

# Village of Westchester, Illinois



## Comprehensive Annual Financial Report

For the Fiscal Year Ended  
April 30, 2016

**VILLAGE OF WESTCHESTER, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2016

Prepared by:

Chris Webber  
Finance Director

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## **INTRODUCTORY SECTION**

VILLAGE OF WESTCHESTER, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2016

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LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Sam D. Pulia, President

Carl Celestino, 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

Chris Webber, Finance Director

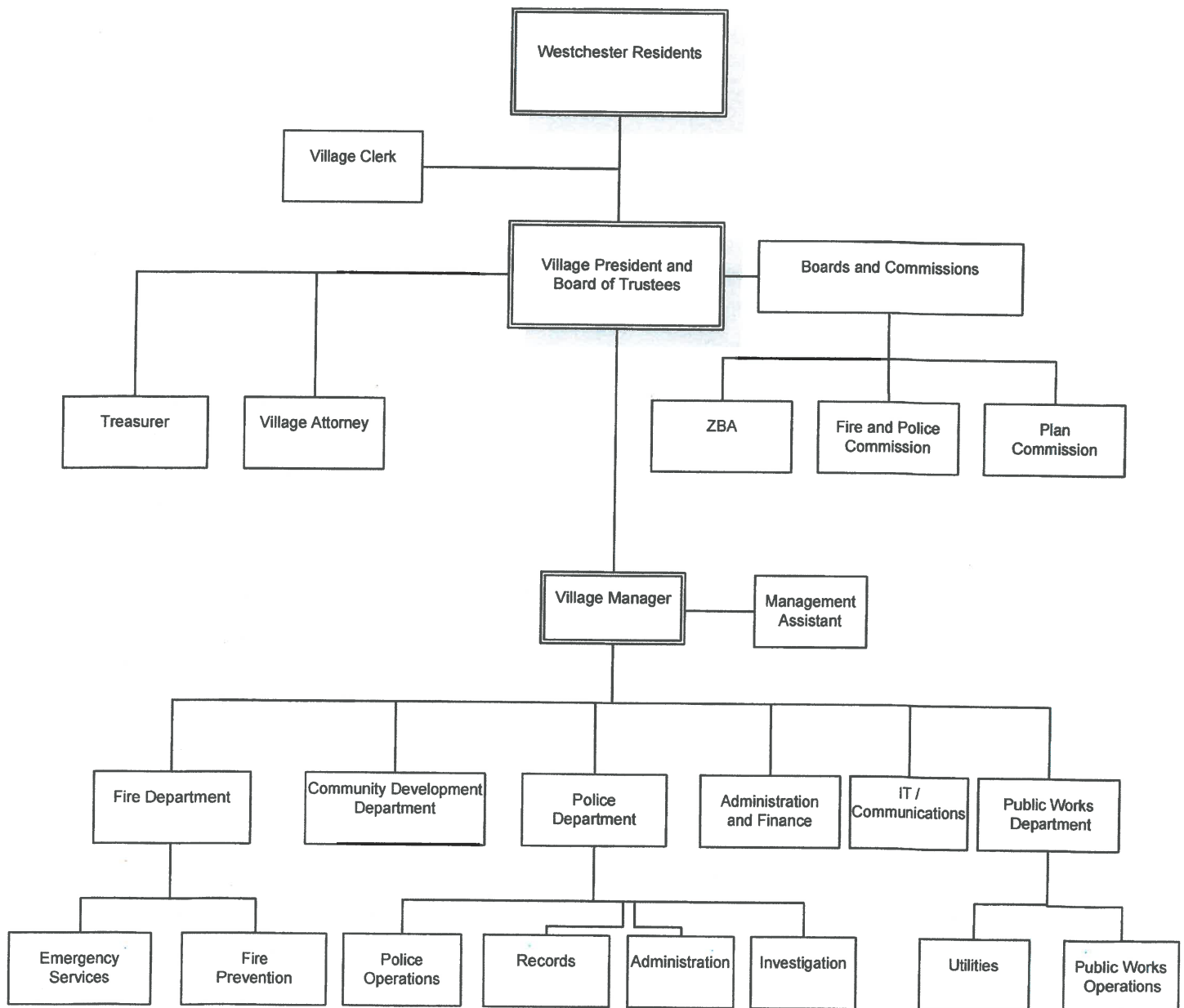




# Village of Westchester

## 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, 2015**

Executive Director/CEO



# Village of Westchester

10300 ROOSEVELT ROAD, WESTCHESTER, IL 60154

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

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Village President  
SAM D. PULIA

Village Clerk  
SHERBY J. MILLER

Trustees  
ANGELO A. CALCAGNO  
CARL CELESTINO  
FRANK PERRY  
CELESTINE REDA  
NICK STEKER  
TOM YURKOVICH

Village Manager  
JANET M. MATTHYS

Village Attorney  
MICHAEL K. DURKIN

February 1, 2017

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, 2016. The independent auditors' report is located at the front of the financial section of the CAFR.

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

The Village expended less than \$750,000 of federal funds during the fiscal year ended April 30, 2016 and, therefore, was not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Uniform Guidance.

The financial reporting entity (the government) includes all the funds and entity-wide accounting of the primary government (i.e., the Village of Westchester as legally defined), as well as all of its component units. Component units 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.

The Village implemented GASB 68 in FY16, GASB 68 made significant revisions to financial reporting for employers participating in pension plans including financial statement presentation changes, additional note and required supplementary information disclosures and mandates related to actuary methods and assumptions. The implementation for the Police and Fire Pension Funds as well as IMRF is reflected in the Village's CAFR as those pension funds do not issue separate audit reports or financial statements.

### **Profile of the Village of Westchester**

The Village of Westchester was incorporated in 1925 under the provisions of Chapter 24 of the Illinois Revised Statutes, as amended, and operates as a non-home rule unit of government. Located approximately 14 miles west of Chicago in Cook County, the Village is home to 16,718 residents based on the 2010 Federal Census. The Village is primarily residential in nature, with housing stock consisting of 5,724 detached single-family homes and 1,278 multi-family dwelling units. The Village encompasses a 4.5 square mile area and is substantially developed. Of the total 2015 (most current year available) equalized assessed valuation (EAV) of \$435,054,105, Westchester's residential properties account for approximately 67 percent of the overall property value in the Village, and commercial properties account for an additional 30 percent. Similar to other bedroom communities throughout the region, Westchester's residential properties account for the large majority of the \$435 million in property value in the Village. However, the presence of the Westbrook Corporate Center likely pushes the value of commercial properties to 30 percent of EAV, slightly higher than the 25 percent for all of Cook County and the 23 percent for the Chicago region. Industrial and railroad properties round out the final three percent.

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

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.

### **Local economy and Finances**

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

Fortunately, the lack of large commercial or retail establishments in Westchester has resulted in a less dramatic downturn due to the community's reliance on other sources of revenue apart from sales taxes. The overall economic conditions appear to be stabilizing 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 sales tax as flat for the first and second quarters of Fiscal 2017. There was a significant increase in the prior year primarily attributable to the opening of the Mariano's Fresh Market in November 2014. The state income tax analysis shows an approximate 9% decrease in estimated distributions through December 2016 as compared to prior year results. This decrease is currently attributable to the implications of a new financial accounting system utilized by the Illinois Department of Revenue. This accounting system is allocating state income taxes in a way that deviates significantly from past practice.

The Village property tax base is founded primarily in its residential housing stock. The Village's 2015 EAV of \$435,054,105 (for taxes payable 2016) decreased by another 9.6% as compared to the 2014 EAV of \$448,745,480. The overall EAV reflects the significant decrease in property values that has occurred in Westchester as well as the region since 2008. The 2015 decrease followed decreases of 9.6%, 5.4%, 9.1% and 17.8% in 2014, 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. The 2015 EAV likely reflects the continued impact of the 2014 reassessment and the struggling economy. In just five years, the Village's EAV has dropped to pre-2002 levels. As a non-home rule community in Illinois, the Village is limited to an annual property tax increase of the lesser of the CPI or 5%. Property taxes, which represent approximately 37% of governmental funds revenue, were also limited to a tax cap of 1.7% for the 2013 levy (payable 2014) representing a decrease from 3.0% in the prior year, 1.5% for the 2014 levy (payable 2015) and .07% for the 2015 levy.

