fiscal years (Fiscal 2014 – 2018).

The Village has engaged in capital planning activities which extended beyond the annual budgetary period. In conjunction with the budget for the fiscal year which began May 1, 2014, budgeted forecasts of revenues and expenses for all funds were made for fiscal 2015 and for the following two fiscal years.

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

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

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

In February 2013, the Village issued \$5,800,000 Taxable General Obligation Bonds, Series 2013 to fund street reconstruction and repair. The debt service will be made from the proceeds of the Village's non-home rule sales tax. The Bonds were used to provide funds to finance certain public infrastructure improvements, specifically rebuilding local roadways and related water main replacements. The bond proceeds funded the rehabilitation of approximately 24 streets during Fiscal 2013 and Fiscal 2014 and an additional eleven streets during Fiscal 2015.

In March 2014, The Village of Westchester received notification of funding for a Local Agency Functional Overlay (LAFO) for Enterprise Drive/Constitution Drive from Wolf Road to Cermak Road in the Village of Westchester. The Village entered into a Local Agency Agreement for Federal Participation with the Illinois Department of Transportation which will provide for federal participation of 80% of the design and construction cost of the project, not to exceed \$648,000. Construction began in August 2014 and was completed in April 2015.

Recognizing the importance of public safety, the Village made significant investments in public safety equipment in Fiscal 2015. The Village was fortunate to receive a Department of Homeland Security Assistance to Firefighters Grant in the amount of \$53,295 to fund the acquisition of fire radios in October 2014. During Fiscal 2015, the Village acquired five Ford Police Interceptors for the Westchester Police Department at a total acquisition cost of \$146,094.

In 2014, the Village received capital grants from the Illinois Department of Commerce and Economic Opportunity in the amount of \$250,000 for upgrading of its emergency operations center. This grant, limited to a maximum funding level of 75%, provided significant funding of a generator for the Village Hall in the amount of \$256,629, security cameras in the amount of \$16,500, a fire alarm system for the Village Hall in the amount of \$71,025 and a Zetron communication system for the fire station in the amount of \$31,717.

In December 2014, the Village purchased a vactor truck at an acquisition cost of \$324,247 to assist in maintenance of the Village's storm sewers.

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

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 will fund the rehabilitation of approximately 5 streets and various water and sewer main replacements during Fiscal 2016.

In anticipation of the 2015 bond issuance, the Village received a rating update from Moody's Investor Services and was pleased to retain its' Aa2 bond rating. Assignment of the Aa2 rating reflects the Village's moderately sized and conveniently located tax base; sound financial position supported by ample operating reserves; and a manageable debt profile.

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 2015 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.

One of the major projects planned for Fiscal 2016 is the installation of a Flexnet Meter Reading System throughout the Village. The installation of these radio-read meters will allow monthly meter reading and a conversion to a monthly billing cycle for water and sewer utilities. It is anticipated that the implementation of monthly utility billing will allow a more accurate monitoring of water usage and the timely identification of water leaks. The Village has obtained a financing agreement dated August 6, 2015 in the principal amount of \$1,230,000 to fund the project.

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 2016.

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 2016 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.

Independent Audit

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

Acknowledgements

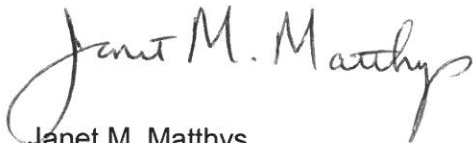
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Westchester for its comprehensive annual financial report for the fiscal year ended April 30, 2014. In order to be awarded a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

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

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

In closing, I would also like to thank the Honorable President and Board of Trustees for their leadership and support in planning and conducting the financial operations of the Village in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in cursive script that reads "Janet M. Matthys". The signature is written in dark ink and is positioned above the printed name and title.

Janet M. Matthys
Village Manager

FINANCIAL SECTION



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2015, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village's management.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Westchester, Illinois, as of April 30, 2015, 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.

Change in Accounting Principle

The Village adopted the GASB Statement No 67, *Financial Reporting for Pension Plans*, which modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinion is not modified with respect to this matter.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2016 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Sibich LLP". The signature is written in a cursive, flowing style with a large, stylized "S" at the beginning and a "P" at the end.

Naperville, Illinois
January 18, 2016
(except for the Police and Firefighters'
pension trust funds, as to which the
date is November 9, 2015)

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

As management of the Village of Westchester, we offer readers of the Village of Westchester's financial statements this narrative overview and analysis of the financial activities of the Village of Westchester for the fiscal year ended April 30, 2015. Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts. We encourage readers to consider the information presented here in conjunction with the basic financial statements to enhance their understanding of the Village's financial performance. Certain comparative information between the current year and the prior year is required to be presented in the MD&A, as is included in this year's narrative.

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

Financial Highlights

- ❑ The total assets of the Village of Westchester as reported in the Statement of Net Position exceeded its liabilities at the close of the most recent fiscal year by \$34.08 million (net position).
- ❑ Approximately 43.15% of the Village's \$24.01 million in expenses as reported in the Statement of Activities were paid for with program revenues, including \$9.45 million of charges for services, \$0.69 million of operating grants and contributions and \$0.21 million of capital grants and contributions. Of the remaining \$12.57 million, \$9.38 million was paid for with taxes, \$2.27 million was paid with state shared income, and \$0.92 million was paid for with miscellaneous income.
- ❑ The governmental activities net position is \$24.29 million, while the business-type activities had a net position of \$9.79 million.
- ❑ As of the close of the current fiscal year, the Village of Westchester's governmental funds reported combined ending fund balances of \$5.30 million, a decrease of \$2.64 million in comparison with the prior year's balance of \$7.94 million. Approximately \$3.30 million of this total amount is available for spending at the government's discretion (unassigned fund balance). The remainder of \$2.00 million is comprised of non-spendable assets (prepaid items) of \$.30 million, assets restricted for public safety, tourism, debt service, streets and transportation, and capital projects aggregating \$.59 million, assets assigned to fund the subsequent year's budget of \$.41 million and assigned for capital projects of \$.70 million.
- ❑ The General Fund of the Village recognized \$15.0 million in revenues and other financing sources of \$.95 million. After expenditures of \$15.69 million, the Village's General Fund was left with a fund balance of \$4.71 million, which is approximately 30.0% of current year expenditures, and is in compliance with the Village's minimum fund balance policy of 30% of current expenditures.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

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

Government-Wide Financial Statements

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

The statement of activities (see pages 5 and 6) presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unpaid obligations).

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

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by Federal or State law and by bond covenants. The Village of Westchester, like other units of government, uses fund accounting to ensure compliance with finance-related legal requirements. All of these funds can be divided into three types: governmental funds, proprietary funds and fiduciary funds.

Governmental funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Most of the Village's services are reported in governmental funds, which focus on how money flows into and out of these funds and the balances left at year end that are available for use.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate a comparison between governmental funds and governmental activities.

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

Proprietary funds - The Village of Westchester maintains one Proprietary Fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Westchester's proprietary fund is a report of the activities and balances in the Utility Fund, which is considered a major fund, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail and include cash flows. The proprietary fund reflects a private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation. The proprietary fund statements can be found on pages 11 through 14 of the report.

Fiduciary funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The Village maintains two fiduciary funds for its police and fire pension funds and an agency fund. The accounting used for the pension funds is much like that used for the proprietary funds. Agency funds are custodial in nature and do not involve measurement or results of operations. The Fiduciary fund statements can be found on pages 15 through 16 of the report.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to understanding the government-wide financial statements and the various fund financial statements. The notes to financial statements can be found on pages 17 through 56 of the report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, etc.) have neither been reported nor depreciated in governmental financial statements. With the implementation of GASB 34 for the year ended April 30, 2004, these assets are reported within the Governmental Activities column of the Government-Wide Statements. Additionally, the government must select to either (1) depreciate these assets over their estimated useful life or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance—a recurring cost that does not extend the road's original useful life or expand its capacity—the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Other Information

In addition to the basic financial statements and accompany notes, required and other supplementary information is also included in this report. The required supplementary information includes the management's discussion and analysis, the funding progress of the Illinois Municipal Retirement Fund, the police and fire pension funds and the other post employment benefit plan and budget to actual comparisons of the General and any major special revenue or capital project funds, which can be found on pages 36 through 56 of this report. Supplementary schedules include combining and individual fund schedules of all non-major funds, and the pension trust funds which can be found on pages 57 through 63 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects the Condensed Statement of Net Position:

Condensed Statement of Net Position as of April 30, 2015 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Current and other assets	\$ 9.69	\$11.62	\$ 1.63	\$ 2.21	\$11.32	\$13.83
Capital Assets	<u>31.90</u>	<u>30.03</u>	<u>11.40</u>	<u>10.94</u>	<u>43.30</u>	<u>40.97</u>
Total Assets	<u>41.60</u>	<u>41.65</u>	<u>13.03</u>	<u>13.15</u>	<u>54.62</u>	<u>54.80</u>
Long-term Liabilities	12.85	12.96	2.52	2.20	15.37	15.16
Other Liabilities	<u>1.07</u>	<u>0.50</u>	<u>0.72</u>	<u>0.72</u>	<u>1.79</u>	<u>1.22</u>
Total Liabilities	<u>13.92</u>	<u>13.46</u>	<u>3.24</u>	<u>2.92</u>	<u>17.16</u>	<u>16.38</u>
Deferred Inflows of Resources	<u>3.38</u>	<u>3.27</u>	<u>0.00</u>	<u>0.00</u>	<u>3.38</u>	<u>3.27</u>
Total Liabilities and Deferred Inflows of Resources	<u>17.30</u>	<u>16.73</u>	<u>3.24</u>	<u>2.92</u>	<u>20.54</u>	<u>19.65</u>
Net position:						
Invested in capital assets, net of related debt	22.12	21.16	9.45	8.84	31.57	30.00
Restricted	0.49	0.88	0.00	0.00	0.49	0.88
Unrestricted	<u>1.68</u>	<u>2.88</u>	<u>.34</u>	<u>1.39</u>	<u>2.02</u>	<u>4.27</u>
Total Net Position	<u>\$24.29</u>	<u>\$24.92</u>	<u>\$ 9.79</u>	<u>\$10.23</u>	<u>\$34.08</u>	<u>\$35.15</u>

Normal Impacts

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

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

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

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

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

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

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

Current Year Impacts

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position decreased \$1.07 million in fiscal year 2015. In the case of the Village of Westchester, total net position at April 30, 2015 was \$34.08. million, as compared to \$35.15 million (as restated) in total net position in the prior year. For more detailed information, see the Statement of Net Position on page 4 of the report.

The following table reflects the Condensed Statement of Activities:

Condensed Statement of Activities
For the Year Ended April 30, 2015 (in millions)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 3.38	\$ 2.81	\$ 6.08	\$ 6.05	\$ 9.46	\$ 8.86
Operating grants and contributions	0.70	0.91	-	-	0.65	0.91
Capital grants and contributions	0.21	0.31	-	-	0.21	0.31
General revenues:						
Property and Replacement taxes	6.04	6.02	-	-	6.04	6.02
Other taxes	3.91	4.56	-	-	3.91	4.56
State Shared Income	2.27	1.63			2.27	1.63
Miscellaneous	<u>0.36</u>	<u>0.11</u>	<u>0.45</u>	<u>0.01</u>	<u>0.36</u>	<u>0.12</u>
Total revenues	<u>16.87</u>	<u>16.36</u>	<u>6.53</u>	<u>6.06</u>	<u>23.40</u>	<u>22.41</u>
Expenses:						
General government	2.37	2.12	-	-	2.37	2.12
Public safety	10.42	9.57	-	-	10.42	9.57
Public works	4.36	4.67	-	-	4.36	4.67
Interest	0.31	0.31	-	-	0.31	0.31
Utility	<u>-</u>	<u>-</u>	<u>6.52</u>	<u>5.99</u>	<u>6.52</u>	<u>5.99</u>
Total expenses	<u>17.46</u>	<u>16.67</u>	<u>6.52</u>	<u>5.99</u>	<u>23.98</u>	<u>22.66</u>
Change in net position	(0.63)	(0.32)	(0.45)	0.07	(1.08)	(0.25)
Net position, May 1	<u>24.92</u>	<u>25.24</u>	<u>10.23</u>	<u>10.16</u>	<u>35.15</u>	<u>35.40</u>
Net position, April 30	<u>\$24.29</u>	<u>\$24.92</u>	<u>\$ 9.78</u>	<u>\$ 10.23</u>	<u>\$ 34.07</u>	<u>\$ 35.15</u>

Normal Impacts

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

Revenues:

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

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

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring)

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

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

Expenses:

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

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

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

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

Current Year Impacts

Governmental Activities

The Village of Westchester’s net position was \$24.92 million for governmental activities in fiscal year 2015. Net position decreased \$.63 million from 2014. The governmental net position represents approximately 71 percent of the Village’s total net position, which held steady resulting in no change from last.

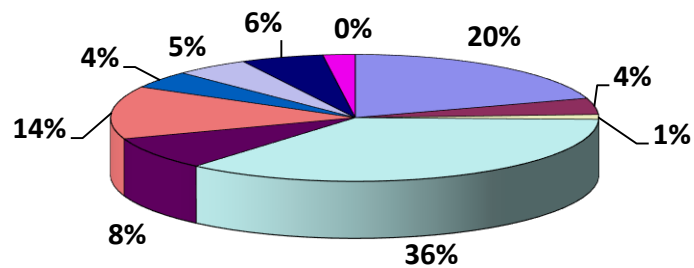
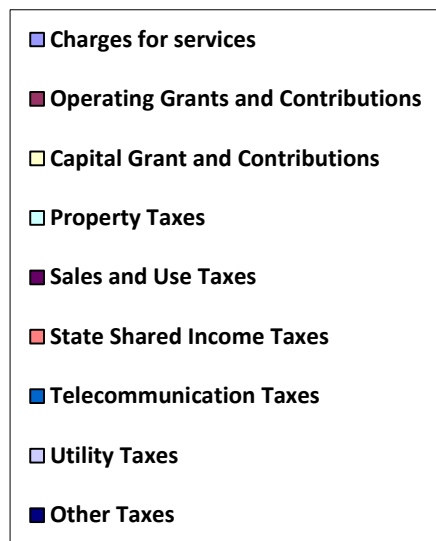
Revenues

The Village’s governmental activities had revenues of \$16.87 million in fiscal year 2015, which represents an increase of \$.52 million from the prior year. Property taxes collected in 2015 represent the majority of revenues, at 36 percent of governmental activities. Other revenues, such as revenues collected in sales and use tax, utility taxes, income taxes, places for eating taxes, and hotel taxes increased only slightly over the prior year. Utility taxes vary from year to year and are dependent upon weather conditions and can be difficult to project exactly. State shared revenues with the State of Illinois may be viewed as an undependable source of income as they depend on the economy. Telecommunication taxes remained virtually the same, and could be causational due to the reliance of citizens on their communications appetite and changing provider rates.

Below is a chart depicting revenues to the Village of Westchester by source for the fiscal year 2015:

Governmental Activities - Revenues by Source (in millions)

Charges for Services	\$ 3.38
Operating Grants and Contributions	0.70
Capital Grants and Contributions	0.21
Property Taxes	6.04
Sales and Use Taxes	1.41
State Shared Income Taxes	2.27
Telecommunications Taxes	0.75
Utility Taxes	0.83
Other Taxes	0.92
Miscellaneous	<u>0.36</u>
TOTAL	<u>\$ 16.87</u>



Expenses

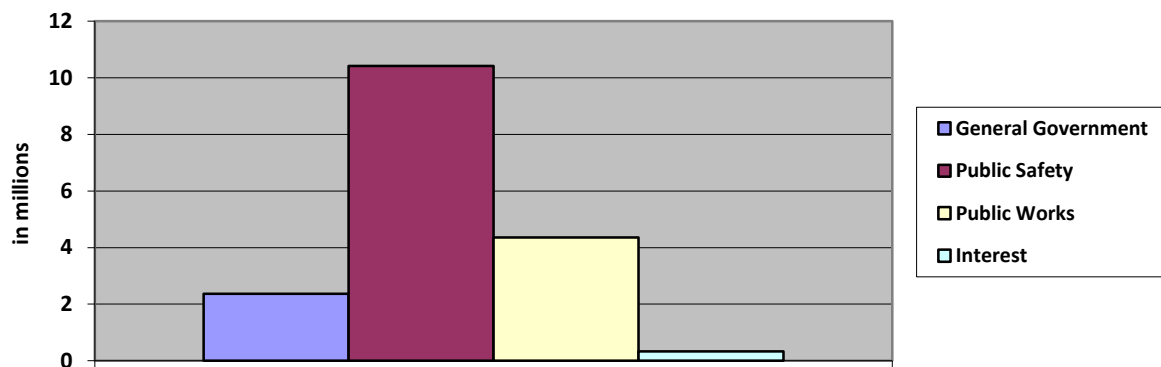
General Government

Expenses incurred for governmental activities were approximately \$17.48 million for fiscal year 2015, which represents only a slight increase of .81 million from the prior year.

The following chart depicts expenses to the Village of Westchester by activity for the fiscal year 2015:

Governmental Activities Expenses (in millions)

General Government	\$ 2.37
Public Safety	10.42
Public Works	4.36
Interest	<u>0.33</u>
TOTAL	<u>\$ 17.48</u>



Business-type Activities

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

The total assets of the business-type activity are \$13.03 million and the total liabilities are \$3.24 million, leaving net position at \$9.79 million. Current year activity decreased net position by \$0.45 million. The operating revenues and expenses of the Utility Fund were \$6.08 million and \$6.52 million, respectively, for fiscal year 2015.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental Funds

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

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

At the end of the current fiscal year, the Village of Westchester's governmental funds reported a combined (major and non-major) total ending fund balance of \$5.30 million, a decrease of \$2.64 million from fiscal year 2014, the majority of which is represented by the Village's spending of bond proceeds. Of that \$5.30 million, \$3.3 million is unrestricted and unassigned.

Revenues

General Fund: The General Fund had revenues of \$15,097,771, an increase of \$441,766 over prior year revenues of \$14,656,005. This represents a 3.01% increase.

Revenues	Fiscal 2015	Fiscal 2014	Variance	Percentage
Taxes	\$8,247,298	\$8,199,380	47,918	0.58%
Intergovernmental	4,001,144	3,572,289	428,855	12.01%
Licenses and Permits	1,232,950	1,208,708	24,242	2.01%
Charges for Services	555,568	614,656	(59,088)	(9.61%)
Fines and Forfeits	518,261	493,238	25,023	5.07%
Miscellaneous	542,550	567,734	(25,184)	(4.44%)

Taxes increased comparable to the prior year. This increase is attributed to the leveling off of the real estate market and decline in foreclosures. Intergovernmental revenue increased by 12.01%. Licenses and permits increased 2.01% as a result of building permits and compliance permits. These increases can be attributed to home and business improvement and remodeling projects within the Village. Furthermore, the Village saw increases in contractor, liquor, and vehicle licenses. These increases can be attributed to stricter adherence to Village codes.

Fines and Forfeitures were \$25,023 or 5.07% more in Fiscal 2015 as compared to fiscal 2014. This increase is attributable to an increase in police fines, circuit court fines, and towing fines.

Motor Fuel Tax Fund

The Motor Fuel Tax had revenues of \$606,841 up from \$537,320 in the prior year, or an increase of 13%. The ongoing operating source of revenue for this fund is an allotment from the State. The allotment amount received in 2015 increased only slightly from the prior year.

Capital Projects Fund

The Capital Projects Fund was established during the 2012-13 Fiscal Year to account for road projects within the Village funded by the newly adopted 1% Non Home Rule Sales Tax, which was approved by referendum in November, 2012 and took effect within the Village on January 1, 2013. During fiscal 2015, the Village recognized revenue totaling \$701,965.

Expenditures

General Fund: During fiscal year 2015, expenditures were \$15,688,188, an increase of \$270,836 from \$15,417,352 in the previous year. This represents a 0.02% increase for the year.

Expenditures	Fiscal 2015	Fiscal 2014	Variance	Percentage
General Government	\$1,620,697	\$1,510,102	\$110,595	7.32%
Comm Development Dept	516,017	558,832	(42,815)	(7.66%)
Fire & Police Commission	22,950	23,639	(689)	(2.91%)
Police Department	5,235,788	5,047,229	188,559	3.74%
Civil Defense	3,986	6,281	(2,295)	(36.54%)
Fire Department	4,286,298	3,913,548	372,750	9.52%
Public Works	3,187,085	1,678,274	1,508,811	89.90%
Capital Outlay	452,499	1,430,871	(978,372)	(68.38%)
Debt Service	362,868	504,739	(141,871)	(28.11%)

General government expenditures increased by \$110,595 or approximately 7.32%. Full-time salary expense increased \$52,018 or approximately 17%. This increase is largely contributed to the additional finance clerk position that was added. In addition there was a 3% cost of living increase and contractual salary adjustments. The Administration Department incurred an increase in health insurance premiums of an average 12% over the prior fiscal year resulting in an increase in employee insurance cost and an increase in its member contribution to the Intergovernmental Risk Management Agency for liability and workers' compensation claims of approximately \$25,000. The Village also incurred an increase in its employer contribution to the Illinois Municipal Retirement Fund.

The Police and Fire Commission expenditures decreased by \$689. The primary expenditures are related to testing and hiring practices for the Fire and Police Departments.

Police Department expenditures increased overall by \$188,559. The Department recognized an increase in contractual services which primarily consist of the expenditure that is paid to Norcomm which is the contracted agent for the 911 emergency dispatch services.

Fire Department current expenditures have increased by \$372,750. In Fiscal Year 2015 the Fire Department hired to new Fire Personal to their staff. The department also recognized an increase in contractual services which primarily consist of the expenditure that is paid to Norcomm which is the contracted agent for the 911 emergency dispatch services.

Capital Outlay expenditures decreased due to the smaller phase that the 2015 local road improvement program encompassed.

Debt Service

During Fiscal 2015, the Police Department leased three new Police Interceptors to replace the aging fleet that had existed. The village also secured as low interest loan from the IEPA to finance the repainting of the water tower.

Motor Fuel Tax Fund

During the fiscal year expenditures were \$555,707, which was a decrease over the previous year's expenditures of \$850,013. The primarily decrease was a result of the average snow fall compared to the previous year in which the village saw a record-breaking snowfall which resulted in a Midwest salt shortage requiring the purchase of salt at premium market prices.

Proprietary Funds

The Proprietary Fund is the Utility Fund. The Utility Fund had a decrease in net position during the 2015 fiscal year of \$446,014. The net position of the Utility Fund at the end of fiscal 2015 equaled \$9.79 million, of which \$.3 million, or .3%, is unrestricted. The net position is in compliance with the Village's net minimum fund balance policy which requires a net position of 15% of current year operating expenses.

Revenues

The Utility Fund recognized \$6,044,002 in charges for services, a increase of \$25,755, or (1.56%) from \$6,018,247 in fiscal 2014. In the Utility Fund this increase was attributable to increase in the water consumption, the previous year there was a watering ban in effect during the repainting of the water tower.

Expenses

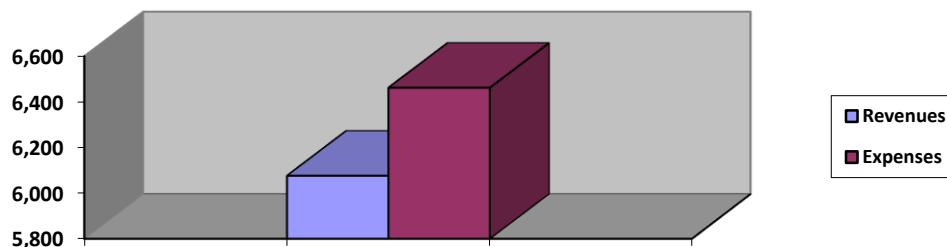
Utility Fund operating expenses for the year increased from \$5,924,940 in fiscal 2014 to \$6,462,491, an increase of \$537,551 or 9.1%

Personnel Services increased from \$924,940 in 2014 to \$996,030 in 2015, an increase of \$87,478 or 9.5%. The increase is mostly attributed to two additional FTEs in the public works department – half of their wages and benefits are charged to the utility fund.

At \$2,626,185, contractual services represent the highest portion of expenses in the Utility Fund. The largest portion of contractual services represents fees paid to Waste Management for refuse collection. During the current year, the Village spent \$1.99 million, or 40.6% of utility fund expenditures on refuse collection.

Commodities increased from \$2,237,189 in Fiscal 2014 to \$2,464,311 in Fiscal 2015, an increase of \$227,122. This increase was due primarily to increases in water cost and refuse collection fees.

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



General Fund Budgetary Highlights

Over the course of Fiscal 2015, the Village realized shortage of the budgeted revenue in the amount of \$1,827,049. This is primarily attributed to decrease collections in licenses & permits as well as charges for service.

The total General Fund expenditures of \$15,417,352 were under the budget amount by \$2,061,450. This amount was achieved by a fiscal conservative spending plan in all departments. The General Fund budget anticipated a net change in fund balance \$(824,818); the actual change in fund balance was (\$495,710) resulting in a financial result of (\$329,108) under budget.

General Fund Budget and Actual (in millions)

2015

	Original Budget	Amended Budget	Actual	Difference Over/(Under)
Total Revenues	\$16.92	\$0.00	\$15.10	(\$ 1.82)
Total Expenditures	<u>17.75</u>	<u>0.00</u>	<u>15.69</u>	<u>2.06</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(0.83)	0.00	(0.59)	0.24
Other Financing Sources (Uses)	<u>0.00</u>	<u>0.00</u>	<u>.09</u>	<u>0.09</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	<u>\$(0.83)</u>	<u>\$0.00</u>	(0.50)	<u>\$ 0.37</u>
Fund Balance, Beginning of Year			<u>5.21</u>	
Fund Balance, End of Year			<u>\$4.71</u>	

Capital Asset and Debt Administration

Capital Assets

As of the end of Fiscal 2015, the Village of Westchester has capital assets, net of depreciation, of \$43.30 million, compared to capital assets, net of depreciation, of \$40.96 million held at the end of Fiscal 2014. For governmental activities, capital assets were increased by capital additions of \$.02 million, and increased by depreciation of \$1.91 million in the current year. For business-type activities, the capital assets were increased by capital additions of \$.01 million, increased by disposals of capital assets of \$0.05 million and decreased by depreciation expense of \$0.3 million, resulting in an overall decrease to net book value of capital assets at year end.

Capital assets are invested in a broad range of resources including, but not limited to, police and fire equipment, buildings, village facilities, computer equipment, water facilities, roads, streets, and sewer lines. Governmental capital assets, net, account for \$31.91 million or 74% of total capital assets. The business-type capital assets, net, represent \$11.39 million or 26% of total capital assets.

Capital Assets (in millions)
April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Land	\$ 5.37	\$ 0.11	\$ 5.48
Construction in Process	0.05	0.07	0.12
Buildings, Net	2.46	0.96	3.42
Building Improvements, Net	0.06	0.00	0.06
Equipment, Net	3.55	0.50	4.05
Software, Net	0.04	0.04	0.08
Infrastructure, Net	<u>20.38</u>	<u>9.71</u>	<u>30.09</u>
Total Capital Assets	<u>\$ 31.91</u>	<u>\$ 11.39</u>	<u>\$ 43.30</u>

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

Debt Administration

The Village's debt is comprised of the categories referenced below. The most notable is the \$5,800,000 General Obligation (Alternate Revenue Source) Bonds, Series 2014. The Village has dedicated the 1% non-home rule sales tax as an alternate revenue source to these bonds. Other additions to the Village's debt include several installment contracts (split between governmental activities and business type activities) and participation in an IEPA loan.

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

Long Term Debt (in millions)
April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Taxable G.O. Bonds, 2010	2.98	1.03	4.01
Taxable G.O. Bonds, 2015	5.65	0.00	5.65
Capital Lease	0.00	0.00	0.00
Installment Contracts	0.99	0.15	1.14
Compensated Absences	0.11	0.01	0.12
IEPA Loan	0.00	1.32	1.32
Net Pension Obligation	2.96	0.00	2.96
Unamortized Bond Premium	<u>0.16</u>	<u>0.00</u>	<u>0.16</u>
Total Long Term Debt	<u>\$12.85</u>	<u>\$ 2.51</u>	<u>\$15.36</u>

REQUESTS FOR INFORMATION

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

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2015

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 3,385,463	\$ 488,672	\$ 3,874,135
Investments	604,211	-	604,211
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	3,203,165	-	3,203,165
Intergovernmental	1,186,957	-	1,186,957
Accounts	142,288	1,057,990	1,200,278
Allotments	496,270	-	496,270
Other	344,625	-	344,625
Prepaid Expenses	300,437	85,845	386,282
Net Other Postemployment Benefit Asset	27,409	-	27,409
Capital Assets			
Nondepreciable	5,420,868	180,939	5,601,807
Depreciable, Net of Accumulated Depreciation	26,483,614	11,214,941	37,698,555
Total Assets	41,595,307	13,028,387	54,623,694
LIABILITIES			
Accounts Payable	860,347	392,930	1,253,277
Deposits Payable	-	3,437	3,437
Other Liabilities	33,525	71,214	104,739
Accrued Interest Payable	88,518	20,179	108,697
Unearned Revenue	88,000	240,011	328,011
Noncurrent Liabilities			
Due Within One Year	778,249	260,296	1,038,545
Due in More than One Year	12,074,053	2,255,218	14,329,271
Total Liabilities	13,922,692	3,243,285	17,165,977
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	3,378,165	-	3,378,165
Total Liabilities and Deferred Inflows of Resources	17,300,857	3,243,285	20,544,142
NET POSITION			
Net Investment in Capital Assets	22,124,391	9,445,125	31,569,516
Restricted for			
Public Safety	144,282	-	144,282
Street Improvements	123,729	-	123,729
Tourism	100,015	-	100,015
Capital Projects	123,729	-	123,729
Unrestricted	1,678,304	339,977	2,018,281
TOTAL NET POSITION	\$ 24,294,450	\$ 9,785,102	\$ 34,079,552

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2015

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,368,964	\$ 1,990,955	\$ -	\$ -
Public Safety	10,422,325	1,015,341	237,741	18,000
Public Works	4,362,860	370,982	409,710	188,791
Interest	331,036	-	50,865	-
Total Governmental Activities	17,485,185	3,377,278	698,316	206,791
Business-Type Activities				
Utility	6,522,563	6,075,978	-	-
Total Business-Type Activities	6,522,563	6,075,978	-	-
TOTAL PRIMARY GOVERNMENT	\$ 24,007,748	\$ 9,453,256	\$ 698,316	\$ 206,791

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (378,009)	\$ -	\$ (378,009)
	(9,151,243)	-	(9,151,243)
	(3,393,377)	-	(3,393,377)
	(280,171)	-	(280,171)
	(13,202,800)	-	(13,202,800)
	-	(446,585)	(446,585)
	-	(446,585)	(446,585)
	(13,202,800)	(446,585)	(13,649,385)
General Revenues			
Taxes			
Property Taxes	6,037,619	-	6,037,619
Sales Tax	1,063,589	-	1,063,589
Use Tax	344,813	-	344,813
Utility	825,878	-	825,878
Telecommunications	753,774	-	753,774
Places for Eating Tax	219,711	-	219,711
Hotel/Motel Tax	126,863	-	126,863
Other	567,746	-	567,746
State Shared Income	2,270,240	-	2,270,240
Investment Income	9,498	571	10,069
Miscellaneous	356,812	-	356,812
Total	12,576,543	571	12,577,114
CHANGE IN NET POSITION	(626,257)	(446,014)	(1,072,271)
NET POSITION, MAY 1	24,920,707	10,231,116	35,151,823
NET POSITION, APRIL 30	\$ 24,294,450	\$ 9,785,102	\$ 34,079,552