The Village's unemployment rate remained relatively flat (5.6% in October 2016) as compared to the prior year (5.9% in October 2015). The Consumer Price Index (CPI) for the Chicago area was only 0.7% for April 2016; a figure below the national average of 1.1% and representing a marginally increased trend of inflation which at least reverses what had 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 made one change to the overnight bank lending rate during the fiscal year with the rate increasing to a 0.25-0.50% "range." In fiscal 2015, unrealized losses in the Illinois Metropolitan Investment Fund (IMET) Convenience Fund led to IMET creating a liquidating trust to

recover assets for investments made in defrauded securities. IMET's efforts to recover losses remained in process at the end of the fiscal year.

Other statistics from the 2010 census include per capita income of \$30,883, median household income of \$69,679, and median home value of \$222,341. The median home value in Westchester, as estimated by Zillow.com, is currently \$222,000. Westchester home values have gone up 3.5% over the past year and Zillow predicts they will rise 3.5% within the next year. The current median list price per square foot in Westchester is \$171, which is higher than the Chicago Metro average of \$142. The median price of homes currently listed in Westchester is \$235,000.

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 years 2016, 2015 and 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 2016, one grant application was received and one project was competed in the amount of \$6,250; in Fiscal 2015, three grant applications were received and two projects completed for a total disbursement of \$15,000.

During 2016, the Village also issued permits for renovations at BrainLab (construction cost \$2,000,000), Insurance Auto Auctions (construction cost \$2,000,000 for the office renovation and \$280,000 for a restroom remodel), demolition of an old IHOP building and construction of a Sleepy’s Mattress building on the site (construction cost \$700,000), updates at the Westbrook Corporate Center (construction cost of \$678,795 to install pit ladders in 19 elevators, \$574,500 for parking lot improvements, and \$500,000 to renovate the lobbies), renovations at Fresenius Medical Care (construction cost \$400,000) and renovations at General Electric (construction cost \$250,000).

## **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 31<sup>st</sup> 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 was estimated at \$2,586,650. MWRD participated in funding of \$2,121,000. The Village financed the remaining cost of the Project. Construction which commenced in October 2014 on the expansion of the reservoir was completed in the fall of 2015. Construction of the additional storm sewer began in the summer of 2015 and was completed in the spring of 2016. Upon completion of this project, the Village requested a Letter of Map Revision (LOMR) from the Department of Homeland Security Federal Emergency Management Agency (FEMA). FEMA's review of the project resulted in its determination that a revision was warranted to the LOMR and, as a result, approximately 83 residences were removed from the flood plain.

### **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 Fiscal 2016, the Westchester Police Department acquired a Ford interceptor through funding by a Justice Assistance Grant (JAG) passed through the Cook County Department of Homeland Security.

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 4 streets and various water and sewer main replacements during Fiscal 2017 and funded the rehabilitation of 4 streets and various water and sewer main replacements during Fiscal 2016.

The Village received a rating from Moody's Investor Services in April 2015 in anticipation of issuance of the Series 2015 Bonds and was pleased to retain its' Aa2 bond rating. Moody's performed a rating review of the Village's credit rating in August 2016 and has downgraded the Village of Westchester, IL's general obligation rating to Aa3 from Aa2. The rating applies to \$12.0 million of outstanding general obligation unlimited tax (GOULT) debt. The downgrade to Aa3 incorporates the village's weakened balance sheet driven by high and growing unfunded pension liabilities. Credit strengths highlighted were the Village's moderately-sized, suburban tax base tied into metro Chicago economy its above average socioeconomic characteristics and its healthy operating reserves. Credit challenges were cited as the Village's lack of home rule authority which limits capacity to raise revenue absent voter approval and the high and growing pension burden.

## **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 2016 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 was the installation of a Flexnet Meter Reading System throughout the Village. Installation of these radio-read meters allowed monthly meter readings and a conversion to a monthly billing cycle for water and sewer utilities. The Village obtained a financing agreement dated August 6, 2015 in the principal amount of \$1,230,000 to fund the project. The system installation was completed in the Fall of 2015 and the Village converted to monthly billing on January 1, 2016.

The Village will continue its rehabilitation of infrastructure as discussed in the long-term financial planning section above. The Village has been approved for funding of the replacement of the Gladstone Bridge through a Department of Transportation Surface Transportation Bridge Program (80% funding). The estimated cost of the replacement is \$924,000. Construction is expected to begin in Spring 2018.

The Village has received applicable licenses and permits for a proposed new sanitary sewer alignment from the forest preserve to Sunnyside Avenue. The estimated project cost is \$3,100,000. The project is

anticipated to be funded through a loan obtained through the Illinois Environmental Protection Agency (IEPA) low interest loan program. Construction is estimated to commence in April 2017.

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

The Village is proud of its many accomplishments over the last year to better our community. Westchester continues to be a full service Village with strong financial management, efficient service delivery, high customer service response, positive community relations and neighborhood pride. Staff looks forward to entering Fiscal Year 2017 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 not subject to the requirements of the federal Single Audit Act of 1996 and related OMB Uniform Guidance.

### **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, 2015. 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 Chris Webber, Finance Director, and the Village's management team. I would like to express my appreciation to each of those staff members who assisted and contributed to the preparation of this report.

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

Respectfully submitted,

  
Janet M. Matthys  
Village Manager

## **FINANCIAL SECTION**



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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, 2016, 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. 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, 2016, 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 GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, a change in accounting principle, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources and expenses; modified certain disclosures in the notes to financial statements and required supplementary information as discussed in Note 11 to the basic financial statements. 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.

*Sikich LLP*

Naperville, Illinois

February 1, 2017

(except for the Police and Firefighters'

Pension Trust Funds, as to which the

date is November 21, 2016)

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**



**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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As management of the Village (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2016. Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

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

**Financial Highlights**

- The Village's prior year net position was restated by \$38,438,852 from \$34,079,552 to a deficit of \$(4,539,300) primarily due to the change in accounting principle from the implementation of GASB Statement 68 "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement 27". A significant impact of this accounting principle is the appearance of the net pension liability on the Statement of Net Position and pension expense in the Statement of Activities
- The net position of the Village at the close of the most recent fiscal year was \$(6,757,751). Of this amount, the unrestricted net position posted a deficit \$37,276,151. The deficit unrestricted net position is due to the addition of the pension liability for the Village portion of the Illinois Municipal Retirement Fund (IMRF) which was \$1,815,102, the Police Pension Liability that totals \$26,190,029 and the Fire Pension Liability that totals \$15,825,675. The Village's total net position decreased by \$2,398,451 or 15.5% (after the prior period adjustment reduction of beginning net position, of \$38,438,852) during the fiscal year ending April 30, 2016. Governmental net position decreased \$2,143,562 or 15.5% while Business-type net position decreased \$254,889 or (2.7%).
- Approximately 41.12% of the Village's \$26.58 million in expenses as reported in the Statement of Activities were paid for with program revenues, including \$10.34 million of charges for services, \$0.57 million of operating grants and contributions and \$0.005 million of capital grants and contributions. Of the remaining \$15.67 million, \$10.29 million was paid for with taxes, \$2.75 million was paid with state shared income, and \$0.23 million was paid for with miscellaneous income.
- The governmental activities net position is a deficit of \$15.95 million, while the business-type activities had a net position of \$9.19 million.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$6.13 million, an increase of \$0.83 million in comparison with the prior year's balance of \$5.30 million. Approximately \$3.70 million of this total amount is available for spending at the government's discretion (unassigned fund balance). The remainder of \$2.47 million is comprised of non-spendable (prepaid items) of \$0.32 million, assets restricted for public safety, tourism, debt service, streets and transportation, and capital projects aggregating \$1.49 million and assets assigned to fund the subsequent year's budget of \$.14 million.