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**BALANCE SHEET
GOVERNMENTAL FUNDS**

April 30, 2015

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 2,601,191	\$ 172,172	\$ 389,694	\$ 222,406	\$ 3,385,463
Investments	604,068	143	-	-	604,211
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	3,203,165	-	-	-	3,203,165
Intergovernmental	957,578	38,883	161,188	29,308	1,186,957
Accounts	93,278	-	-	49,010	142,288
Allotments	496,270	-	-	-	496,270
Other	343,558	-	1,067	-	344,625
Due from Other Funds	135,373	-	2,990	-	138,363
Prepaid Items	300,437	-	-	-	300,437
TOTAL ASSETS	\$ 8,734,918	\$ 211,198	\$ 554,939	\$ 300,724	\$ 9,801,779
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 610,295	\$ 251	\$ 244,608	\$ 5,193	\$ 860,347
Other Liabilities	33,525	-	-	-	33,525
Due to Other Funds	-	87,218	-	51,145	138,363
Unearned Revenue	-	-	88,000	-	88,000
Total Liabilities	643,820	87,469	332,608	56,338	1,120,235
DEFERRED INFLOW OF RESOURCES					
Unavailable Revenue - Property Taxes	3,378,165	-	-	-	3,378,165
FUND BALANCES					
Nonspendable - Prepaid Items	300,437	-	-	-	300,437
Restricted for Public Safety	-	-	-	144,282	144,282
Restricted for Tourism	-	-	-	100,015	100,015
Restricted for Streets and Transportation	-	123,729	-	-	123,729
Restricted for Capital Projects	-	-	222,331	-	222,331
Unrestricted					
Assigned for Debt Service	-	-	-	89	89
Assigned for Capital Projects	699,207	-	-	-	699,207
Assigned for Subsequent Budget	411,566	-	-	-	411,566
Unassigned	3,301,723	-	-	-	3,301,723
Total Fund Balances	4,712,933	123,729	222,331	244,386	5,303,379
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,734,918	\$ 211,198	\$ 554,939	\$ 300,724	\$ 9,801,779

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, 2015

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 5,303,379
--	---------------------

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	31,904,482
--	------------

Net other postemployment benefit assets are not financial resources and, therefore, are not reported in governmental funds	27,409
---	--------

Premiums or discounts on long-term liabilities and gains and losses on debt refundings are amortized at the government-wide level	(162,960)
--	-----------

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(8,625,000)
Installment contracts	(992,131)
Compensated absences	(114,275)
Net pension obligation	(2,957,936)
Interest payable	(88,518)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 24,294,450</u>
--	-----------------------------

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2015

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Governmental Funds
REVENUES					
Property Taxes	\$ 6,037,619	\$ -	\$ -	\$ -	\$ 6,037,619
Other Local Taxes	2,209,679	-	701,722	284,292	3,195,693
Licenses and Permits	1,232,950	-	-	-	1,232,950
Intergovernmental	4,001,144	606,697	-	150,077	4,757,918
Charges for Services	555,568	-	-	-	555,568
Investment Income	8,326	144	243	785	9,498
Fines and Forfeits	518,261	-	-	-	518,261
Reimbursements	-	-	-	6,625	6,625
Miscellaneous	339,616	-	-	10,571	350,187
Rental Income	194,608	-	-	-	194,608
Total Revenues	15,097,771	606,841	701,965	452,350	16,858,927
EXPENDITURES					
Current					
General Government	1,620,697	-	-	-	1,620,697
Community Development Department	514,857	-	-	-	514,857
Planning and Zoning	1,160	-	-	-	1,160
Fire and Police Commission	22,950	-	-	-	22,950
Tourism	-	-	-	126,473	126,473
Police 911	-	-	-	309,009	309,009
Police Department	5,235,788	-	-	24,280	5,260,068
Civil Defense	3,986	-	-	-	3,986
Fire Department	4,286,298	-	-	-	4,286,298
Public Works	3,187,085	258,572	2,537,951	-	5,983,608
Capital Outlay	452,499	-	-	-	452,499
Debt Service					
Principal	337,717	140,000	-	188,604	666,321
Interest	25,151	157,135	-	161,462	343,748
Total Expenditures	15,688,188	555,707	2,537,951	809,828	19,591,674
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(590,417)	51,134	(1,835,986)	(357,478)	(2,732,747)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	307,635	307,635
Transfers (Out)	-	-	(307,635)	-	(307,635)
Installment Contracts Issued	94,707	-	-	-	94,707
Total Other Financing Sources (Uses)	94,707	-	(307,635)	307,635	94,707
NET CHANGE IN FUND BALANCES	(495,710)	51,134	(2,143,621)	(49,843)	(2,638,040)
FUND BALANCES, MAY 1	5,208,643	72,595	2,365,952	294,229	7,941,419
FUND BALANCES, APRIL 30	\$ 4,712,933	\$ 123,729	\$ 222,331	\$ 244,386	\$ 5,303,379

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, 2015

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ (2,638,040)

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	3,778,560
--	-----------

The issuance of long-term debt is reported as another financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(94,707)
---	----------

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	666,322
---	---------

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	
Gain (loss) on disposal/sale of capital assets	(51,641)
Depreciation	(1,849,584)
Change in compensated absences	(8,827)
Change in net pension obligation	(460,482)
Change in net other postemployment benefit asset	19,430
Amortization of premium on long-term debt	9,278
Change in accrued interest payable	3,434

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (626,257)
--	---------------------

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

April 30, 2015

	<u>Enterprise Fund</u>
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 488,672
Receivables (Net of Allowances for Uncollectibles)	
Accounts	1,057,990
Prepaid Items	<u>85,845</u>
Total Current Assets	<u>1,632,507</u>
NONCURRENT ASSETS	
Capital Assets	
Nondepreciable	180,939
Depreciable, Net of Accumulated Depreciation	<u>11,214,941</u>
Net Capital Assets	<u>11,395,880</u>
Total Noncurrent Assets	<u>11,395,880</u>
Total Assets	<u>13,028,387</u>
CURRENT LIABILITIES	
Accounts Payable	392,930
Other Liabilities	71,214
Accrued Interest Payable	20,179
Unearned Revenue	240,011
Deposits	3,437
Compensated Absences	14,797
Installment Contracts Payable	45,674
Illinois EPA Revolving Loan Payable	39,825
General Obligation Bonds Payable	<u>160,000</u>
Total Current Liabilities	<u>988,067</u>
LONG-TERM LIABILITIES	
Installment Contracts Payable	106,148
Illinois EPA Revolving Loan Payable	1,284,070
General Obligation Bonds Payable	<u>865,000</u>
Total Long-Term Liabilities	<u>2,255,218</u>
Total Liabilities	<u>3,243,285</u>
NET POSITION	
Net Investment in Capital Assets	9,445,125
Unrestricted	<u>339,977</u>
TOTAL NET POSITION	<u>\$ 9,785,102</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, 2015

	Enterprise Fund
OPERATING REVENUES	
Charges for Services	\$ 6,044,002
Reimbursements and Other Income	31,976
Total Operating Revenues	<u>6,075,978</u>
OPERATING EXPENSES	
Personal Services	996,030
Commodities	2,464,311
Contractual Services	2,626,185
Depreciation	375,965
Total Operating Expenses	<u>6,462,491</u>
OPERATING INCOME (LOSS)	<u>(386,513)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment Income	571
Interest Expense	(60,072)
Total Non-Operating Revenues (Expenses)	<u>(59,501)</u>
CHANGE IN NET POSITION	(446,014)
NET POSITION, MAY 1	<u>10,231,116</u>
NET POSITION, APRIL 30	<u><u>\$ 9,785,102</u></u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended April 30, 2015

	Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers and Users	\$ 5,959,485
Receipts from Miscellaneous Revenues	31,976
Payments to Suppliers	(5,080,927)
Payments to Employees	(994,340)
Net Cash from Operating Activities	(83,806)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Assets Purchased	(827,487)
Proceeds on Long-Term Debt	549,962
Principal Payments on Long-Term Debt	(238,946)
Interest Payments on Long-Term Debt	(60,072)
Net Cash from Capital and Related Financing Activities	(576,543)
CASH FLOWS FROM INVESTING ACTIVITIES	
Sale of Investments	215
Interest on Investments	571
Net Cash from Investing Activities	786
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(659,563)
CASH AND CASH EQUIVALENTS, MAY 1	1,148,235
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 488,672

(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, 2015

	Enterprise Fund
	<hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (386,513)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities	
Depreciation	375,965
Changes in Assets and Liabilities	
(Increase) Decrease in Assets	
Accounts Receivable	(86,871)
Prepaid Items	4,220
Increase (Decrease) in Liabilities	
Accounts Payable and Other Liabilities	5,265
Unearned Revenue	2,354
Compensated Absences	1,690
Deposits	84
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (83,806)</u></u>

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

**STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS**

April 30, 2015

	Pension Trust Funds	Agency Fund
ASSETS		
Cash	\$ 633,692	\$ 382,394
Investments		
Certificates of Deposit	-	287,877
U.S. Government Obligations	5,798,303	-
U.S. Agency Obligations	1,237,994	-
State and Local Obligations	489,242	-
Corporate Bonds	7,702,472	-
Mutual Funds	30,500,042	-
Money Market Mutual Funds	770,513	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accrued Interest	104,825	-
Prepaid Items	10,332	-
Total Assets	<u>47,247,415</u>	<u>\$ 670,271</u>
LIABILITIES		
Accounts Payable	11,603	\$ -
Due to Others	-	670,271
Total Liabilities	<u>11,603</u>	<u>\$ 670,271</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 47,235,812</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, 2015

ADDITIONS

Contributions

Employer Contributions	\$ 1,547,187
Employee Contributions	<u>476,689</u>

Total Contributions	<u>2,023,876</u>
---------------------	------------------

Investment Income

Net Appreciation in Fair Value of Investments	1,895,567
Interest	<u>1,122,265</u>

Total Investment Income	3,017,832
Less Investment Expense	<u>(112,196)</u>

Net Investment Income	<u>2,905,636</u>
-----------------------	------------------

Total Additions	<u>4,929,512</u>
-----------------	------------------

DEDUCTIONS

Benefits and Refunds	3,254,104
Administrative Expenses	<u>104,012</u>

Total Deductions	<u>3,358,116</u>
------------------	------------------

NET INCREASE	1,571,396
--------------	-----------

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

May 1	<u>45,664,416</u>
-------	-------------------

April 30	<u><u>\$ 47,235,812</u></u>
----------	-----------------------------

See accompanying notes to financial statements.

VILLAGE OF WESTCHESTER, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

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. The Village has adopted the provisions of GASB Statement No. 61, *The Financial Reporting Entity*, under which these financial statements include all organizations, activities, functions, funds and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board and there is a financial benefit/burden relationship and either (1) the Village's ability to impose its will over the component unit or (2) the component unit meets the fiscal dependency and financial benefit/burden criteria. The following component units and fiduciary funds have been included in the financial statements of the Village.

The Police Pension Fund of the Village exists solely to provide pension benefits for the Village's police officers. The Police Pension Plan may not issue bonded debt or levy taxes. The financial statements of the Police Pension Fund as of and for the fiscal year ended April 30, 2015, are reported in the Village's fund financial statements as a pension trust fund.

The Firefighters' Pension Fund of the Village exists solely to provide pension benefits for the Village's firefighters. The Firefighters' Pension Plan may not issue bonded debt or levy taxes. The financial statements of the Firefighters' Pension Fund as of and for the fiscal year ended April 30, 2015, are reported in the Village's fund financial statements as a pension trust fund.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting

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

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

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

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

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

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net 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's owned water distribution system and sanitation services. Revenues are generated through charges to users based on water consumption and flat quarterly sanitation charge.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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/unearned 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 includes cash on hand, savings accounts and checking accounts.

f. Investments

Village investments with a maturity greater than one year when purchased and all investment of the pension funds are reported at fair value based on published numbers as of April 30th. Fair value for the investments in Illinois Funds is the same as the value of the pool shares (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participant's fair value). The Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

g. Inventory

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

h. Prepaid Items/Expenses

Certain payments reflect costs to future periods and are recoded as prepaid items/expenses in both the government-wide and governmental fund financial statements. Prepaid items/expenses are recorded as an asset when purchased and recognized and expense/expenditure in the period in which they are consumed (e.g., 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 estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of asset or materially extend asset lives are not capitalized.

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

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

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 2015 tax levy, which attached as an enforceable lien on property as of January 1, 2015, has not been recorded as a receivable as of April 30, 2015 as the tax has not yet been levied by the Village and will not be levied until December 2015 and, therefore, the levy is not measurable at April 30, 2015.

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 of Resources

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred Inflows/Outflows of Resources (Continued)

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

o. Long-Term Debt

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

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

p. Fund Balances/Net Position

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

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 and then unassigned funds.

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

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

q. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

a. Village Investments

Deposits with Financial Institutions

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

At April 30, 2015, all of the Village's deposits with financial institutions were fully insured and collateralized.

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Deposits with Financial Institutions (Continued)

Investments

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

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
IMET	\$ 476,424	\$ -	\$ 476,424	\$ -	\$ -
TOTAL	\$ 476,424	\$ -	\$ 476,424	\$ -	\$ -

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

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

Credit ratings for the Village's investments in debt securities as described by Standard & Poor's and Moody's at April 30, 2015 are as follows:

Investment Type	Credit Rating	Percent of Investment Type	Percent of Total Investments
IMET	AAA	100%	26%

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 74% and 26%, respectively, of the Village's total investments.

3. INTERFUND TRANSACTIONS

Due from/to other funds as of April 30, 2015 are summarized below:

	Due From	Due To
Major Governmental Funds		
General	\$ 135,373	\$ -
Motor Fuel Tax	-	87,218
Capital Improvements	2,990	-
Nonmajor Governmental Funds		
911	-	51,145
TOTAL	\$ 138,363	\$ 138,363

Amounts due and payable between governmental funds represent short-term interfund loans. Additionally, the Capital Improvements Fund transferred \$307,635 to the Debt Service Fund to fund the annual debt requirements. This transfer will not be repaid.