**VILLAGE, ILLINOIS**  
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**APRIL 30, 2016**

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- The General Fund of the Village recognized \$16.02 million in revenues. After expenditures of \$16.59 million, the Village's General Fund was left with a fund balance of \$4.15 million, which is 25.02% of current year expenditures.

**Overview of the Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

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

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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**Fund Financial Statements**

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

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

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

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

**Proprietary funds** - The Village maintains one Proprietary Fund. This fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The Village's proprietary fund is a report of the activities and balances in the Utility Fund, which is considered a major fund, using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail and include cash flows. The proprietary fund reflects a private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation. The proprietary fund statements can be found on pages 12 through 16 of the report.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
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***Fiduciary funds*** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The Village maintains two fiduciary funds for its police and fire pension funds and an agency fund. The accounting used for the pension funds is much like that used for the proprietary funds. Agency funds are custodial in nature and do not involve measurement or results of operations. The Fiduciary fund statements can be found on pages 17 through 18 of the report.

**Notes to the Financial Statements**

The Notes to the Financial Statements provide additional information that is essential to understanding the government-wide financial statements and the various fund financial statements. The notes to financial statements can be found immediately following the Basic Financial Statements section of this report beginning on page 19.

**Infrastructure Assets**

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

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including the general fund and motor fuel tax fund budgetary schedules and data concerning the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found immediately following the notes to the financial statements beginning on page 69. The combining and individual fund financial statements referred to earlier in connection with major governmental funds are presented immediately following the required supplementary information beginning on page 69. The combining and individual fund financial statements for non-major governmental, enterprise, and internal service funds are presented immediately following, beginning on page 81.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following table reflects the Condensed Statement of Net Position:

**Condensed Statement of Net Position as of April 30, 2016 (in millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2016	2015	2016	2015	2016	2015
<b>Assets</b>						
Current and other assets	\$ 10.20	\$ 9.69	\$ 1.03	\$ 1.63	\$ 11.23	\$ 11.32
Capital Assets	<u>31.34</u>	<u>31.90</u>	<u>12.49</u>	<u>11.40</u>	<u>43.83</u>	<u>43.30</u>
<b>Total Assets</b>	<u>41.54</u>	<u>41.60</u>	<u>13.52</u>	<u>13.03</u>	<u>55.06</u>	<u>54.62</u>
<b>Deferred outflows of Resources – Pension Items</b>	<u>7.25</u>	<u>0.00</u>	<u>0.31</u>	<u>0.00</u>	<u>7.56</u>	<u>0.00</u>
<b>Total Assets &amp; Deferred Outflows of Resources</b>	48.79	41.60	13.83	13.03	62.62	54.62
<b>Liabilities</b>						
Current Liabilities	0.70	1.07	0.51	0.72	1.21	1.79
Non-current Liabilities	<u>54.65</u>	<u>12.85</u>	<u>4.11</u>	<u>2.52</u>	<u>58.76</u>	<u>15.37</u>
<b>Total Liabilities</b>	<u>55.35</u>	<u>13.92</u>	<u>4.62</u>	<u>3.27</u>	<u>59.97</u>	<u>17.16</u>
<b>Deferred Inflows of Resources – Pension Items</b>	9.39	3.38	0.02	0.00	9.41	3.38
<b>Total Liabilities &amp; Deferred Inflows of Resources</b>	64.74	17.30	4.64	3.27	69.38	20.54
<b>Net position:</b>						
Net Investment in Cap Assets	21.05	22.12	9.00	9.45	30.05	31.57
Restricted	0.46	0.49	0.00	0.00	0.46	0.49
Unrestricted	<u>(37.46)</u>	<u>1.68</u>	<u>0.19</u>	<u>.34</u>	<u>(37.28)</u>	<u>2.02</u>
<b>Total Net Position</b>	<u>\$(15.95)</u>	<u>\$ 24.29</u>	<u>\$ 9.19</u>	<u>\$ 9.79</u>	<u>\$ (6.76)</u>	<u>\$ 34.08</u>

**Normal Impacts**

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

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

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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3. Spending borrowed proceeds on new capital – which will (a) reduce current assets and increase capital assets and (b) increase capital assets and long-term debt, which will not change the net position invested in capital assets, net of related debt.
4. Spending of non-borrowed current assets on new capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net position and increase invested in capital assets, net of related debt.
5. Principal payment on debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net position and increase net position invested in capital assets, net of related debt.
6. Reduction of capital assets through depreciation – which will reduce capital assets and net position invested in capital assets, net of related debt.

**Current Year Impacts**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Net position decreased \$40.84 million in fiscal year 2016 due to the change in accounting principle. In the case of the Village, total net position at April 30, 2016 was a deficit of \$6.76 million, as compared to \$34.08 million in total net position in the prior year. For more detailed information, see the Statement of Net Position on pages 4 to 5 of the report.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

The following table reflects the Condensed Statement of Activities:

**Condensed Statement of Activities**  
**For the Year Ended April 30, 2016 (in millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 3.78	\$ 3.38	\$ 6.56	\$ 6.07	\$ 10.34	\$ 9.45
Operating grants and contributions	0.57	0.69	-	-	0.57	0.69
Capital grants and contributions	0.01	0.21	-	-	0.01	0.21
General Revenues:						
Property and Replacement taxes	6.15	6.04	-	-	6.15	6.04
Other taxes	4.14	3.91	-	-	4.14	3.91
State Shared Income	2.74	2.27	-	-	2.74	2.27
Miscellaneous	<u>0.23</u>	<u>0.36</u>	<u>-</u>	<u>-</u>	<u>0.23</u>	<u>0.36</u>
<b>Total Revenues</b>	<u>17.62</u>	<u>16.86</u>	<u>6.56</u>	<u>6.07</u>	<u>24.18</u>	<u>22.93</u>
<b>Expenses:</b>						
General government	2.56	2.37	-	-	2.56	2.37
Public safety	11.66	10.42	-	-	11.66	10.42
Public works	5.09	4.36	-	-	5.09	4.36
Interest	0.45	0.33	-	-	0.45	0.33
Utility	<u>-</u>	<u>-</u>	<u>6.81</u>	<u>6.52</u>	<u>6.81</u>	<u>6.52</u>
<b>Total Expenses</b>	<u>19.76</u>	<u>17.48</u>	<u>6.81</u>	<u>6.52</u>	<u>26.57</u>	<u>24.00</u>
Change in net position	<u>(2.14)</u>	<u>(0.62)</u>	<u>(0.25)</u>	<u>(0.45)</u>	<u>(2.39)</u>	<u>(1.07)</u>
Net position, May 1	24.29	24.92	9.78	10.23	34.07	35.15
Change in Account Principle	(38.10)	-	(0.41)	-	(38.51)	-
Prior period adjustment	<u>-</u>	<u>-</u>	<u>0.07</u>	<u>-</u>	<u>0.07</u>	<u>-</u>
Net position, May 1, restated	<u>(13.81)</u>	<u>24.92</u>	<u>9.44</u>	<u>10.23</u>	<u>(4.37)</u>	<u>35.15</u>
Net position, April 30	<u>\$ (15.95)</u>	<u>\$ 24.30</u>	<u>\$ 9.19</u>	<u>\$ 9.78</u>	<u>\$ (6.76)</u>	<u>\$ 34.08</u>

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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**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.