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	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 5,373,407	\$ -	\$ -	\$ 5,373,407
Construction in Progress	75,204	-	27,743	47,461
Total Capital Assets not Being Depreciated	5,448,611	-	27,743	5,420,868
Capital Assets Being Depreciated				
Land Improvements	326,765	-	-	326,765
Buildings	4,056,941	-	-	4,056,941
Building Improvements	253,166	-	-	253,166
Machinery and Equipment	7,477,620	698,012	612,966	7,562,666
Software	84,185	-	-	84,185
Infrastructure	41,967,577	3,080,548	-	45,048,125
Total Capital Assets Being Depreciated	54,166,254	3,778,560	612,966	57,331,848
Less Accumulated Depreciation for				
Land Improvements	319,566	2,466	-	322,032
Buildings	1,536,822	65,787	-	1,602,609
Building Improvements	171,177	23,937	-	195,114
Machinery and Equipment	4,210,688	394,938	589,068	4,016,558
Software	29,365	11,910	-	41,275
Infrastructure	23,320,100	1,350,546	-	24,670,646
Total Accumulated Depreciation	29,587,718	1,849,584	589,068	30,848,234
Total Capital Assets Being Depreciated, Net	24,578,536	1,928,976	23,898	26,483,614
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 30,027,147	\$ 1,928,976	\$ 51,641	\$ 31,904,482
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 112,825	\$ -	\$ -	\$ 112,825
Construction in Progress	59,954	8,160	-	68,114
Total Capital Assets not Being Depreciated	172,779	8,160	-	180,939
Capital Assets Being Depreciated				
Land Improvements	38,892	-	-	38,892
Buildings	696,114	561,060	-	1,257,174
Machinery and Equipment	803,083	191,484	-	994,567
Software	49,275	-	-	49,275
Infrastructure	18,916,044	66,783	-	18,982,827
Total Capital Assets Being Depreciated	20,503,408	819,327	-	21,322,735
Less Accumulated Depreciation for				
Land Improvements	38,892	-	-	38,892
Buildings	257,489	36,138	-	293,627
Machinery and Equipment	420,360	73,020	-	493,380
Software	2,464	4,927	-	7,391
Infrastructure	9,012,624	261,880	-	9,274,504
Total Accumulated Depreciation	9,731,829	375,965	-	10,107,794
Total Capital Assets Being Depreciated, Net	10,771,579	443,362	-	11,214,941
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	\$ 10,944,358	\$ 451,522	\$ -	\$ 11,395,880

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES

General Government	\$ 68,032
Public Safety	266,280
Public Works	<u>1,515,272</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 1,849,584</u>
---	----------------------------

5. RECEIVABLES

The following is a summary of other taxes, due from other governments, accounts, notes and other receivables by fund at April 30, 2015. Any uncollectible amount is not believed to be material.

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Statement of Net Position
ACCOUNTS RECEIVABLE					
Photo Enforcement	\$ 45,283	\$ -	\$ -	\$ -	\$ 45,283
Ambulance	44,658	-	-	-	44,658
911 Telecommunication	-	-	-	12,833	12,833
Video Rental Taxes	3,337	-	-	-	3,337
Hotel and Motel Taxes	-	-	-	34,054	34,054
Other Accounts	-	-	-	2,123	2,123
TOTAL ACCOUNTS RECEIVABLE	\$ 93,278	\$ -	\$ -	\$ 49,010	\$ 142,288
OTHER RECEIVABLES					
Cable Fees	\$ 106,220	\$ -	\$ -	\$ -	\$ 106,220
Places for Eating Tax	19,305	-	-	-	19,305
Utility Tax					
ComEd	37,505	-	-	-	37,505
Nicor	17,128	-	-	-	17,128
Other	163,400	-	1,067	-	164,467
TOTAL OTHER RECEIVABLES	\$ 343,558	\$ -	\$ 1,067	\$ -	\$ 344,625

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

5. RECEIVABLES (Continued)

	General	Motor Fuel Tax	Capital Improvements	Nonmajor Governmental	Total Statement of Net Position
INTERGOVERNMENTAL RECEIVABLES					
Taxes					
Income	\$ 269,781	\$ -	\$ -	\$ -	\$ 269,781
Sales	294,503	-	161,188	-	455,691
Local Use	92,205	-	-	-	92,205
Gaming	2,653	-	-	-	2,653
Telecommunications	183,134	-	-	-	183,134
911 Telecommunication	-	-	-	29,308	29,308
Circuit Court	7,378	-	-	-	7,378
Emergency Center Grant	48,846	-	-	-	48,846
IMET	59,078	-	-	-	59,078
Motor Fuel Tax Allotments	-	38,883	-	-	38,883
TOTAL INTERGOVERNMENTAL RECEIVABLES	\$ 957,578	\$ 38,883	\$ 161,188	\$ 29,308	\$ 1,186,957

6. LONG-TERM DEBT

The following is a summary of changes to the Village's long-term debt for the year ended April 30, 2015:

Governmental Activities

	Balances May 1, 2014	Additions	Retirement	Balances April 30, 2015	Due Within One Year
Taxable General Obligation Bonds Series of 2010A	\$ 3,115,000	\$ -	\$ 140,000	\$ 2,975,000	\$ 145,000
Taxable General Obligation Alternate Revenue Source Bonds Series of 2013	5,800,000	-	150,000	5,650,000	255,000
Installment Contracts Payable	1,273,746	94,707	376,322	992,131	263,974
Compensated Absences Payable	105,448	9,896	1,069	114,275	114,275
Net Pension Obligation	2,497,454	460,482	-	2,957,936	-
Unamortized Bond Premium	172,238	-	9,278	162,960	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 12,963,886	\$ 565,085	\$ 676,669	\$ 12,852,302	\$ 778,249

Compensated absences 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 Taxable General Obligation Alternate Revenue Source Bonds, Series 2013 which are primarily payable by the Capital Improvements and Debt Service Funds.

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

6. LONG-TERM DEBT (Continued)

Business-Type Activities

	Balances May 1, 2014	Additions	Retirement	Balances April 30, 2015	Due Within One Year
Taxable General Obligation Bonds					
Series of 2010B	\$ 1,180,000	\$ -	\$ 155,000	\$ 1,025,000	\$ 160,000
Installment Contracts Payable	196,436	-	44,614	151,822	45,674
IEPA Loan 1	813,265	-	39,332	773,933	39,825
IEPA Loan 2*	-	549,962	-	549,962	-
Compensated Absences Payable	13,107	1,690	-	14,797	14,797
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 2,202,808	\$ 551,652	\$ 238,946	\$ 2,515,514	\$ 260,296

* The Illinois EPA loan 2 has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2015.

Taxable General Obligation Bonds (Alternate Revenue Source)

Long-term obligations outstanding at April 30, 2015 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 1.1% to 5.8%. Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of 35% of the interest paid each year. The net interest rate for the Series 2010A Build America Bonds, after rebate, is 0.72% to 3.77%.	Motor Fuel Tax	\$ 2,975,000	\$ 145,000
\$1,610,000 Series 2010B, dated May 18, 2010, interest payable June 1 and December 1 of each year at rates of 1.25% to 4.50%. Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of 35% of the interest paid each year. The net interest rate for the Series 2010B Build America Bonds, after rebate, is 0.81% to 2.93%.	Water	1,025,000	160,000
\$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	5,650,000	255,000
TOTAL		\$ 9,650,000	\$ 560,000

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

6. LONG-TERM DEBT (Continued)

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

Fiscal Year Ending April 30,	Principal	Interest
2016	\$ 560,000	\$ 347,015
2017	575,000	332,547
2018	590,000	316,413
2019	600,000	298,855
2020	610,000	279,680
2021	630,000	259,120
2022	460,000	237,275
2023	475,000	219,538
2024	490,000	201,237
2025	500,000	182,375
2026	520,000	162,245
2027	535,000	141,245
2028	555,000	119,660
2029	570,000	96,990
2030	590,000	73,730
2031	610,000	49,590
2032	385,000	24,570
2033	395,000	12,443
TOTAL	\$ 9,650,000	\$ 3,354,528

General Obligation Sales Tax Alternate Revenue Bonds

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 infrastructure and sales tax, with a remaining total pledge of \$7,343,832 and the bonds maturing December 15, 2032. During the current fiscal year, \$150,000 principal and \$157,600 in interest payments were due on the bonds or 46.7% of the total Home Rule Sales Tax revenue.

The Village has issued General Obligation Waterworks and Sewerage Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2010B General Obligation Waterworks and Sewerage Alternate Revenue Source Bonds, issued for various water and sewerage system improvements, are payable from a pledge of the Village's water and sewerage fees. During the current fiscal year, the pledge of water and sewerage fees of \$6,522,563 was approximately 3% of total water and sewerage fees.

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

6. LONG-TERM DEBT (Continued)

General Obligation Motor Fuel Tax Alternate Revenue Bonds

The Village has issued General Obligation Motor Fuel Tax Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2010A 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 \$4,407,827 and the bonds maturing December 15, 2032. During the current fiscal year, \$140,000 principal and \$105,670 in interest payments were due on the bonds or 59.9% of the total Motor Fuel Tax revenue.

IEPA Loan

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

Fiscal Year Ending April 30,	Principal	Interest
2016	\$ 39,825	\$ 9,550
2017	40,325	9,051
2018	40,830	8,545
2019	41,342	8,033
2020	41,861	7,515
2021	42,386	6,990
2022	42,917	6,458
2023	43,455	5,920
2024	44,000	5,375
2025	44,552	4,824
2026	45,111	4,265
2027	45,676	3,699
2028	46,249	3,127
2029	46,829	2,547
2030	47,416	1,959
2031	48,011	1,365
2032	48,613	763
2033	24,535	154
TOTAL	\$ 773,933	\$ 90,140

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 and Debt Service Fund.

Installment Contract

	Payable From	Total	Due Within One Year
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	General	\$ 36,054	\$ 14,136
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	Water	31,955	12,529
Dated December 20, 2012, principal and interest payable semiannually at 2.44%	General	62,515	24,552
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	General	188,521	52,368
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	Water	46,411	12,892
Dated October 1, 2013, principal and interest payable semiannually at 2.55%	General	233,376	44,340
Dated October 24, 2013, principal and interest payable semiannually at 2.20%	General	160,688	38,863
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	General	43,784	10,593
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	Water	43,784	10,593
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	General	29,673	9,660
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	Water	29,673	9,660
Dated March 26, 2014, principal and interest payable semiannually at 2.40%	General	158,262	38,164
Dated August 28, 2014, principal and interest payable semiannually at 1.50%	General	79,257	32,453
TOTAL		\$ 1,143,953	\$ 310,803

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

6. LONG-TERM DEBT (Continued)

Installment Contract (Continued)

Fiscal Year Ending April 30,	Principal	Interest	Total
2016	\$ 309,649	\$ 24,830	\$ 334,479
2017	316,818	17,663	334,481
2018	280,780	10,361	291,141
2019	187,636	4,352	191,988
2020	49,070	941	50,011
TOTAL	\$ 1,143,953	\$ 58,147	\$ 1,202,100

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

Legal Debt Margin

Assessed Value - 2014	<u>\$ 448,745,480</u>
Legal debt limit - 8.625% of assessed valuation	\$ 38,704,298
Amount of debt applicable to debt limit	<u>9,650,000</u>
LEGAL DEBT MARGIN	<u>\$ 29,054,298</u>

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

Other Non-Obligation Type Bonded Debt

On June 27, 2012, the Village passed a resolution enabling the Village to provide, of not to exceed \$7,000,000 of financing, for the refinancing of existing loans for a high school building by the issuance of industrial revenue bonds. The bonds are secured solely by the property financed. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability in these financial statements. As of April 30, 2015, the principal amount payable for the bonds was indeterminable. The original issue amounts of the bonds were \$6,825,000.

7. EMPLOYEE RETIREMENT SYSTEMS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

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

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

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for calendar year 2014 used by the employer was 13.59% of annual covered payroll. The employer annual required contribution rate for calendar year 2015 was 12.98%.

7. EMPLOYEE RETIREMENT SYSTEMS

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 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, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At April 30, 2015, the Police Pension Plan membership consisted of:

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not Receiving Benefits	-
Active Plan Members	<u>28</u>
Total	<u><u>58</u></u>

Benefits Provided

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

7. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions (Continued)

Police Pension Plan

Benefits Provided (Continued)

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

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the 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, 2015, the Village's contribution was 43.1% of covered payroll.

Investment Policy

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

During the year, no changes to the investment policy were approved by the Board.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2.00%	1.00%
Fixed Income	38.00%	2.60%
Domestic Equities	33.00%	8.00%
International Equities	24.00%	8.10%
REITS	3.00%	7.00%

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts.

Investment Rate of Return

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.90%. 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 Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow through FDIC insurance may be available for the Police Pension Fund's deposits with financial institutions.

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following schedule reports the fair values and maturities for the Police Pension Fund's investments as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Notes	\$ 3,401,727	\$ 250,122	\$ 2,254,814	\$ 896,791	\$ -
Governmental National Mortgage	265	-	265	-	-
Federal Home Loan Mortgage Corporation	214,184	-	85,480	-	128,704
Federal National Mortgage Association	383,416	125,379	85,887	139,934	32,216
Corporate Bonds	4,425,821	164,340	1,643,624	2,446,522	171,335
State and Local Obligations	242,109	-	187,334	54,775	-
TOTAL	\$ 8,667,522	\$ 539,841	\$ 4,257,404	\$ 3,538,022	\$ 332,255

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

Credit Risk

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Credit Risk (Continued)

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

Concentration of credit risk is the risk of loss attributed to the magnitude of the Police Pension Fund's investment in a single issuer. The Police Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At year end, the Police Pension Fund did not have over 5% of net plan assets invested in any applicable investments.

Custodial Credit Risk

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

Net Pension Liability

The components of the net pension liability of the Police Pension Plan as of April 30, 2015 calculated in accordance with GASB Statement No. 67 were as follows:

Total Pension Liability	\$ 49,043,619
Plan Fiduciary Net Position	<u>25,939,554</u>
Employers' Net Pension Liability	<u>\$ 23,104,065</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.89%

See the schedules of funding progress and employers contributions in the required supplementary information for additional information related to the funded status of the Fund.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions.

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions	
Investment Rate of Return	7.00%
Salary Increases	4.00% to 11.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on the RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance.

Discount Rate

The discount rate used to measure the total pension liability was 5.26%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Fund's fiduciary net position was projected not to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7% was blended with the index rate of 3.62% for tax exempt general obligation municipal bonds rated AA or better to arrive at a discount rate of 5.26% used to determine the total pension liability.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 5.26% 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 (4.26%) or 1 percentage point higher (6.26%) than the current rate:

	1% Decrease (4.26%)	Current Discount Rate (5.26%)	1% Increase (6.26%)
Net Pension Liability	\$ 30,212,799	\$ 23,104,065	\$ 17,275,971

Firefighters' Pension Plan

Plan Administration

Firefighter sworn personnel are covered by the Firefighters' Pension Plan, a single-employer defined benefit pension plan sponsored by the Village. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-101) 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 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, benefits and refunds are recognized as an expense and liability when due and payable.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Plan Membership

At April 30, 2015, the Police Pension Plan membership consisted of:

Inactive Plan Members Currently Receiving Benefits	25
Inactive Plan Members Entitled to but not Receiving Benefits	-
Active Plan Members	<u>28</u>
Total	<u><u>53</u></u>

Benefits Provided

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held at the date of retirement. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least 10 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 proceeding calendar year.

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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 plan, including the cost of administering the 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 services costs for the Firefighters' Pension Plan. For the year ended April 30, 2015, the Village's contribution was 26.82% of covered payroll.

Investment Policy

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Fund's investments as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury Notes	\$ 2,396,576	\$ -	\$ 1,563,684	\$ 832,892	\$ -
Governmental National Mortgage	74,157	-	20,787	-	53,370
Federal Home Loan Mortgage Corporation	152,003	-	74,973	-	77,030
Federal National Mortgage Association	413,969	316,097	97,872	-	-
Corporate Bonds	3,276,651	164,287	1,361,324	1,645,448	105,592
State and Local Obligations	247,133	-	247,133	-	-
TOTAL	\$ 6,560,489	\$ 480,384	\$ 3,365,773	\$ 2,478,340	\$ 235,992

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Investment Policy (Continued)

During the year, no changes to the investment policy were approved by the Board of Trustees.

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

Asset Class	Target	Long-Term Expected Real Rate of Return
Domestic Equities	33.00%	8.00%
International Equities	24.00%	8.10%
Fixed Income	40.00%	2.60%
REITS	3.00%	7.00%

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts.