**VILLAGE, ILLINOIS**  
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**Current Year Impacts**

**Governmental Activities**

Governmental activities from operations decreased net position of the Village by \$2.14 million while business-type activities decreased net position by \$0.25 million for a net decrease in the Village's net position of \$2.39. Key elements of these changes are as follows:

***Revenues***

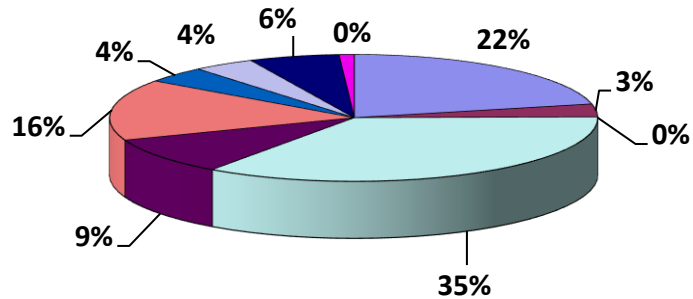
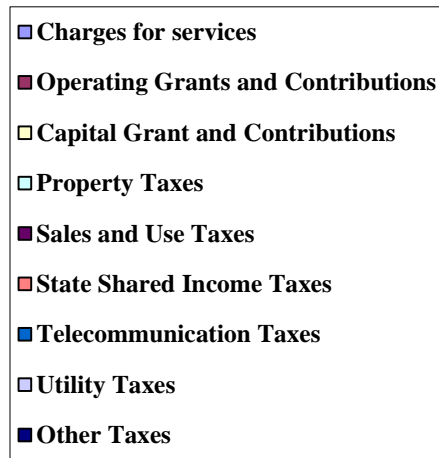
The Village's governmental activities had revenues of \$17.62 million in fiscal year 2016, which represents an increase of \$.86 million from the prior year. Property taxes collected in 2016 represent the majority of revenues, at 34.94% of governmental activities. Other revenues, such as revenues collected 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 causalational due to the reliance of citizens on their communications appetite and changing provider rates.

Below is a chart depicting revenues to the Village by source for the fiscal year 2016:

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

Charges for Services	\$ 3.78
Operating Grants and Contributions	0.57
Capital Grants and Contributions	0.01
Property Taxes	6.15
Sales and Use Taxes	1.66
State Shared Income Taxes	2.74
Telecommunications Taxes	0.73
Utility Taxes	0.71
Other Taxes	1.04
Miscellaneous	<u>0.23</u>
<b>TOTAL</b>	<u><u>\$ 17.62</u></u>

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
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**Expenses**

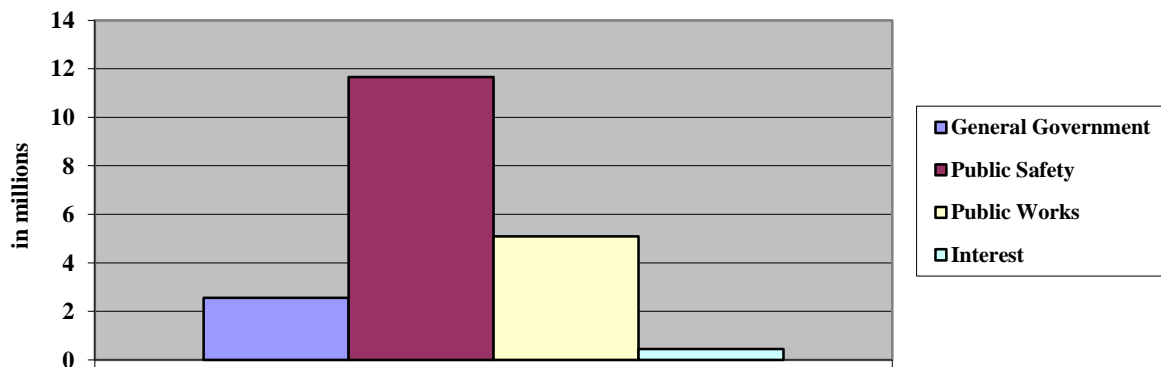
**General Government**

Expenses incurred for governmental activities were approximately \$19.76 million for fiscal year 2016, which represents a significant increase of \$2.27 million or 12.9 % from the prior year.

The following chart depicts expenses to the Village by activity for the fiscal year 2016:

**Governmental Activities Expenses (in millions)**

General Government	\$ 2.56
Public Safety	11.66
Public Works	5.09
Interest	<u>0.45</u>
<b>TOTAL</b>	<b><u>\$ 19.76</u></b>



**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
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**Business-type Activities**

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

The total assets and deferred outflows of resourced of the business-type activity are \$13.84 million and the total liabilities and deferred inflows of resources are \$4.65 million, leaving net position at \$9.19 million. Current year activity decreased net position by \$0.25 million. The operating revenues and expenses of the Utility Fund were \$6.56 million and \$6.81 million, respectively, for fiscal year 2016.

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

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

**Governmental Funds**

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

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

At the end of the current fiscal year, the Village's governmental funds reported a combined (major and non-major) total ending fund balance of \$6.13 million, an increase of \$0.83 million from fiscal year 2015, the majority of which is represented by the Village's unspent bond proceeds. Of that \$6.14 million, \$3.66 million is unrestricted and unassigned.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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**Revenues**

**General Fund:** The General Fund had revenues of \$16.02 million, an increase of \$0.92 million over prior year revenues of \$15.10. This represents a 6.09% increase over the prior year.

<b>Revenues</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>	<b>Variance</b>	<b>Percentage</b>
Taxes	\$ 8,398,609	\$ 8,247,298	\$ 151,311	1.83%
Intergovernmental	4,530,790	4,001,144	529,646	13.24%
Licenses and Permits	1,360,371	1,232,950	127,421	10.33%
Charges for Services	687,823	555,568	132,255	23.81%
Fines and Forfeits	655,215	518,261	136,954	5.07%
Miscellaneous	391,473	542,550	(151,077)	(27.85%)
Totals	\$ 16,024,281	\$ 15,097,771	\$ 926,510	6.09%

Taxes increased comparable to the prior year. This increase is attributed to the increase in the property tax rate. Intergovernmental revenue increased by 13.24%. Licenses and permits increased 10.33% 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.

**Motor Fuel Tax Fund:** The Motor Fuel Tax had revenues of \$477,281, a decrease from \$606,841 in the prior year, or a decrease of 21.35%. The ongoing operating source of revenue for this fund is an allotment from the State. The large decrease was due to the Village receiving a grant in 2015.

**Capital Improvement Fund:** The Capital Improvement Fund was established during the 2012-13 Fiscal Year to account for road projects within the Village funded by the newly adopted 1% Non Home Rule Sales Tax, which was approved by referendum in November, 2012 and took effect within the Village on January 1, 2013. During fiscal 2016, the Village recognized non home rule sales tax revenue totaling \$703,953 which was a slight increase from the prior year.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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**Expenditures**

**General Fund:** During fiscal year 2016, expenditures were \$16,590,279, an increase of \$902,091 from \$15,688,188 in the previous year. This represents a 5.75% increase for the year.

<b>Expenditures</b>	<b>Fiscal 2016</b>	<b>Fiscal 2015</b>	<b>Variance</b>	<b>Percentage</b>
General Government	\$ 1,970,697	\$ 1,620,697	\$ 350,000	21.60%
Comm Development Dept	495,794	516,017	(20,223)	(3.92%)
Fire & Police Commission	16,444	22,950	(6,506)	(28.35%)
Police Department	5,426,719	5,235,788	190,931	3.65%
Civil Defense	4,109	3,986	123	3.09%
Fire Department	4,731,571	4,286,298	445,273	10.04%
Public Works	3,552,800	3,187,085	365,715	11.47%
Capital Outlay	149,122	452,499	(303,377)	(67.04%)
Debt Service	243,023	504,739	(261,716)	(51.85%)
Totals	\$ 16,590,279	\$ 15,688,188	\$ 902,091	5.75%

General government expenditures increased by \$350,000 or approximately 21.60%. The large increase in the expenditures is mainly due to an economic incentive agreement that resulted in expenditures of \$213,960 in 2016 as compared to zero in 2015. In addition there was a 3% cost of living increase and contractual salary adjustments. The Village also incurred an increase in its employer contribution to the Illinois Municipal Retirement Fund.

Fire Department current expenditures have increased by \$445,273 or 10.04% during 2016. The increase in the 2016 expenditures is due to the costs associated with the Fire Pension. In 2016, the Village incurred expenditures for \$1,023,945 as compared to 2015 of \$623,165 which is approximately a \$400,000 increase.

Capital Outlay expenditures decreased due to the smaller phase that the 2016 local road improvement program encompassed as well as some projects being pushed into the future.

**Motor Fuel Tax Fund:** During the fiscal year expenditures were \$431,513, which was a decrease over the previous year's expenditures of \$555,707. The primary decrease was a result of the Village spending \$70,000 less on salt in 2016 as compared to the prior year.

**Proprietary Funds**

The Proprietary Fund is the Utility Fund. The Utility Fund had a decrease in net position during the 2016 fiscal year of \$254,887. The net position of the Utility Fund at the end of fiscal 2016 equaled \$9.19 million, of which \$0.19 million, or 2.0%, 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.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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***Revenues***

The Utility Fund recognized \$6,561,240 in revenues, an increase of \$485,262, or (7.99%) from \$6,075,978 in fiscal 2015. In the Utility Fund this increase was attributable to increase in the water consumption as well as a rate increase and establishment of a monthly infrastructure fee charge.

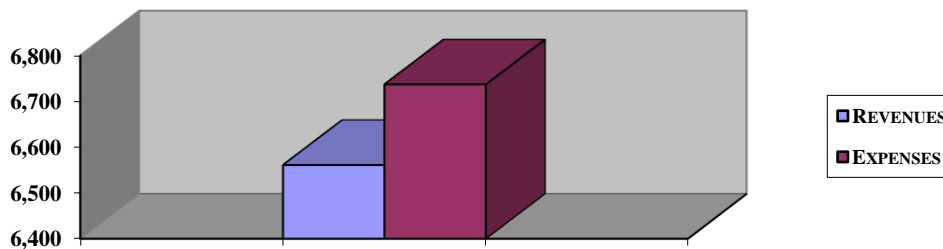
***Expenses***

Utility Fund operating expenses for the year increased from \$6,462,491 in fiscal 2015 to \$6,736,763, an increase of \$274,272 or 4.2%

At \$2,664,785, contractual services represent a substantial 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 \$2.06 million, or 30.6% of utility fund expenditures on refuse collection.

Commodities increased from \$2,464,311 in Fiscal 2015 to \$2,710,843 in Fiscal 2016, an increase of \$246,532 or 10.0%. 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 2016, the Village realized shortage of the budgeted revenue in the amount of \$426,140. This is primarily attributed to a decrease in intergovernmental revenue which has affected local municipalities throughout the State of Illinois.

The total General Fund expenditures of \$16,590,279 were under the budget amount by \$271,709. This amount was achieved by a fiscal conservative spending plan in all departments. The General Fund budget anticipated a net change in fund balance \$(411,567); the actual change in fund balance was (\$565,998) resulting in a financial result of (\$154,431) over budget.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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

**2016**

	<b>Original Budget</b>	<b>Amended Budget</b>	<b>Actual</b>	<b>Difference Over/(Under)</b>
<b>Total Revenues</b>	\$ 16.45	\$ 16.45	\$ 16.03	\$ (0.42)
<b>Total Expenditures</b>	<u>16.86</u>	<u>16.86</u>	<u>16.59</u>	<u>(0.27)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(0.41)	(0.41)	(0.56)	(0.15)
<b>Other Financing Sources (Uses)</b>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures</b>	<u>\$ (0.41)</u>	<u>\$ (0.41)</u>	(0.56)	<u>\$ (0.15)</u>
<b>Fund Balance, Beginning of Year</b>			<u>4.71</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 4.15</u>	

**Capital Asset and Debt Administration**

**Capital Assets**

As of the end of Fiscal 2016, the Village has capital assets, net of depreciation, of \$43.83 million, compared to capital assets, net of depreciation, of \$43.30 million held at the end of Fiscal 2015. For governmental activities, capital assets were increased by capital additions of \$1.28 million, and decreased by depreciation of \$1.83 million in the current year. For business-type activities, the capital assets were increased by capital additions of \$1.54 million and decreased by depreciation expense of \$0.45 million, resulting in an overall increase to net book value of capital assets at year end.

Capital assets are invested in a broad range of resources including, but not limited to, police and fire equipment, buildings, village facilities, computer equipment, water facilities, roads, streets, and sewer lines. Governmental capital assets, net, account for \$31.34 million or 71.5% of total capital assets. The business-type capital assets, net, represent \$12.49 million or 28.5% of total capital assets.

**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

**Capital Assets (in millions)**  
**April 30, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Land	\$ 5.38	\$ 0.11	\$ 5.49
Construction in Process	0.03	0.07	0.10
Buildings, Net	2.40	0.91	3.31
Building Improvements, Net	0.04	0.00	0.04
Equipment, Net	3.15	1.74	4.89
Software, Net	0.04	0.04	0.08
Infrastructure, Net	20.30	9.62	29.92
<b>Total Capital Assets</b>	<u>\$ 31.34</u>	<u>\$ 12.49</u>	<u>\$ 43.83</u>

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

**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.

**Long Term Debt (in millions)**  
**April 30, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Taxable G.O. Bonds, 2010	\$ 2.83	\$ 0.87	\$ 3.70
Taxable G.O. Bonds, 2013	5.39	0.00	5.39
Taxable G.O. Bonds, 2015	2.20	0.00	2.20
Installment Contracts	0.73	1.36	2.09
Compensated Absences	0.10	0.02	0.12
IEPA Loan	0.00	1.26	1.26
NPL – IMRF	1.21	0.60	1.81
NPL – Police Pension	26.19	0.00	26.19
NPL – Fire Pension	15.83	0.00	15.83
Unamortized Bond Premium	0.17	0.00	0.17
<b>Total Long Term Debt</b>	<u>\$ 54.65</u>	<u>\$ 4.11</u>	<u>\$ 62.87</u>

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



**VILLAGE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)**  
**APRIL 30, 2016**

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**REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF WESTCHESTER, ILLINOIS**

**STATEMENT OF NET POSITION**

April 30, 2016

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,349,919	\$ 69,326	\$ 4,419,245
Investments	68,496	-	68,496
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	3,266,737	-	3,266,737
Intergovernmental	1,202,537	-	1,202,537
Accounts	143,839	750,710	894,549
Allotments	621,778	-	621,778
Other	315,557	-	315,557
Prepaid Expenses	320,974	75,776	396,750
Net Other Postemployment Benefit Asset	46,969	-	46,969
Internal Balances	(137,138)	137,138	-
Capital Assets			
Nondepreciable	5,404,833	185,623	5,590,456
Depreciable, Net of Accumulated Depreciation	25,930,635	12,305,839	38,236,474
<b>Total Assets</b>	<b>41,535,136</b>	<b>13,524,412</b>	<b>55,059,548</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Items - IMRF	628,872	311,694	940,566
Pension Items - Police Pension	4,821,133	-	4,821,133
Pension Items - Firefighters' Pension	1,800,922	-	1,800,922
<b>Total Deferred Outflows of Resources</b>	<b>7,250,927</b>	<b>311,694</b>	<b>7,562,621</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>48,786,063</b>	<b>13,836,106</b>	<b>62,622,169</b>
<b>LIABILITIES</b>			
Accounts Payable	465,727	369,794	835,521
Deposits Payable	-	3,437	3,437
Other Liabilities	133,617	-	133,617
Accrued Interest Payable	91,688	23,209	114,897
Unearned Revenue	-	119,178	119,178
Due to Fiduciary Funds	3,184	-	3,184
Noncurrent Liabilities			
Due Within One Year	874,637	560,330	1,434,967
Due in More than One Year	53,778,986	3,546,680	57,325,666
<b>Total Liabilities</b>	<b>55,347,839</b>	<b>4,622,628</b>	<b>59,970,467</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Items - IMRF	49,263	24,417	73,680
Pension Items - Police Pension	2,635,403	-	2,635,403
Pension Items - Firefighters' Pension	3,283,788	-	3,283,788
Deferred Revenue - Property Taxes	3,416,582	-	3,416,582
<b>Total Deferred Inflows of Resources</b>	<b>9,385,036</b>	<b>24,417</b>	<b>9,409,453</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>64,732,875</b>	<b>4,647,045</b>	<b>69,379,920</b>

(This statement is continued on the following page.)