Investment Rate of Return

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.38%. 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 Firefighters' Pension Fund's deposits may not be returned to it. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow through FDIC insurance may be available for the Firefighters' Pension Fund's deposits with financial institutions.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Interest Rate Risk

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

Credit Risk

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

Investment Type	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mtg Corp.	\$ 34,295	4.00%	July 1, 2044
Federal Home Loan Mtg. Corp.	28,623	3.50%	November 1, 2044

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Credit Risk (Continued)

Concentration of credit risk this is the risk of loss attributed to the magnitude of the Firefighters' Pension Fund's investment in a single issuer. The Firefighters' Pension Fund does not have a formal written policy with regards to concentration credit risk for investments. At year end, the Firefighters' Pension Fund did not have over 5% of net plan assets invested in any applicable investments.

Custodial Credit Risk

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

Net Pension Liability

The components of the net pension liability of the Firefighters' Pension Plan as of April 30, 2015 calculated in accordance with GASB Statement No. 67 were as follows:

Total Pension Liability	\$ 38,412,438
Plan Fiduciary Net Position	<u>21,296,257</u>
Employers' Net Pension Liability	<u>\$ 17,116,181</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	55.44%

See the schedules of funding progress and employer contributions in the required supplementary information for additional information related to the funded status of the Fund.

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions.

Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Actuarial Assumptions	
Investment Rate of Return	7.00%
Salary Increases	4.00% to 15.00%
Cost of Living Adjustments	3.00%
Inflation	3.00%

Mortality rates were based on the RP-2000 Mortality Table (BCA, +1M, -4F, 2x>105). The actuarial assumptions used in the April 30, 2015 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance.

Discount Rate

The discount rate used to measure the total pension liability was 5.51%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Pension Fund's fiduciary net position was projected not to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments of 7% was blended with the index rate of 3.62% for tax exempt general obligation municipal bonds rated AA or better to arrive at a discount rate of 5.51% used to determine the total pension liability.

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 5.51% 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 (4.51%) or 1 percentage point higher (6.51%) than the current rate:

	1% Decrease (4.51%)	Current Discount Rate (5.51%)	1% Increase (6.51%)
Net Pension Liability	\$ 23,039,401	\$ 17,116,181	\$ 12,284,805

b. Significant Investments

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

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2014	April 30, 2014	April 30, 2014
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market	5 Year Smoothed Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Amortization Period	30 Years, Open	26 Years, Closed	26 Years, Closed
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	3.00% Compounded Annually	3.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	0.40% to 10.00% Compounded Annually	4.00% to 11.00% Compounded Annually	4.00% to 15.00% Compounded Annually

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

	For Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2013	\$ 357,837	\$ 995,235	\$ 653,459
	2014	365,274	1,040,625	733,941
	2015	349,104	1,076,242	927,438
Actual Contribution	2013	\$ 318,775	\$ 788,521	\$ 645,380
	2014	348,487	982,941	605,068
	2015	345,115	918,481	628,706
Percentage of APC Contributed	2013	89.08%	79.2%	98.76%
	2014	95.40%	94.4%	82.44%
	2015	98.80%	85.2%	67.79%
NPO	2013	\$ 169,693	\$ 1,345,193	\$ 779,224
	2014	186,480	1,402,877	908,097
	2015	190,469	1,560,638	1,206,829

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

7. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

The NPO has been calculated as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 345,115	\$ 1,061,927	\$ 915,936
Interest on Net Pension Obligation	13,986	98,201	63,567
Adjustment to Annual Required Contributions	(9,997)	(83,886)	(52,065)
Annual Pension Cost	349,104	1,076,242	927,438
Contributions Made	345,115	918,481	628,706
Increase in Net Pension Obligation	3,989	157,761	298,732
Net Pension Obligation, Beginning of Year	186,480	1,402,877	908,097
NET PENSION OBLIGATION, END OF YEAR	\$ 190,469	\$ 1,560,638	\$ 1,206,829

d. Funded Status

The funded status of the plans as of April 30, 2015 is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 7c:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 6,404,543	\$ 38,257,192	\$ 29,773,640
Actuarial Value of Plan Assets	4,303,884	25,194,336	20,526,720
Unfunded Actuarial Accrued Liability (UAAL)	2,100,659	13,062,856	9,246,420
Funded Ratio (Actuarial Value of Plan Assets/AAL)	67.20%	65.86%	68.94%
Covered Payroll (Active Plan Members)	\$ 2,536,511	\$ 2,495,371	\$ 2,323,921
UAAL as a Percentage of Covered Payroll	82.82%	523.48%	397.96%

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

8. CONTINGENT LIABILITIES

Litigation

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

9. RISK MANAGEMENT

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

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 that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool their risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension risk management/loss control consulting and training programs and a risk information system and financial reporting service for its members.

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

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

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

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

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

c. Membership

At April 30, 2015, membership consisted of:

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

d. Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees (except as noted below) contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the retirees (pay as you go) which results in an implicit subsidy to the Village as defined by the GASB Statement No. 45. In addition, the Village pays \$100 of the monthly health insurance premium for two retirees. For the fiscal year ended April 30, 2015, retirees contributed \$294,713 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, 2013, 2014 and 2015 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2013	\$ 40,489	\$ 41,994	103.7%	\$ (6,454)
2014	40,489	41,994	103.7%	(7,979)
2015	178,917	198,294	110.8%	(27,409)

The net OPEB Obligation (Asset) as of April 30, 2015, was calculated as follows:

Annual Required Contribution	\$ 178,917
Interest on Net OPEB Obligation (Asset)	(319)
Adjustment to Annual Required Contribution	<u>266</u>
Annual OPEB Cost	178,864
Contributions Made	<u>(198,294)</u>
Decrease in Net OPEB Obligation (Asset)	(19,430)
Net OPEB Obligation (Asset), Beginning of Year	<u>(7,979)</u>
NET OPEB OBLIGATION (ASSET), END OF YEAR	<u>\$ (27,409)</u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2015 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 entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return (net of administrative expenses), a 4% discount rate, and a 4% salary rate increase rate. Additionally, the assumptions included an initial annual healthcare cost trend rate of 6% for PPO, 8% for HMP and 6% for Dental. All rates include a 3% 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, 2015

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Property Taxes	\$ 6,264,000	\$ 6,264,000	\$ 6,037,619	\$ (226,381)
Other Local Taxes	2,224,000	2,224,000	2,209,679	(14,321)
Intergovernmental	5,664,640	5,664,640	4,001,144	(1,663,496)
Licenses and Permits	1,174,500	1,174,500	1,232,950	58,450
Charges for Services	612,000	612,000	555,568	(56,432)
Fines and Forfeitures	618,500	618,500	518,261	(100,239)
Rental Income	196,500	196,500	194,608	(1,892)
Investment Income	4,100	4,100	8,326	4,226
Miscellaneous	176,580	166,580	339,616	173,036
Total Revenues	16,934,820	16,924,820	15,097,771	(1,827,049)
EXPENDITURES				
Current				
General Government	1,641,019	1,641,019	1,620,697	(20,322)
Community Development Department	552,354	552,354	514,857	(37,497)
Planning and Zoning	2,500	2,500	1,160	(1,340)
Fire and Police Commission	38,850	38,850	22,950	(15,900)
Police Department	5,649,184	5,649,184	5,235,788	(413,396)
Civil Defense	5,634	5,634	3,986	(1,648)
Fire Department	4,364,483	4,353,482	4,286,298	(67,184)
Public Works	4,626,276	4,626,276	3,187,085	(1,439,191)
Capital Outlay	489,305	489,305	452,499	(36,806)
Debt Service				
Principal	353,471	353,471	337,717	(15,754)
Interest and Fiscal Charges	26,563	26,563	25,151	(1,412)
Total Expenditures	17,749,639	17,738,638	15,688,188	(2,050,450)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(814,819)	(813,818)	(590,417)	223,401
OTHER FINANCING SOURCES (USES)				
Installment Contracts Issued	-	-	94,707	94,707
Total Other Financing Sources (Uses)	-	-	94,707	94,707
NET CHANGE IN FUND BALANCE	\$ (814,819)	\$ (813,818)	(495,710)	\$ 318,108
FUND BALANCE, MAY 1			5,208,643	
FUND BALANCE, APRIL 30			\$ 4,712,933	

(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, 2015

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Intergovernmental				
State Allotments	\$ 529,535	\$ 529,535	\$ 606,697	\$ 77,162
Investment Income	-	-	144	144
 Total Revenues	 529,535	 529,535	 606,841	 77,306
EXPENDITURES				
Current				
Public Works	223,750	223,750	258,572	34,822
Debt Service				
Principal	145,000	145,000	140,000	(5,000)
Interest	156,535	156,535	157,135	600
 Total Expenditures	 525,285	 525,285	 555,707	 30,422
 NET CHANGE IN FUND BALANCE	 \$ 4,250	 \$ 4,250	 51,134	 \$ 46,884
 FUND BALANCE, MAY 1			 72,595	
 FUND BALANCE, APRIL 30			 \$ 123,729	

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND**

April 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 4,857,061	\$ 7,269,188	66.82%	\$ 2,412,127	\$ 2,836,821	85.03%
2010	4,838,262	7,624,720	63.45%	2,786,458	2,825,744	98.61%
2011	5,339,856	8,177,603	65.30%	2,837,747	2,924,992	97.02%
2012	3,848,107	5,778,723	66.59%	1,930,616	2,653,147	72.77%
2013	3,284,876	5,739,874	57.23%	2,454,998	2,523,397	97.29%
2014	4,303,884	6,404,543	67.20%	2,100,659	2,536,511	82.82%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 250,319	\$ 270,159	92.66%
2011	293,880	365,691	80.36%
2012	281,706	319,354	88.21%
2013	318,775	355,043	89.78%
2014	345,487	361,644	95.53%
2015	345,115	345,115	100.00%

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

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND**

April 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 21,764,400	\$ 27,883,396	78.06%	\$ 6,118,996	\$ 2,544,599	240.47%
2010	22,762,785	29,581,746	76.95%	6,818,961	2,421,004	281.66%
2011	23,678,017	32,563,610	72.71%	8,885,593	2,585,315	343.69%
2012	23,398,534	33,831,194	69.16%	10,432,660	2,486,370	419.59%
2013	24,119,525	35,256,514	68.41%	11,136,989	2,413,295	461.48%
2014	25,194,336	38,257,192	65.86%	13,062,856	2,495,372	523.48%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 493,351	\$ 730,749	67.51%
2011	604,015	795,610	75.92%
2012	986,248	964,553	102.25%
2013	788,521	989,128	79.72%
2014	982,941	1,024,930	95.90%
2015	918,481	1,061,927	86.49%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
FIREFIGHTERS' PENSION FUND**

April 30, 2015

Schedule of Funding Progress

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ 17,203,916	\$ 22,200,041	77.49%	\$ 4,996,125	\$ 1,898,925	263.10%
2010	18,215,123	22,871,035	79.64%	4,655,912	2,047,417	227.40%
2011	19,165,515	24,520,169	78.16%	5,354,654	2,016,563	265.53%
2012	19,026,055	24,288,161	78.33%	5,262,106	2,033,166	258.81%
2013	19,696,636	26,205,425	75.16%	6,508,789	2,048,629	317.71%
2014	20,526,720	29,773,640	68.94%	9,246,920	2,323,559	397.96%

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 427,938	\$ 650,411	65.80%
2011	544,348	671,860	81.02%
2012	785,360	722,454	108.71%
2013	645,380	649,323	99.39%
2014	605,068	724,849	83.48%
2015	628,706	915,936	68.64%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

**REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2015

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)
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	\$ -	\$ 1,627,299	0.00%	\$ 1,627,299	\$ 7,025,713	23.16%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	\$ -	\$ 3,019,172	0.00%	\$ -	\$ 7,099,992	0.00%

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

Schedule of Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 41,994	\$ 40,512	103.66%
2011	41,994	40,512	103.66%
2012	41,994	40,512	103.66%
2013	41,994	40,512	103.66%
2014	41,994	40,512	103.66%
2015	198,294	178,917	110.83%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS POLICE PENSION FUND

April 30, 2015

Actuarial Valuation Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Excess/ (Deficiency)	Covered - Employee Payroll	Contributions as a Percentage of Covered - Employee Payroll
April 30, 2015	\$ 1,053,264	\$ 918,481	\$ (134,783)	\$ 2,357,318	38.96%

Notes to the Required Supplementary Information:

Valuation Date	April 30th as of the Fiscal Year
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Amount
Remaining Amortization Target	90% Funded as of May 1, 2040
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.50%
Salary Increases	1.122% to 4.8611%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over.

GASB Pronouncements 67 require the presentation of the last ten prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS FIREFIGHTERS' PENSION FUND

April 30, 2015

Actuarial Valuation Date	Actuarially Determined Contribution	Contributions in Relation to the Actuarial Determined Contribution	Contribution Excess/ (Deficiency)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
April 30, 2015	\$ 707,271	\$ 628,706	\$ (78,565)	\$ 2,343,788	26.82%

Notes to the Required Supplementary Information:

Valuation Date	April 30 of the Fiscal Year
Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Dollar Amount
Remaining Amortization Target	90% Funded as of May 1, 2040
Asset Valuation Method	5-Year Smoothed Market Value
Inflation	2.50%
Salary Increases	1.122% to 4.8611%
Investment Rate of Return	7.00%
Retirement Age	See the Notes to the Financial Statements
Mortality	RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over.

GASB Pronouncements 67 require the presentation of the last ten prior fiscal years completed under these pronouncements. The fiscal years completed prior to the enactment of these pronouncements are not required to be presented in this schedule.

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

POLICE PENSION FUND

**SCHEDULE OF CHANGE IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS**

April 30, 2015

	2015
TOTAL PENSION LIABILITY	
Service Cost	\$ 746,186
Interest	2,463,037
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(1,982,798)</u>
Net Change in Total Pension Liability	1,226,425
Total Pension Liability - Beginning	<u>47,817,194</u>
TOTAL PENSION LIABILITY - ENDING	<u>\$ 49,043,619</u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 918,481
Contributions - Members	253,106
Contributions - Other	-
Net Investment Income	1,569,330
Benefit Payments, Including Refunds of Member Contributions	(1,982,798)
Administrative Expense	<u>(55,905)</u>
Net Change in Plan Fiduciary Net Position	702,214
Plan Net Position - Beginning	<u>25,237,340</u>
PLAN NET POSITION - ENDING	<u>\$ 25,939,554</u>
EMPLOYER'S NET PENSION LIABILITY	<u>\$ 23,104,065</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.89%
Covered - Employee Payroll	2,357,318
Employer's Net Pension Liability as a Percentage of Covered - Employee Payroll	980.10%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

FIREFIGHTERS' PENSION FUND

**SCHEDULE OF CHANGE IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS**

April 30, 2015

	<u>2015</u>
TOTAL PENSION LIABILITY	
Service Cost	\$ 799,025
Interest	1,997,463
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	-
Change of Assumptions	-
Benefit Payments, Including Refunds of Member Contributions	<u>(1,271,307)</u>
Net Change in Total Pension Liability	1,525,181
Total Pension Liability - Beginning	<u>36,887,257</u>
	<u>\$ 38,412,438</u>
TOTAL PENSION LIABILITY - ENDING	
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 628,706
Contributions - Members	223,583
Contributions - Other	-
Net Investment Income	1,336,306
Benefit Payments, Including Refunds of Member Contributions	(1,271,307)
Administrative Expense	<u>(48,107)</u>
Net Change in Plan Fiduciary Net Position	869,181
Plan Net Position - Beginning	<u>20,427,076</u>
	<u>\$ 21,296,257</u>
PLAN NET POSITION - ENDING	
	<u>\$ 17,116,181</u>
EMPLOYER'S NET PENSION LIABILITY	
Plan Fiduciary Net Position	55.44%
as a Percentage of the Total Pension Liability	2,343,788
Covered - Employee Payroll	
Employer's Net Pension Liability	
as a Percentage of Covered - Employee Payroll	730.28%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