VILLAGE OF WESTCHESTER, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2016

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	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 21,051,837	\$ 9,003,132	\$ 30,054,969
Restricted for			
Public Safety	137,530	-	137,530
Tourism	156,404	-	156,404
Streets and Transportation	169,497	-	169,497
Unrestricted	(37,462,080)	185,929	(37,276,151)
<b>TOTAL NET POSITION</b>	<u>\$ (15,946,812)</u>	<u>\$ 9,189,061</u>	<u>\$ (6,757,751)</u>

See accompanying notes to financial statements.

**VILLAGE OF WESTCHESTER, ILLINOIS****STATEMENT OF ACTIVITIES**

For the Year Ended April 30, 2016

<b>FUNCTIONS/PROGRAMS</b>	<b>Expenses</b>	<b>Program Revenues</b>		
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General Government	\$ 2,560,541	\$ 2,130,993	\$ -	\$ -
Public Safety	11,664,678	1,222,136	94,813	-
Public Works	5,089,156	428,128	427,628	5,191
Interest	450,430	-	49,649	-
Total Governmental Activities	19,764,805	3,781,257	572,090	5,191
Business-Type Activities				
Utility	6,816,129	6,551,240	-	-
Total Business-Type Activities	6,816,129	6,551,240	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 26,580,934</b>	<b>\$ 10,332,497</b>	<b>\$ 572,090</b>	<b>\$ 5,191</b>

<b>Net (Expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (429,548)	\$ -	\$ (429,548)
	(10,347,729)	-	(10,347,729)
	(4,228,209)	-	(4,228,209)
	(400,781)	-	(400,781)
	(15,406,267)	-	(15,406,267)
	-	(264,889)	(264,889)
	-	(264,889)	(264,889)
	(15,406,267)	(264,889)	(15,671,156)
General Revenues			
Taxes			
Property Taxes	6,149,145	-	6,149,145
Sales Tax	1,269,607	-	1,269,607
Use Tax	387,916	-	387,916
Utility	713,829	-	713,829
Telecommunications	725,182	-	725,182
Places for Eating Tax	254,221	-	254,221
Hotel/Motel Tax	132,104	-	132,104
Other	661,172	-	661,172
State Shared Income	2,738,373	10,000	2,748,373
Investment Income	9,031	-	9,031
Miscellaneous	222,125	-	222,125
Total	13,262,705	10,000	13,272,705
CHANGE IN NET POSITION	(2,143,562)	(254,889)	(2,398,451)
NET POSITION, MAY 1	24,294,450	9,785,102	34,079,552
Change in Accounting Principle	(38,097,700)	(414,053)	(38,511,753)
Prior Period Adjustment	-	72,901	72,901
NET POSITION, MAY 1, RESTATED (DEFICIT)	(13,803,250)	9,443,950	(4,359,300)
<b>NET POSITION, APRIL 30</b>	<b>\$ (15,946,812)</b>	<b>\$ 9,189,061</b>	<b>\$ (6,757,751)</b>

See accompanying notes to financial statements.

**VILLAGE OF WESTCHESTER, ILLINOIS**

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2016

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Capital Improvements</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,383,778	\$ 172,172	\$ 1,517,787	\$ 276,182	\$ 4,349,919
Investments	68,496	-	-	-	68,496
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)					
Property Taxes	3,266,737	-	-	-	3,266,737
Intergovernmental	918,494	38,047	167,226	78,770	1,202,537
Accounts	106,246	-	-	37,593	143,839
Allotments	621,778	-	-	-	621,778
Other	315,557	-	-	-	315,557
Due from Other Funds	131,329	-	4,057	-	135,386
Prepaid Items	320,974	-	-	-	320,974
<b>TOTAL ASSETS</b>	<b>\$ 8,133,389</b>	<b>\$ 210,219</b>	<b>\$ 1,689,070</b>	<b>\$ 392,545</b>	<b>\$ 10,425,223</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 294,866	\$ 24,610	\$ 140,451	\$ 5,800	\$ 465,727
Other Liabilities	133,617	-	-	-	133,617
Due to Other Funds	138,205	16,112	-	118,207	272,524
Due to Fiduciary Funds	3,184	-	-	-	3,184
<b>Total Liabilities</b>	<b>569,872</b>	<b>40,722</b>	<b>140,451</b>	<b>124,007</b>	<b>875,052</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	3,416,582	-	-	-	3,416,582
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>3,986,454</b>	<b>40,722</b>	<b>140,451</b>	<b>124,007</b>	<b>4,291,634</b>
<b>FUND BALANCES</b>					
Nonspendable - Prepaid Items	320,974	-	-	-	320,974
Restricted for Public Safety	25,485	-	-	112,045	137,530
Restricted for Tourism	-	-	-	156,404	156,404
Restricted for Streets and Transportation	-	169,497	-	-	169,497
Restricted for Capital Projects	-	-	1,051,340	-	1,051,340
Unrestricted					
Assigned for Debt Service	-	-	-	89	89
Assigned for Capital Projects	-	-	497,279	-	497,279
Assigned for Subsequent Budget	141,861	-	-	-	141,861
Unassigned	3,658,615	-	-	-	3,658,615
<b>Total Fund Balances</b>	<b>4,146,935</b>	<b>169,497</b>	<b>1,548,619</b>	<b>268,538</b>	<b>6,133,589</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,133,389</b>	<b>\$ 210,219</b>	<b>\$ 1,689,070</b>	<b>\$ 392,545</b>	<b>\$ 10,425,223</b>

See accompanying notes to financial statements.

# VILLAGE OF WESTCHESTER, ILLINOIS

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

April 30, 2016

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 6,133,589</b>
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Amounts reported for governmental activities in the statement  
of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	31,335,468
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Differences between expected and actual experiences, assumption  
changes and net differences between projected and actual earnings  
and contributions subsequent to the measurement date for the  
Illinois Municipal Retirement Fund are recognized as deferred  
outflows of resources and deferred inflows of resources on  
the statement of net position

Illinois Municipal Retirement Fund	
Deferred outflows of resources	628,872
Deferred inflows of resources	(49,263)
Police Pension Fund	
Deferred outflows of resources	4,821,133
Deferred inflows of resources	(2,635,403)
Firefighters' Pension Fund	
Deferred outflows of resources	1,800,922
Deferred inflows of resources	(3,283,788)

The net other postemployment benefit asset is shown as an asset on the statement of net position	46,969
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Premiums or discounts on long-term liabilities and gains and losses on debt refundings are amortized at the government-wide level	(171,585)
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Long-term liabilities, including bonds payable, are not due and  
payable in the current period and, therefore, are not reported  
in the governmental funds

General obligation bonds payable	(10,425,000)
Installment contracts	(728,157)
Compensated absences	(99,581)
Net pension liability - Illinois Municipal Retirement Fund	(1,213,596)
Net pension liability - Police Pension Plan	(26,190,029)
Net pension liability - Firefighters' Pension Plan	(15,825,675)
Interest payable	(91,688)

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (15,946,812)</b>
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See accompanying notes to financial statements.