April 30, 2015

2015

Annual Money-Weighted Rate of Return,
Net of Investment Expense

5.90%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

April 30, 2015

2015

Annual Money-Weighted Rate of Return,
Net of Investment Expense

5.38%

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2015

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
911	\$ 336,033	\$ 351,455
Motor Fuel Tax	525,285	555,707

**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, 2015

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes				
Non-Home Rule Sales Tax	\$ 1,373,000	\$ 1,373,000	\$ 701,722	\$ (671,278)
Investment Income	-	-	243	243
Total Revenues	1,373,000	1,373,000	701,965	(671,035)
EXPENDITURES				
Current				
Public Works	3,205,000	3,205,000	2,537,951	(667,049)
Total Expenditures	3,205,000	3,205,000	2,537,951	(667,049)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,832,000)	(1,832,000)	(1,835,986)	(3,986)
OTHER FINANCING SOURCES (USES)				
Transfers (Out)	-	-	(307,635)	307,635
Total Other Financing Sources (Uses)	-	-	(307,635)	307,635
NET CHANGE IN FUND BALANCE	<u>\$ (1,832,000)</u>	<u>\$ (1,832,000)</u>	(2,143,621)	<u>\$ (311,621)</u>
FUND BALANCE, MAY 1			<u>2,365,952</u>	
FUND BALANCE, APRIL 30			<u>\$ 222,331</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF WESTCHESTER, ILLINOIS

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2015

	<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	\$ 83,294	\$ 73,062	\$ 65,961	\$ 89	\$ 222,406	
Receivables						
Intergovernmental	-	29,308	-	-	29,308	
Accounts	2,123	12,833	34,054	-	49,010	
TOTAL ASSETS	<u>\$ 85,417</u>	<u>\$ 115,203</u>	<u>\$ 100,015</u>	<u>\$ 89</u>	<u>\$ 300,724</u>	
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ 5,193	\$ -	\$ -	\$ 5,193	
Due to Other Funds	-	51,145	-	-	51,145	
Total Liabilities	-	56,338	-	-	56,338	
FUND BALANCES						
Restricted for Public Safety	85,417	58,865	-	-	144,282	
Restricted for Tourism	-	-	100,015	-	100,015	
Assigned for Debt Service	-	-	-	89	89	
Total Fund Balances	85,417	58,865	100,015	89	244,386	
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 85,417</u>	<u>\$ 115,203</u>	<u>\$ 100,015</u>	<u>\$ 89</u>	<u>\$ 300,724</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, 2015

	Special Revenue			Debt Service	Total Nonmajor Governmental
	Police Forfeiture	911	Hotel/ Motel Tax		
REVENUES					
Other Local Taxes	\$ -	\$ 157,429	\$ 126,863	\$ -	\$ 284,292
Intergovernmental	6,457	143,620	-	-	150,077
Investment Income	118	631	-	36	785
Reimbursements	-	-	6,625	-	6,625
Miscellaneous	10,571	-	-	-	10,571
Total Revenues	17,146	301,680	133,488	36	452,350
EXPENDITURES					
Current					
Tourism	-	-	126,473	-	126,473
Police 911	-	309,009	-	-	309,009
Police Department	24,280	-	-	-	24,280
Debt Service					
Principal	-	38,604	-	150,000	188,604
Interest	-	3,842	-	157,620	161,462
Total Expenditures	24,280	351,455	126,473	307,620	809,828
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,134)	(49,775)	7,015	(307,584)	(357,478)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	307,635	307,635
Total Other Financing Sources (Uses)	-	-	-	307,635	307,635
NET CHANGE IN FUND BALANCES	(7,134)	(49,775)	7,015	51	(49,843)
FUND BALANCES, MAY 1	92,551	108,640	93,000	38	294,229
FUND BALANCES, APRIL 30	\$ 85,417	\$ 58,865	\$ 100,015	\$ 89	\$ 244,386

(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, 2015

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes	\$ 150,000	\$ 150,000	\$ 157,429	\$ 7,429
Intergovernmental	130,000	130,000	143,620	13,620
Investment Income	500	500	631	131
Total Revenues	280,500	280,500	301,680	21,180
EXPENDITURES				
Current				
Police 911	293,587	293,587	309,009	15,422
Debt Service				
Principal	38,604	38,604	38,604	-
Interest	3,842	3,842	3,842	-
Total Expenditures	336,033	336,033	351,455	15,422
NET CHANGE IN FUND BALANCE	<u>\$ (55,533)</u>	<u>\$ (55,533)</u>	(49,775)	<u>\$ 5,758</u>
FUND BALANCE, MAY 1			<u>108,640</u>	
FUND BALANCE, APRIL 30			<u>\$ 58,865</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, 2015

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Other Local Taxes	\$ 112,000	\$ 112,000	\$ 126,863	\$ 14,863
Reimbursements	18,100	18,100	6,625	(11,475)
Total Revenues	130,100	130,100	133,488	3,388
EXPENDITURES				
Current				
Tourism	149,820	149,820	126,473	(23,347)
Total Expenditures	149,820	149,820	126,473	(23,347)
NET CHANGE IN FUND BALANCE	<u>\$ (19,720)</u>	<u>\$ (19,720)</u>	7,015	<u>\$ 26,735</u>
FUND BALANCE, MAY 1			<u>93,000</u>	
FUND BALANCE, APRIL 30			<u>\$ 100,015</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, 2015

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Investment Income	\$ -	\$ -	\$ 36	\$ 36
Total Revenues	-	-	36	36
EXPENDITURES				
Debt Service				
Principal	150,000	150,000	150,000	-
Interest	157,620	157,620	157,620	-
Total Expenditures	307,620	307,620	307,620	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(307,620)	(307,620)	(307,584)	36
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	307,635	307,635
Total Other Financing Sources (Uses)	-	-	307,635	307,635
NET CHANGE IN FUND BALANCE	<u>\$ (307,620)</u>	<u>\$ (307,620)</u>	51	<u>\$ 307,671</u>
FUND BALANCE, MAY 1			38	
FUND BALANCE, APRIL 30			<u>\$ 89</u>	

(See independent auditor's report.)

FIDUCIARY FUNDS

VILLAGE OF WESTCHESTER, ILLINOIS

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

April 30, 2015

	Pension Trust		Total
	Police Pension	Firefighters' Pension	
ASSETS			
Cash and Cash Equivalents	\$ 300,588	\$ 333,104	\$ 633,692
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	58,465	46,360	104,825
Investments			
U.S. Government Obligations	3,401,727	2,396,576	5,798,303
U.S. Agency Obligations	597,865	640,129	1,237,994
State and Local Obligations	242,109	247,133	489,242
Corporate Bonds	4,425,821	3,276,651	7,702,472
Mutual Funds	16,638,848	13,861,194	30,500,042
Money Market Mutual Funds	268,468	502,045	770,513
Prepaid Items	9,815	517	10,332
Total Assets	25,943,706	21,303,709	47,247,415
LIABILITIES			
Accounts Payable	4,152	7,451	11,603
Total Liabilities	4,152	7,451	11,603
NET POSITION HELD IN TRUST FOR PENSION BENEFITS	\$ 25,939,554	\$ 21,296,258	\$ 47,235,812

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS**COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION TRUST FUNDS**

For the Year Ended April 30, 2015

	Pension Trust		
	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions			
Employer Contributions	\$ 918,481	\$ 628,706	\$ 1,547,187
Plan Members	253,106	223,583	476,689
Total Contributions	1,171,587	852,289	2,023,876
Investment Income			
Net Appreciation in Fair Value of Investments	972,859	922,708	1,895,567
Interest	643,845	478,420	1,122,265
Total Investment Income	1,616,704	1,401,128	3,017,832
Less Investment Expense	(47,374)	(64,822)	(112,196)
Net Investment Income	1,569,330	1,336,306	2,905,636
Total Additions	2,740,917	2,188,595	4,929,512
DEDUCTIONS			
Retirement Benefits and Refunds	1,982,798	1,271,306	3,254,104
Administrative Expenses	55,905	48,107	104,012
Total Deductions	2,038,703	1,319,413	3,358,116
NET INCREASE	702,214	869,182	1,571,396
NET POSITION HELD IN TRUST FOR PENSION BENEFITS			
May 1	25,237,340	20,427,076	45,664,416
April 30	\$ 25,939,554	\$ 21,296,258	\$ 47,235,812

(See independent auditor's report.)

VILLAGE OF WESTCHESTER, ILLINOIS

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

For the Year Ended April 30, 2015

	Balance May 1	Additions	Deletions	Balance April 30
<hr/>				
Refundable Deposits				
ASSETS				
Cash	\$ 186,085	\$ 197,209	\$ 900	\$ 382,394
Investments	357,730	900	70,753	287,877
	<hr/>			
TOTAL ASSETS	\$ 543,815	\$ 198,109	\$ 71,653	\$ 670,271
	<hr/>			
LIABILITIES				
Due to Others	\$ 543,815	\$ 349,073	\$ 222,617	\$ 670,271
	<hr/>			
TOTAL LIABILITIES	\$ 543,815	\$ 349,073	\$ 222,617	\$ 670,271
	<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.	79-88
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.	89-95
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.	96-99
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.	100-101
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.	102-105

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	2006	2007	2008	2009
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$ 25,836,287	\$ 24,546,664	\$ 24,087,301	\$ 25,720,503
Restricted	609,633	863,192	1,080,659	445,605
Unrestricted	3,208,790	4,003,035	5,290,928	4,324,333
TOTAL GOVERNMENTAL ACTIVITIES	\$ 29,654,710	\$ 29,412,891	\$ 30,458,888	\$ 30,490,441
BUSINESS-TYPE ACTIVITIES				
Net Investment in Capital Assets	\$ 8,379,145	\$ 8,162,045	\$ 7,936,598	\$ 7,751,481
Unrestricted	1,130,708	1,069,386	1,047,755	2,038,004
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 9,509,853	\$ 9,231,431	\$ 8,984,353	\$ 9,789,485
PRIMARY GOVERNMENT				
Invested in Capital Assets				
Net of Related Debt	\$ 34,215,432	\$ 32,708,709	\$ 32,023,899	\$ 33,471,984
Restricted	609,633	863,192	1,080,659	445,605
Unrestricted	4,339,498	5,072,421	6,338,683	6,362,337
TOTAL PRIMARY GOVERNMENT	\$ 39,164,563	\$ 38,644,322	\$ 39,443,241	\$ 40,279,926

2010	2011	2012	2013	2014	2015
\$ 24,722,401	\$ 24,533,889	\$ 23,453,120	\$ 21,898,803	\$ 21,164,996	\$ 22,124,391
484,697	935,253	1,057,485	763,725	361,722	491,755
3,747,530	2,144,143	1,955,569	2,575,023	3,393,989	1,678,304
\$ 28,954,628	\$ 27,613,285	\$ 26,466,174	\$ 25,237,551	\$ 24,920,707	\$ 24,294,450
\$ 7,710,865	\$ 6,910,269	\$ 7,434,766	\$ 7,472,315	\$ 8,754,657	\$ 9,445,125
1,697,637	1,846,113	2,132,453	2,696,187	1,476,459	339,977
\$ 9,408,502	\$ 8,756,382	\$ 9,567,219	\$ 10,168,502	\$ 10,231,116	\$ 9,785,102
\$ 32,433,266	\$ 31,444,158	\$ 30,887,886	\$ 29,371,118	\$ 29,919,653	\$ 31,569,516
484,697	935,253	1,057,485	763,725	361,722	491,755
5,445,167	3,990,256	4,088,022	5,271,210	4,870,448	2,018,281
\$ 38,363,130	\$ 36,369,667	\$ 36,033,393	\$ 35,406,053	\$ 35,151,823	\$ 34,079,552

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
EXPENSES				
Governmental Activities				
General Government	\$ 3,397,249	\$ 1,711,620	\$ 1,969,667	\$ 2,061,823
Public Safety	6,803,991	8,711,272	8,532,345	9,777,684
Public Works	4,076,453	3,719,405	4,380,139	3,270,206
Interest	26,815	28,326	29,963	23,186
Total Governmental Activities Expenses	14,304,508	14,170,623	14,912,114	15,132,899
Business-Type Activities				
Water and Sewer	3,046,102	3,051,684	3,210,844	4,958,778
Total Business-Type Activities Expenses	3,046,102	3,051,684	3,210,844	4,958,778
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 17,350,610	\$ 17,222,307	\$ 18,122,958	\$ 20,091,677
PROGRAM REVENUES				
Governmental Activities				
Charges for Services				
General Government	\$ 2,165,383	\$ 1,093,603	\$ 1,148,987	\$ 912,469
Public Safety	943,589	724,353	855,664	927,702
Public Works	13,199	1,712,630	1,897,654	382,104
Operating Grants and Contributions	662,521	554,369	560,159	454,932
Capital Grants and Contributions	20,000	72,009	239,371	2,254,867
Total Governmental Activities Program Revenues	3,804,692	4,156,964	4,701,835	4,932,074
Business-Type Activities				
Charges for Services				
Water and Sewer	2,829,169	2,730,501	2,921,063	4,922,086
Operating Grants and Contributions	81,908	-	-	-
Capital Grants and Contributions	120,000	-	-	60,000
Total Business-Type Activities Program Revenues	3,031,077	2,730,501	2,921,063	4,982,086
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 6,835,769	\$ 6,887,465	\$ 7,622,898	\$ 9,914,160
NET REVENUE (EXPENSES)				
Governmental Activities	\$ (10,499,816)	\$ (10,013,659)	\$ (10,210,279)	\$ (10,200,825)
Business-Type Activities	(15,024)	(321,183)	(289,781)	23,308
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)	\$ (10,514,840)	\$ (10,334,842)	\$ (10,500,060)	\$ (10,177,517)

2010	2011	2012	2013	2014	2015
\$ 2,336,063	\$ 2,243,335	\$ 2,321,017	\$ 3,303,980	\$ 2,117,829	\$ 2,368,964
9,843,048	10,225,622	10,000,780	10,030,144	9,570,853	10,422,325
3,253,548	2,818,288	3,170,591	2,315,612	4,674,296	4,362,860
21,779	188,772	186,623	348,228	311,993	331,036
15,454,438	15,476,017	15,679,011	15,997,964	16,674,971	17,485,185
5,411,161	5,855,690	4,866,286	5,570,540	5,985,449	6,522,563
5,411,161	5,855,690	4,866,286	5,570,540	5,985,449	6,522,563
\$ 20,865,599	\$ 21,331,707	\$ 20,545,297	\$ 21,568,504	\$ 22,660,420	\$ 24,007,748
\$ 852,133	\$ 845,037	\$ 1,053,503	\$ 1,270,038	\$ 1,393,545	\$ 1,990,955
1,221,796	1,173,519	926,556	970,056	1,020,548	1,015,341
397,661	427,211	412,398	400,653	394,466	370,982
447,755	619,870	585,489	427,034	913,289	698,316
65,844	418,374	486,155	75,491	310,320	206,791
2,985,189	3,484,011	3,464,101	3,143,272	4,032,168	4,282,385
5,005,316	5,200,548	5,552,156	6,173,333	6,047,268	6,075,978
-	9,169	-	-	-	-
-	-	-	-	-	-
5,005,316	5,209,717	5,552,156	6,173,333	6,047,268	6,075,978
\$ 7,990,505	\$ 8,693,728	\$ 9,016,257	\$ 9,316,605	\$ 10,079,436	\$ 10,358,363
\$ (12,469,249)	\$ (11,992,006)	\$ (12,214,910)	\$ (12,854,692)	\$ (12,642,803)	\$ (13,202,800)
(405,845)	(645,973)	685,870	602,793	61,819	(446,585)
\$ (12,875,094)	\$ (12,637,979)	\$ (11,529,040)	\$ (12,251,899)	\$ (12,580,984)	\$ (13,649,385)