**VILLAGE OF WESTCHESTER, ILLINOIS**

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

For the Year Ended April 30, 2016

	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Capital Improvements</b>	<b>Nonmajor Governmental</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Property Taxes	\$ 6,149,145	\$ -	\$ -	\$ -	\$ 6,149,145
Other Local Taxes	2,249,464	-	703,953	237,044	3,190,461
Licenses and Permits	1,360,371	-	-	-	1,360,371
Intergovernmental	4,530,790	477,277	-	167,952	5,176,019
Charges for Services	687,823	-	-	-	687,823
Investment Income	8,300	4	527	200	9,031
Fines and Forfeits	655,215	-	-	-	655,215
Grant Reimbursements	-	-	-	6,030	6,030
Miscellaneous	212,116	-	-	3,976	216,092
Rental Income	171,057	-	-	-	171,057
<b>Total Revenues</b>	<b>16,024,281</b>	<b>477,281</b>	<b>704,480</b>	<b>415,202</b>	<b>17,621,244</b>
<b>EXPENDITURES</b>					
Current					
General Government	1,970,697	-	-	-	1,970,697
Community Development Department	492,778	-	-	-	492,778
Planning and Zoning	3,016	-	-	-	3,016
Fire and Police Commission	16,444	-	-	-	16,444
Tourism	-	-	-	81,745	81,745
Police 911	-	-	-	266,095	266,095
Police Department	5,426,719	-	-	764	5,427,483
Civil Defense	4,109	-	-	-	4,109
Fire Department	4,731,571	-	-	-	4,731,571
Public Works	3,552,800	133,898	-	-	3,686,698
Capital Outlay	149,122	-	1,058,666	-	1,207,788
Debt Service					
Principal	224,499	145,000	-	294,476	663,975
Interest and Fiscal Charges	18,524	152,615	93,705	192,802	457,646
<b>Total Expenditures</b>	<b>16,590,279</b>	<b>431,513</b>	<b>1,152,371</b>	<b>835,882</b>	<b>19,010,045</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(565,998)</b>	<b>45,768</b>	<b>(447,891)</b>	<b>(420,680)</b>	<b>(1,388,801)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds Issued	-	-	2,200,000	-	2,200,000
Premium on Bonds Issued	-	-	19,011	-	19,011
Transfers In	-	-	-	444,832	444,832
Transfers (Out)	-	-	(444,832)	-	(444,832)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>1,774,179</b>	<b>444,832</b>	<b>2,219,011</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(565,998)</b>	<b>45,768</b>	<b>1,326,288</b>	<b>24,152</b>	<b>830,210</b>
<b>FUND BALANCES, MAY 1</b>	<b>4,712,933</b>	<b>123,729</b>	<b>222,331</b>	<b>244,386</b>	<b>5,303,379</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 4,146,935</b>	<b>\$ 169,497</b>	<b>\$ 1,548,619</b>	<b>\$ 268,538</b>	<b>\$ 6,133,589</b>

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, 2016

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 830,210</b>
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	1,263,487
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	(2,410)
Depreciation	(1,830,091)
The issuance of long-term debt and related costs are shown on the fund financial statements as other financing sources (uses) and current expenditures but are recorded as long-term liabilities and deferred outflows and inflows of resources on the government-wide statements	
Issuance of general obligation bonds	(2,200,000)
Premium on issuance of bonds	(19,011)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Principal on bonds	400,000
Principal on installment contracts	263,974
Governmental funds report the effect of premiums, discounts, and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	10,386
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Change in compensated absences	14,694
Change in net other postemployment benefit asset	19,560
Change in accrued interest payable	(3,170)
The change in the net pension liability and deferred outflows/inflows of resources is not a source or use of a financial resource	
Illinois Municipal Retirement Fund	201,404
Police Pension Fund	(900,234)
Firefighters' Pension Fund	(192,361)
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ (2,143,562)</b>

See accompanying notes to financial statements.

**VILLAGE OF WESTCHESTER, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

April 30, 2016

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	<b>Enterprise Fund</b>
	<hr/>
<b>CURRENT ASSETS</b>	
Cash and Cash Equivalents	\$ 69,326
Receivables (Net of Allowances for Uncollectibles)	
Accounts	750,710
Prepaid Items	75,776
Due from Other Funds	<hr/> 137,138
Total Current Assets	<hr/> 1,032,950
<b>NONCURRENT ASSETS</b>	
Capital Assets	
Nondepreciable	185,623
Depreciable, Net of Accumulated Depreciation	<hr/> 12,305,839
Net Capital Assets	<hr/> 12,491,462
Total Noncurrent Assets	<hr/> 12,491,462
Total Assets	<hr/> 13,524,412
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension Items - IMRF	<hr/> 311,694
Total Deferred Outflows of Resources	<hr/> 311,694
Total Assets and Deferred Outflows of Resources	<hr/> 13,836,106

(This statement is continued on the following page.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

**STATEMENT OF NET POSITION (Continued)**  
**PROPRIETARY FUNDS**

April 30, 2016

	<b>Enterprise Fund</b>
<hr/>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	\$ 369,794
Accrued Interest Payable	23,209
Unearned Revenue	119,178
Deposits	3,437
Compensated Absences	17,134
Installment Contracts Payable	314,689
Illinois EPA Revolving Loan Payable	63,507
General Obligation Bonds Payable	165,000
	<hr/>
Total Current Liabilities	1,075,948
	<hr/>
<b>LONG-TERM LIABILITIES</b>	
Net Pension Liability - IMRF	601,506
Installment Contracts Payable	1,044,829
Illinois EPA Revolving Loan Payable	1,200,345
General Obligation Bonds Payable	700,000
	<hr/>
Total Long-Term Liabilities	3,546,680
	<hr/>
Total Liabilities	4,622,628
	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension Items - IMRF	24,417
	<hr/>
Total Liabilities and Deferred Inflows of Resources	4,647,045
	<hr/>
<b>NET POSITION</b>	
Net Investment in Capital Assets	9,003,132
Unrestricted	185,929
	<hr/>
<b>TOTAL NET POSITION</b>	<b>\$ 9,189,061</b>
	<hr/>

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, 2016

	<b>Enterprise Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 6,514,427
Grant Reimbursements and Other Income	36,813
Total Operating Revenues	<u>6,551,240</u>
<b>OPERATING EXPENSES</b>	
Personal Services	914,104
Commodities	2,710,843
Contractual Services	2,664,785
Depreciation	447,031
Total Operating Expenses	<u>6,736,763</u>
OPERATING INCOME (LOSS)	<u>(185,523)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Grant reimbursements	10,000
Interest Expense	(79,366)
Total Non-Operating Revenues (Expenses)	<u>(69,366)</u>
CHANGE IN NET POSITION	<u>(254,889)</u>
NET POSITION, MAY 1	9,785,102
Change in Accounting Principle	(414,053)
Prior Period Adjustment	72,901
NET POSITION, MAY 1, RESTATED	<u>9,443,950</u>
NET POSITION, APRIL 30	<u><u>\$ 9,189,061</u></u>

See accompanying notes to financial statements.

**VILLAGE OF WESTCHESTER, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS**

For the Year Ended April 30, 2016

	<b>Enterprise Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from Customers and Users	\$ 6,700,874
Receipts from Miscellaneous Revenues	36,813
Payments to Suppliers	(5,456,879)
Payments to Employees	<u>(1,213,272)</u>
Net Cash from Operating Activities	<u>67,536</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Assets Purchased	(1,542,613)
Proceeds on Long-Term Debt	1,370,415
Principal Payments on Long-Term Debt	(382,859)
Interest Payments on Long-Term Debt	<u>(68,963)</u>
Net Cash from Capital and Related Financing Activities	<u>(624,020)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Interfund Activity	<u>137,138</u>
Net Cash from Investing Activities	<u>137,138</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(419,346)
CASH AND CASH EQUIVALENTS, MAY 1	<u>488,672</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u><u>\$ 69,326</u></u>

(This statement is continued on the following page.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

For the Year Ended April 30, 2016

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	<u><b>Enterprise Fund</b></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Income (Loss)	\$ (185,523)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities	
Depreciation	447,031
Changes in Assets and Liabilities	
(Increase) Decrease in Assets	
Accounts Receivable	307,281
Prepaid Items	10,069
Increase (Decrease) in Liabilities	
Accounts Payable and Other Liabilities	(91,320)
Unearned Revenue	(120,834)
Compensated Absences	2,338
Pension Related Items	<u>(301,506)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ 67,536</u></u>

See accompanying notes to financial statements.