VILLAGE OF WESTCHESTER, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL REVENUES AND OTHER				
CHANGES IN NET ASSETS				
Governmental Activities				
Taxes				
Property	\$ 4,833,293	\$ 4,831,883	\$ 5,241,736	\$ 5,374,147
Sales and Use	1,042,494	1,116,648	1,348,330	1,298,967
Income	1,328,704	1,417,985	1,549,042	1,532,916
Telecommunications	1,062,416	1,045,265	1,123,987	1,088,078
Utility	904,228	946,097	1,043,185	976,302
Places for Eating	-	122,097	201,391	185,366
Hotel/Motel Tax	130,227	146,930	154,767	124,607
Other	612,137	135,166	66,722	35,116
Investment Earnings	134,759	237,923	255,427	138,719
Transfers	408,506	-	-	(750,000)
Miscellaneous	246,996	231,351	271,689	228,160
Total Governmental Activities	10,703,760	10,231,345	11,256,276	10,232,378
Business-Type Activities				
Investment Earnings	36,089	42,761	42,703	31,824
Transfers	(408,506)	-	-	750,000
Miscellaneous	-	-	-	-
Total Business-Type Activities	(372,417)	42,761	42,703	781,824
TOTAL PRIMARY GOVERNMENT	\$ 10,331,343	\$ 10,274,106	\$ 11,298,979	\$ 11,014,202
CHANGE IN NET POSITION				
Governmental Activities	\$ 203,944	\$ 217,686	\$ 1,045,997	\$ 31,553
Business-Type Activities	(387,441)	(278,422)	(247,078)	805,132
TOTAL PRIMARY GOVERNMENT				
CHANGE IN NET POSITION	\$ (183,497)	\$ (60,736)	\$ 798,919	\$ 836,685

Data Source

Audited Financial Statements

2010	2011	2012	2013	2014	2015
\$ 5,831,140	\$ 5,417,410	\$ 5,809,700	\$ 5,786,028	\$ 6,023,480	\$ 6,037,619
1,105,099	976,165	1,225,610	1,391,445	1,903,597	2,067,455
1,336,226	1,311,711	1,318,224	1,551,311	1,629,105	1,662,052
1,110,277	1,010,038	892,456	791,670	800,847	753,774
868,953	896,838	807,207	817,669	898,340	825,878
164,413	180,099	177,494	188,328	205,276	219,711
112,206	119,904	143,876	108,924	98,713	126,863
53,192	62,040	611,343	718,024	651,454	567,746
55,219	42,198	14,388	7,990	6,739	9,498
-	-	-	(12,723)	-	-
296,711	309,605	67,501	63,975	108,408	356,812
10,933,436	10,326,008	11,067,799	11,412,641	12,325,959	12,627,408
15,862	15,873	2,553	1,042	795	571
-	-	-	12,723	-	-
9,000	-	-	-	-	-
24,862	15,873	2,553	13,765	795	571
\$ 10,958,298	\$ 10,341,881	\$ 11,070,352	\$ 11,426,406	\$ 12,326,754	\$ 12,627,979
\$ (1,535,813)	\$ (1,665,998)	\$ (1,147,111)	\$ (1,442,051)	\$ (316,844)	\$ (575,392)
(380,983)	(630,100)	688,423	616,558	62,614	(446,014)
\$ (1,916,796)	\$ (2,296,098)	\$ (458,688)	\$ (825,493)	\$ (254,230)	\$ (1,021,406)

VILLAGE OF WESTCHESTER, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009
GENERAL FUND				
Reserved	\$ 39,854	\$ 198,115	\$ 360,994	\$ 468,986
Unreserved	2,781,506	3,571,766	5,678,638	5,294,385
Nonspendable - Prepaid Items	-	-	-	-
Unrestricted				
Assigned - Capital Projects	-	-	-	-
Assigned - Subsequent Budget	-	-	-	-
Unassigned	-	-	-	-
TOTAL GENERAL FUND	\$ 2,821,360	\$ 3,769,881	\$ 6,039,632	\$ 5,763,371
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ -	\$ 863,192	\$ 1,080,659	\$ 445,605
Unreserved, Reported In				
Special Revenue Funds	1,527,629	967,704	-	-
Debt Service Fund	-	-	(200)	(200)
Nonspendable - Prepaid Items	-	-	-	-
Assigned for Capital Projects	-	-	-	-
Restricted for Public Safety	-	-	-	-
Restricted for Tourism	-	-	-	-
Restricted for Streets and Transportation	-	-	-	-
Restricted for Capital Projects	-	-	-	-
Restricted for Debt Service	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 1,527,629	\$ 1,830,896	\$ 1,080,459	\$ 445,405

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

Data Source

Audited Financial Statements

2010	2011	2012*	2013	2014	2015
\$ 746,554	\$ 326,144	\$ -	\$ -	\$ -	\$ -
5,219,256	4,601,465	-	-	-	-
-	-	302,937	313,646	367,165	300,437
-	-	-	-	-	699,207
-	-	642,838	48,471	813,818	411,566
-	-	3,438,312	4,463,875	4,027,660	3,301,723
<u>\$ 5,965,810</u>	<u>\$ 4,927,609</u>	<u>\$ 4,384,087</u>	<u>\$ 4,825,992</u>	<u>\$ 5,208,643</u>	<u>\$ 4,712,933</u>
\$ 484,697	\$ 1,562,550	\$ -	\$ -	\$ -	\$ -
(104,458)	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,750	5,064	-
-	-	-	169,309	867,119	-
-	-	417,487	302,081	201,191	144,282
-	-	95,112	76,356	87,936	100,015
-	-	544,886	385,288	72,595	123,729
-	-	-	4,453,051	1,498,833	222,331
-	-	-	119,537	38	89
<u>\$ 380,239</u>	<u>\$ 1,562,550</u>	<u>\$ 1,057,485</u>	<u>\$ 5,507,372</u>	<u>\$ 2,732,776</u>	<u>\$ 590,446</u>

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

Fiscal Year	2006	2007	2008	2009 (1)
REVENUES				
Real Estate Taxes	\$ 4,833,293	\$ 4,719,577	\$ 5,117,943	\$ 5,265,623
Other Local Taxes	2,246,343	2,356,995	2,546,640	2,365,346
Licenses and Permits	1,064,311	994,272	1,084,121	887,044
Intergovernmental	3,489,964	3,587,762	3,981,100	4,094,819
Charges for Services	1,552,309	1,673,396	2,089,529	490,503
Investment Income	134,759	237,923	255,427	138,719
Fines and Forfeits	321,785	374,221	456,619	444,320
Miscellaneous	253,200	362,959	233,710	260,235
Reimbursements	-	-	-	-
Rental Income	160,297	162,601	165,022	167,563
Total Revenues	14,056,261	14,469,706	15,930,111	14,114,172
EXPENDITURES				
General Government	2,965,925	2,965,342	1,331,339	1,180,578
Legal Department	92,969	116,875	181,870	206,404
CATS	73,861	79,340	14,506	-
Community Development Department	217,365	242,282	385,613	396,671
Planning and Zoning	-	-	-	-
Elections Department	-	248	-	-
Fire and Police Commission	-	13,432	25,837	11,307
Tourism	-	68,383	65,263	154,691
Police 911	755,646	517,536	820,672	889,859
Police Department	3,685,200	3,676,652	4,509,046	4,751,912
Civil Defense	3,585	4,877	3,124	977
Fire Department	2,487,199	2,616,972	3,238,011	3,720,002
Street Lighting	152,793	11,314	132,278	208,981
Public Works	691,305	392,443	824,553	827,375
Streets	959,598	1,108,871	1,183,584	1,962,917
Sanitation	1,245,812	1,281,605	1,463,002	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	153,705	214,277	210,734	207,455
Interest and Fiscal Charges	27,338	29,605	31,041	24,408
Bond Issuance Costs	-	-	-	-
Total Expenditures	13,512,301	13,340,054	14,420,473	14,543,537
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	543,960	1,129,652	1,509,638	(429,365)
OTHER FINANCING SOURCES (USES)				
Transfers In	924,365	500,000	978,138	81,193
Transfers (Out)	(515,859)	(500,000)	(978,138)	(831,193)
Sale of Capital Assets	-	8,170	9,676	56,025
Bonds Issued	305,813	-	-	-
Premium on Bonds Issued	-	-	-	-
Proceeds from Capital Leases	58,830	-	-	212,025
Proceeds from Installment Contracts	-	-	-	-
Total Other Financing Sources (Uses)	773,149	8,170	9,676	(481,950)
NET CHANGE IN FUND BALANCES	\$ 1,317,109	\$ 1,137,822	\$ 1,519,314	\$ (911,315)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES				
	1.48%	1.92%	1.78%	1.76%

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

[Data Source](#)

Audited Financial Statements

	2010	2011	2012	2013	2014	2015
\$	5,741,031	\$ 5,321,112	\$ 5,711,343	\$ 5,702,949	\$ 5,928,406	\$ 6,037,619
	2,423,621	2,447,970	2,509,129	2,425,860	2,527,755	2,493,971
	912,776	838,792	964,003	1,129,173	1,208,708	1,232,950
	3,190,481	3,470,405	3,843,358	3,673,393	4,998,261	4,757,918
	467,366	467,185	470,790	600,508	616,737	555,568
	55,219	42,198	14,388	7,990	6,739	9,498
	774,464	701,869	533,889	444,882	493,238	518,261
	183,436	271,126	303,026	358,354	376,134	350,187
	-	-	6,000	46,464	11,743	6,625
	170,231	173,032	175,974	179,063	190,406	194,608
	13,918,625	13,733,689	14,531,900	14,568,636	16,358,127	16,157,205
	1,452,466	1,358,597	1,661,707	1,460,251	1,510,102	1,620,697
	334,692	258,977	-	-	-	-
	-	-	-	-	-	-
	517,469	466,905	477,844	378,933	558,832	514,857
	-	-	-	-	1,063	1,160
	43	-	-	-	-	-
	22,237	26,566	31,835	15,446	23,639	22,950
	163,295	124,978	145,190	172,394	95,562	126,473
	870,231	954,713	960,875	1,024,642	1,209,638	309,009
	4,839,326	4,775,711	5,012,019	4,737,936	5,047,229	5,260,068
	4,761	358,818	6,428	71,643	6,281	3,986
	3,375,500	4,152,250	3,855,189	3,876,174	3,913,548	4,286,298
	165,584	151,927	-	-	-	-
	885,195	786,863	2,974,258	2,166,103	5,152,267	5,983,608
	1,371,597	3,497,240	-	-	-	-
	-	-	-	-	-	-
	-	-	-	1,224,386	1,430,872	452,499
	280,734	292,090	398,318	276,931	620,361	666,321
	23,179	216,810	191,068	185,934	324,676	343,748
	-	-	-	153,062	-	-
	14,306,309	17,422,445	15,714,731	15,743,835	19,894,070	19,591,674
	(387,684)	(3,688,756)	(1,182,831)	(1,175,199)	(3,535,943)	(3,434,469)
	113	-	-	1,183,512	-	-
	(113)	-	-	(1,196,235)	-	-
	8,050	22,695	16,714	-	-	-
	-	3,500,000	-	5,800,000	-	-
	-	28,431	-	157,138	-	-
	145,907	-	-	-	-	-
	220,000	380,000	117,530	122,576	1,143,998	94,707
	373,957	3,931,126	134,244	6,066,991	1,143,998	94,707
\$	(13,727)	\$ 242,370	\$ (1,048,587)	\$ 4,891,792	\$ (2,391,945)	\$ (3,339,762)
	2.23%	3.63%	4.04%	3.21%	6.11%	6.39%

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
2005	\$ 375,461,802	\$ 160,197,409	\$ 13,099,244	\$ 13,405	\$ 548,771,860	\$ 0.903	\$ 1,646,315,580	33.333%
2006	381,873,303	161,512,366	13,321,730	19,988	556,727,387	0.922	1,670,182,161	33.333%
2007	407,517,174	170,112,622	14,204,191	28,419	591,862,406	0.894	1,775,587,218	33.333%
2008	N/A	N/A	N/A	37,165	650,189,563	0.848	1,950,568,689	33.333%
2009	N/A	N/A	N/A	45,682	656,599,822	0.843	1,969,799,466	33.333%
2010	N/A	N/A	N/A	47,637	670,014,859	0.849	2,010,044,577	33.333%
2011	N/A	N/A	N/A	43,184	550,475,869	1.052	1,651,427,607	33.333%
2012	N/A	N/A	N/A	52,851	499,925,456	1.194	1,499,776,368	33.333%
2013	N/A	N/A	N/A	56,062	472,727,706	1.285	1,418,183,118	33.333%
2014	N/A	N/A	N/A	75,837	448,745,480	1.377	1,346,236,440	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
 PROVISIO TOWNSHIP (SCHOOL DISTRICT #93)
 (Per \$100 of Equalized Assessed Valuation)

Last Ten Levy Years

Tax Levy Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Suburban TB Sanitarium	0.005	0.005	0.005	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.011	0.012	0.012	0.012	0.011	0.011	0.014	0.015	0.016	0.016
Water Reclamation District	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430
Westchester Park District	0.266	0.279	0.318	0.219	0.257	0.264	0.315	0.357	0.381	0.406
Triton College District #504	0.233	0.240	0.224	0.212	0.214	0.225	0.267	0.269	0.325	0.336
High School District #209	1.810	1.878	1.839	1.752	1.759	1.813	2.263	2.518	2.722	2.913
School District #93	1.457	1.525	1.486	1.433	1.567	1.643	1.980	2.230	2.401	2.543
Westchester Library Fund	0.172	0.180	0.173	0.164	0.164	0.166	0.206	0.234	0.252	0.270
Village of Westchester	0.903	0.922	0.894	0.848	0.843	0.849	1.052	1.194	1.285	1.377
Proviso Mental Health District	0.114	0.115	0.117	0.113	0.113	0.117	0.145	0.150	0.150	0.150
Proviso General Assistance	0.033	0.036	0.034	0.033	0.033	0.031	0.038	0.045	0.052	0.053
Town of Proviso	0.056	0.062	0.059	0.057	0.057	0.062	0.081	0.095	0.110	0.106
Forest Preserve District	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069
Consolidated Elections	0.014	-	0.012	-	0.021	-	0.025	-	0.031	-
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568
TOTAL	5.982	6.095	5.935	5.561	5.743	5.929	7.226	8.071	8.771	9.237

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Suburban TB Sanitarium	0.005	0.005	0.005	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.011	0.012	0.012	0.012	0.011	0.011	0.014	0.015	0.016	0.016
Water Reclamation District	0.315	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430
Westchester Park District	0.266	0.279	0.318	0.219	0.257	0.264	0.315	0.357	0.381	0.406
Triton College District #504	0.233	0.240	0.224	0.212	0.214	0.225	0.267	0.269	0.325	0.336
High School District #209	1.810	1.878	1.839	1.752	1.759	1.813	2.263	2.518	2.722	2.913
School District #92.5	2.270	2.317	2.230	2.116	2.044	2.048	2.536	2.844	3.073	2.543
Westchester Library Fund	0.172	0.180	0.173	0.164	0.164	0.166	0.206	0.234	0.252	0.270
Village of Westchester	0.903	0.922	0.894	0.848	0.843	0.849	1.052	1.194	1.285	1.377
Proviso Mental Health District	0.114	0.115	0.117	0.113	0.113	0.117	0.145	0.150	0.150	0.150
Proviso General Assistance	0.033	0.036	0.034	0.033	0.033	0.031	0.038	0.045	0.052	0.053
Town of Proviso	0.056	0.062	0.059	0.057	0.057	0.062	0.081	0.095	0.110	0.106
Forest Preserve District	0.060	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069
Consolidated Elections	0.014	-	0.012	-	0.021	-	0.025	-	0.031	-
County of Cook	0.533	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568
TOTAL	6.795	6.887	6.679	6.244	6.220	6.334	7.782	8.685	9.443	9.237

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 Nine Years Ago

Taxpayer	2015			Taxpayer	2006		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation		Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Long Ridge Office LP	\$ 58,494,012	1	13.04%	Westbrook Center	\$ 31,344,585	1	5.71%
Regency Centers	6,394,211	2	1.42%	Regency Centers	3,775,003	2	0.69%
Marc Realty	1,687,497	3	0.38%	Marc Realty	2,542,852	3	0.46%
GAMA LP Suite 4502	1,330,224	4	0.30%	Prime Group Realty	1,965,178	4	0.36%
Mariner Health Care	1,220,244	5	0.27%	Mariner Health Care	1,504,798	5	0.27%
Vinayakahos Westchester	965,559	6	0.22%	Inkeepers Westchester	1,499,999	6	0.27%
Westchester I Med Prop	778,050	7	0.17%	WiFi 2400 LLC	1,181,895	7	0.22%
Catholic Cemeteries	758,111	8	0.17%	Westchester Partners	849,539	8	0.15%
J Cacciatore Co	733,175	9	0.16%	Albertsons	831,991	9	0.15%
Albertsons	612,734	10	0.14%	Pension Fund Laborers Union	829,033	10	0.15%
TOTAL	\$ 72,973,817		16.26%		\$ 46,324,874		8.43%

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
2006	\$ 4,955,410	\$ 4,474,900	90.30%		\$ 4,474,900	90.30%
2007	5,133,027	5,036,497	98.12%	52,163	5,088,660	99.14%
2008	5,291,250	5,157,802	97.48%	27,911	5,185,713	98.01%
2009	5,513,607	5,317,418	96.44%	66,250	5,383,668	97.64%
2010	5,535,137	5,381,139	97.22%	35,807	5,416,946	97.86%
2011	5,688,426	2,491,858	43.81%	3,095,130	5,586,988	98.22%
2012	5,791,006	2,964,049	51.18%	2,717,880	5,681,929	98.12%
2013	5,970,491	3,028,389	50.72%	2,803,098	5,831,487	97.67%
2014	6,074,551	3,099,591	51.03%	2,374,976	5,474,567	90.12%
2015	6,370,300	3,169,135	49.75%	-	3,169,135	49.75%

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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Merchandise	\$ 969	\$ 319	\$ 138	\$ -	\$ 152	\$ -	\$ -	\$ -	\$ -	\$ -
Food	395,071	369,357	381,063	370,606	344,437	319,334	298,779	291,285	287,509	254,811
Drinking and Eating Places	174,279	200,753	196,087	185,900	174,563	168,451	169,668	172,243	191,567	201,270
Apparel	1,031	1,567	1,469	-	949	-	-	-	594	-
Furniture, H.H. and Radio	8,776	3,929	1,492	2,034	1,562	2,307	1,069	3,057	1,778	1,227
Lumber and Building Hardware	3,755	4,543	3,945	10,530	16,662	11,366	1,587	333	-	1,288
Automobile and Filling Stations	97,787	90,879	82,662	78,224	65,853	73,577	77,133	79,159	81,082	93,732
Drugs and Miscellaneous Retail	192,735	163,121	185,935	164,082	142,019	307,783	347,371	311,225	362,657	341,223
Agriculture and All Others	178,914	153,810	196,479	272,991	156,587	72,868	70,588	85,720	48,700	52,288
Manufacturers	1,937	1,552	10,887	16,989	8,671	10,163	6,789	8,711	7,299	13,920
TOTAL	\$ 1,055,253	\$ 989,831	\$ 1,060,157	\$ 1,101,356	\$ 911,455	\$ 965,848	\$ 972,984	\$ 951,732	\$ 981,187	\$ 960,264
VILLAGE DIRECT SALES										
TAX RATE	7.75%	7.75%	8.00%	8.00%	9.00%	8.50%	8.25%	8.25%	8.25%	8.25%

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

Data Source

Illinois Department of Revenue

VILLAGE OF WESTCHESTER, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Overlapping Rate		State Rate
	Regional Transportation Authority Rate	Cook County Rate	
2006	0.75%	0.75%	6.25%
2007	0.75%	0.75%	6.25%
2008	1.00%	0.75%	6.25%
2009	1.00%	0.75%	6.25%
2010	1.00%	1.75%	6.25%
2011	1.00%	1.25%	6.25%
2012	1.00%	1.00%	6.25%
2013	1.00%	1.00%	6.25%
2014	1.00%	1.75%	6.25%
2015	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					
2006	\$ -	\$ -	\$ 276,183	\$ 44,755	\$ 715,000	\$ -	\$ -	\$ -	\$ -	\$ 1,035,938	\$ 548,771,860	0.19%	\$ 61.98	
2007	-	-	203,031	25,356	600,000	-	-	-	-	828,387	556,727,387	0.15%	49.56	
2008	-	-	126,907	5,736	485,000	-	-	-	-	617,643	591,862,406	0.10%	36.95	
2009	-	-	252,213	-	370,000	-	-	-	-	622,213	650,189,563	0.10%	37.23	
2010	-	-	250,937	220,000	250,000	-	98,583	-	-	819,520	656,599,822	0.12%	49.03	
2011	3,500,000	-	123,847	560,000	125,000	1,610,000	25,053	-	-	5,943,900	670,014,859	0.89%	355.62	
2012	3,390,000	-	75,134	554,330	-	1,485,000	-	950,793	61,450	6,516,707	550,475,869	1.18%	389.90	
2013	3,255,000	5,800,000	27,011	583,098	-	1,335,000	-	1,119,179	56,042	12,175,330	449,925,456	2.71%	728.28	
2014	3,115,000	5,800,000	-	1,273,746	-	1,180,000	-	813,265	196,436	12,378,447	472,727,706	2.62%	740.43	
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	

* See the Schedule of Demographic and Economic Information on page 95 for population data.

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

Data Source:

Office of the County Clerk
U.S. Census Bureau

VILLAGE OF WESTCHESTER, ILLINOIS

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2015

	Gross Bonded Debt (1)	Percentage of Debt Applicable to the Village (2)	Village's Share of Debt
DIRECT DEBT			
Village of Westchester	\$ 9,812,960	100.00%	\$ 9,812,960
OVERLAPPING DEBT			
Cook County	3,466,976,750	0.36%	12,355,892
Cook County Forest Preserve District	118,610	0.36%	423
Metropolitan Water Reclamation District	261,900,317	0.42%	1,092,124 (3)
Westchester Park District	523,540,000	88.37%	462,671,082 (4)
School District #92.5	12,375,000	38.27%	4,735,944
School District #93	2,395,000	27.31%	654,165
High School #209	42,437,832	19.43%	8,245,874
Total Overlapping Debt	4,309,743,509		489,755,504
TOTAL	\$ 4,319,556,469		\$ 499,568,464

Notes (1) Sources: Office of the Cook County Clerk. Certain Gross Bonded Debt amounts as of April 30, 2015 could not be obtained as of the date of printing. In these instances, April 30, 2014 amounts are shown.

(2) Overlapping debt percentages based on 2014 EAV, as of 4/30/2015, 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 Debt Limit
2006	\$ 47,331,573	\$ 715,000	\$ 46,616,573	1.51%
2007	48,017,737	600,000	47,417,737	1.25%
2008	51,048,133	490,736	50,557,397	0.96%
2009	56,078,850	370,000	55,708,850	0.66%
2010	56,631,735	250,000	56,381,735	0.44%
2011	57,788,782	5,235,000	52,553,782	9.06%
2012	47,478,544	4,875,000	42,603,544	10.27%
2013	38,806,071	10,390,000	28,416,071	26.77%
2014	30,677,765	10,095,000	20,582,765	32.91%
2015	38,704,298	9,650,000	29,054,298	24.93%

Legal Debt Margin Calculation for Fiscal Year 2015:

Assessed Value	\$ 448,745,480
Legal Debt Margin	8.625%
Legal Debt Limit	38,704,298
Debt Applicable to Limit Bonds	9,650,000
LEGAL DEBT MARGIN	\$ 29,054,298

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
2006	\$ -	\$ -	\$ -	0.00%	\$ -
2007	-	-	-	0.00%	-
2008	-	-	-	0.00%	-
2009	-	-	-	0.00%	-
2010	250,000	-	250,000	0.01%	14.96
2011	5,235,000	-	5,235,000	0.26%	313.21
2012	4,875,000	-	4,875,000	0.30%	291.60
2013	10,571,516	119,537	10,451,979	0.70%	625.19
2014	10,267,238	38	10,267,200	0.71%	600.04
2015	9,812,960	89	9,812,871	0.71%	583.27

* See the schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 84 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	Family Income Per Capita	Unemployment Rate
2014	16,718	\$ 69,679	\$ 4.17	7.8%
2013	16,718	69,989	4.16	9.2%
2012	16,718	72,966	4.36	8.9%
2011	16,718	69,679	4.17	9.0%
2010	16,718	68,400	4.09	10.1%
2009	16,824	66,450	3.95	10.0%
2008	16,824	67,451	4.01	7.6%
2007	16,824	70,309	4.18	4.1%
2006	16,824	70,309	4.18	3.7%
2005	16,824	70,309	4.18	5.0%

Data Source

U.S. Census Bureau

Unemployment Rate:

Illinois Department of Employment Security
Economic Information and Analysis

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior

2015			2006		
Employer	Rank	Employees as a % of Village Population	Employer	Rank	Employees as a % of Village Population
G4S Secure Solutions Inc	1	4.47%	Wackenthut Corp.	1	3.86%
Follett Higher Education Group, Inc.	2	4.04%	Corn Products International	2	3.57%
Ingredion	3	3.59%	Sogeti USA, LLC	3	1.25%
Follett Corp.	4	2.99%	Chicago Laborers' Pension & Welfare F	4	0.89%
Sogeti USA, LLC	5	2.54%	Commonscope Corp	5	0.89%
CVM Solutions, LLC	6	0.93%	Insurance Auto Auctions	6	0.71%
Chicago Laborers' Pension & Welfare Fund	7	0.90%	Revenue Cycle Solutions, Inc.	7	0.71%
Commonscope Corp	7	0.90%	Per Mar Security Systems	8	0.59%
Insurance Auto Auctions	7	0.90%	Healthcare Financial Management Assn	9	0.42%
Per Mar Security Systems	8	0.60%	Pal Graphics, Inc.	10	0.33%
Healthcare Financial Management Assn	9	0.42%			0.00%
Brainlab Inc	10	0.36%			0.00%
TOTAL		22.63%	TOTAL		13.22%
Total Population		16,718	Total Population		16,824

Note: Principal employer data is not available for nine years prior.

Data Source

2015 Illinois Services Directory and 2015 Illinois Manufacturers Directory

VILLAGE OF WESTCHESTER, ILLINOIS

FULL-TIME EMPLOYEES

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL GOVERNMENT										
Village Manager's Office	2	2	2	2	3	3	2	2	2	2
Finance	5	5	5	5	3	2	2	4	4	4
Building/Code Enforcement	4	4	4	4	4	4	4	3	3	2
PUBLIC SAFETY										
Police										
Officers	35	35	35	35	36	35	33	31	31	30
Administration/Civilians	15	13	13	13	11	8	10	12	12	12
Fire										
Firefighters and Officers	27	27	27	27	28	29	29	27	27	27
Administration/Civilians	1	1	1	1	-	-	-			
PUBLIC WORKS										
Administration	5	4	4	4	4	3	2	4	3	3
Works and Street Maintenance	10	8	8	8	8	6	9	9	9	9
Water/Sewer Operations	9	9	9	9	9	9	8	8	8	8
TOTAL	113	108	108	108	106	99	100	100	99	97

Data Source

Village records

VILLAGE OF WESTCHESTER, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY										
Police										
Total Accidents	546	510	578	572	376	443	361	399	577	517
Total Burglaries	113	116	129	116	139	83	104	95	50	69
Total Thefts	154	133	174	218	144	160	192	144	149	118
Total Criminal Damage	145	154	212	142	111	115	63	87	62	56
Total Arrests and Citations	9,433	10,654	10,089	8,190	8,313	7,553	9,555	5,762	5,209	3,572
Total Juvenile Cases	167	162	217	210	183	200	169	145	85	35
Fire										
Ambulance calls	1,608	1,707	1,491	1,777	1,554	1,716	1,720	1,709	1,823	1,881
Fire Alarms	61	62	73	40	87	46	51	49	46	47
Nonfire Alarms	766	672	721	833	710	855	631	709	842	933
Fire Prevention Inspections	92	212	875	587	621	312	502	829	414	434
PUBLIC WORKS										
Parkway Maintenance (Hours)	566	1,119	1,084	683	1,126	1,217	1,152	1,096	1,448	2,064
Branch Pick-Up (Hours)	2,524	3,642	979	1,188	948	1,277	1,780	1,610	1,168	912
Tree Maintenance (Hours)	1,987	2,609	887	875	1,296	1,152	2,424	2,696	2,340	4,056
Street and Alley Maintenance (Hours)	2,880	2,241	3,503	3,313	5,127	5,362	5,672	7,420	7,624	6,944
Snow Removal and Salt Spreading (Hours)	558	950	2,384	1,432	912	1,521	431	834	3,196	1,471
WATER/SEWER										
Sanitary Sewers										
Manholes Inspected	734	897	664	901	46	482	144	121	42	130
Manholes Cleaned and Repaired - Vacuumed	1	23	11	79	7	23	15	1	6	61
Total Feet Replaced	-	-	6	20	-	-	2,500	1,500	5,355	946
Storm Sewers										
Manholes Repaired	-	3	10	-	6	-	10	1	3	20
Total Rodded (Feet)	25,600	104,000	21,200	47,500	39,300	10,875	12,650	3,645	1,890	4,960
Total Replaced/Installed (Feet)	-	44	115	-	680	-	15	20	151	3,309
Catch Basins Cleaned and Repaired	10	34	17	48	47	285	239	72	157	312
Inlets Cleaned and Repaired	303	725	296	1,603	155	549	427	229	1,496	2,292
Jetting Sewer System (Feet)	127,300	271,300	117,400	196,200	51,800	19,275	15,150	4,770	7,245	21,442
Water Main Breaks	65	72	45	29	30	39	25	40	41	34
Fire Hydrants Replaced	-	7	9	2	-	3	1	4	3	7
Water Meters Replaced	578	342	147	23	N/A	N/A	N/A	N/A	N/A	N/A

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
BUILDING DEPARTMENT										
Residential Alteration Permits Issued	198	249	266	174	131	102	109	81	139	91
Commercial Alteration Permits Issued	137	139	193	152	186	161	167	163	52	29
Electrical Permits Issued - Residential	223	182	179	163	128	112	83	79	82	77
Plumbing Permits Issued - Residential	176	153	154	202	131	132	46	98	155	173
Compliance for Sale										
Residential	1,139	687	521	353	425	364	587	721	412	652
Commercial	-	3	7	2	3	2	3	4	2	8
Industry	-	1	1	-	-	-	-	2	2	-
Code Enforcement										
Warning Notices Issued	306	424	444	428	367	182	232	154	193	149
Citations Issued	161	139	113	62	111	63	31	41	89	20

N/A - Not available

Data Source

Various Village departments

VILLAGE OF WESTCHESTER, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	5	5	5	5	5	5	5	5	5	5
Patrol Units	9	9	9	9	9	9	9	9	9	9
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Engines	4	4	4	4	4	4	4	4	4	4
Ambulance	1	1	1	1	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	65	65	68	65
Fire Hydrants	782	783	783	783	783	870	870	870	870	870
Storage Capacity (Gallons)	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Storm Drains (Miles)	51	51	51	51	51	51	51	51	51	51
SEWERAGE										
Sanitary Sewers (Miles)	54	54	54	54	54	54	54	54	54	54

Data Source

Various Village departments