**VILLAGE OF WESTCHESTER, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS**

April 30, 2016

	<b>Pension Trust Funds</b>	<b>Agency Fund</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 879,522	\$ 578,284
Investments		
U.S. Government Obligations	6,476,737	-
U.S. Agency Obligations	1,064,514	-
State and Local Obligations	484,795	-
Corporate Bonds	7,307,402	-
Mutual Funds	27,657,756	-
Money Market Mutual Funds	1,604,489	-
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)		
Accrued Interest	111,611	-
Prepaid Items	1,460	-
Due from Village	3,184	-
Total Assets	<u>45,591,470</u>	<u>\$ 578,284</u>
<b>LIABILITIES</b>		
Accounts Payable	29,180	\$ -
Due to Others	-	578,284
Total Liabilities	<u>29,180</u>	<u>\$ 578,284</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 45,562,290</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, 2016

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**ADDITIONS**

Contributions	
Employer Contributions	\$ 2,023,650
Employee Contributions	<u>475,411</u>
Total Contributions	<u>2,499,061</u>
Investment Income	
Net Depreciation in Fair Value of Investments	(1,590,848)
Interest	<u>1,118,837</u>
Total Investment Income	(472,011)
Less Investment Expense	<u>(153,856)</u>
Net Investment Income	<u>(625,867)</u>
Total Additions	<u>1,873,194</u>

**DEDUCTIONS**

Benefits and Refunds	3,451,447
Administrative Expenses	<u>95,268</u>
Total Deductions	<u>3,546,715</u>

NET DECREASE	(1,673,521)
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**NET POSITION HELD IN TRUST  
FOR PENSION BENEFITS**

May 1	<u>47,235,811</u>
April 30	<u><u>\$ 45,562,290</u></u>

See accompanying notes to financial statements.

# VILLAGE OF WESTCHESTER, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2016

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Westchester, Illinois (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. 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. Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The following component units and fiduciary funds have been included in the financial statements of the Village.

The Police Pension Fund of the Village exists solely to provide pension benefits for the Village's police officers. The Police Pension 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, 2016, 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, 2016, are reported in the Village's fund financial statements as a pension trust fund.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting

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

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

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

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). The Village does not report any internal service funds.

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

c. Government-Wide and Fund Financial Statements

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

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

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

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

The Village reports the following major proprietary fund:

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

e. Cash and Cash Equivalents

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

f. Investments

Village investments with a maturity greater than one year when purchased and all investments of the pension funds are reported at fair value based on published numbers as of April 30<sup>th</sup>. Fair value for the investments in Illinois Funds (a money market fund created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value) is the same as the value of the pool shares. 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

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Capital Assets

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

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

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

j. Compensated Absences

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

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

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**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 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of April 30, 2016 as the tax has not yet been levied by the Village and will not be levied until December 2016 and, therefore, the levy is not measurable at April 30, 2016.

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.

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



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m. Interfund Transactions (Continued)

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

o. Long-Term Debt

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

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

p. Fund Balances/Net Position

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

p. Fund Balances/Net Position (Continued)

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

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

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

q. Use of Estimates

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

**2. DEPOSITS AND INVESTMENTS**

a. Village Investments

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, 2016, all of the Village's deposits with financial institutions were fully insured and collateralized.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village Investments (Continued)

Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participant's fair value) and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
IMET	\$ 1,484,843	\$ -	\$ 1,484,843	\$ -	\$ -
TOTAL	\$ 1,484,843	\$ -	\$ 1,484,843	\$ -	\$ -

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

Credit risk - the Village's general investment policy is to apply the prudent person rule: investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. The Village's investment policy limits investments in short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (1) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village Investments (Continued)

Investments (Continued)

and which mature not later than 270 days from the date of purchase; (2) such purchased obligations do not exceed 10% of the corporation's outstanding obligations; and (3) no more than one-third of the Village's funds may be invested in short-term obligations of corporations. The Village's investments consist primarily of corporate bonds.

Credit ratings for the Village's investments in debt securities as described by Standard & Poor's and Moody's at April 30, 2016 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.

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

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**3. INTERFUND TRANSACTIONS**

a. Due From/To Other Funds

Due from/to other funds as of April 30, 2016 are summarized below:

	Due From	Due To
Major Governmental Funds		
General	\$ 131,329	\$ 141,389
Motor Fuel Tax	-	16,112
Capital Improvements	4,057	-
Nonmajor Governmental Funds		
911	-	118,207
Proprietary Fund		
Enterprise Fund	137,138	-
Fiduciary Funds		
Police Pension Fund	2,088	-
Firefighters' Pension Fund	1,096	-
<b>TOTAL</b>	<b>\$ 275,708</b>	<b>\$ 275,708</b>

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

b. Transfers In/Out

Individual fund transfers were as follows:

Fund	Transfers In	Transfers Out
Capital Improvements	\$ -	\$ 444,832
Debt Service	444,832	-
<b>TOTAL</b>	<b>\$ 444,832</b>	<b>\$ 444,832</b>

The purposes of significant transfers are as follows:

- \$444,832 was transferred from the Capital Improvements Fund to the Debt Service Fund to provide funds for a portion of various debt service payments.

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

**4. CAPITAL ASSETS**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 5,373,407	\$ -	\$ -	\$ 5,373,407
Construction in Progress	47,461	15,767	31,802	31,426
Total Capital Assets not Being Depreciated	5,420,868	15,767	31,802	5,404,833
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	7,562,666	46,722	167,321	7,442,067
Software	84,185	-	-	84,185
Infrastructure	45,048,125	1,232,800	-	46,280,925
Total Capital Assets Being Depreciated	57,331,848	1,279,522	167,321	58,444,049
Less Accumulated Depreciation for				
Land Improvements	322,032	1,612	-	323,644
Buildings	1,602,609	50,472	-	1,653,081
Building Improvements	195,114	20,812	-	215,926
Machinery and Equipment	4,016,558	435,907	164,911	4,287,554
Software	41,275	8,419	-	49,694
Infrastructure	24,670,646	1,312,869	-	25,983,515
Total Accumulated Depreciation	30,848,234	1,830,091	164,911	32,513,414
Total Capital Assets Being Depreciated, Net	26,483,614	(550,569)	2,410	25,930,635
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 31,904,482</b>	<b>\$ (534,802)</b>	<b>\$ 34,212</b>	<b>\$ 31,335,468</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital Assets not Being Depreciated				
Land	\$ 112,825	\$ -	\$ -	\$ 112,825
Construction in Progress	68,114	4,684	-	72,798
Total Capital Assets not Being Depreciated	180,939	4,684	-	185,623
Capital Assets Being Depreciated				
Land Improvements	38,892	-	-	38,892
Buildings	1,257,174	-	-	1,257,174
Machinery and Equipment	994,567	1,377,575	-	2,372,142
Software	49,275	-	-	49,275
Infrastructure	18,982,827	160,354	-	19,143,181
Total Capital Assets Being Depreciated	21,322,735	1,537,929	-	22,860,664
Less Accumulated Depreciation for				
Land Improvements	38,892	-	-	38,892
Buildings	293,627	50,165	-	343,792
Machinery and Equipment	493,380	137,726	-	631,106
Software	7,391	4,928	-	12,319
Infrastructure	9,274,504	254,212	-	9,528,716
Total Accumulated Depreciation	10,107,794	447,031	-	10,554,825
Total Capital Assets Being Depreciated, Net	11,214,941	1,090,898	-	12,305,839
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<b>\$ 11,395,880</b>	<b>\$ 1,095,582</b>	<b>\$ -</b>	<b>\$ 12,491,462</b>

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

**4. CAPITAL ASSETS (Continued)**

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General Government	\$ 1,487,763
Public Safety	77,797
Machinery and Equipment	4,820
Public Works	<u>259,711</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,830,091</u></b>

**5. RECEIVABLES - GOVERNMENTAL ACTIVITIES/GOVERNMENTAL FUNDS**

The following is a summary of accounts receivable, other receivables, and intergovernmental receivables by fund at April 30, 2016. Any uncollectible amount is not believed to be material.

	General	Nonmajor Governmental	Total Governmental Activities
<b>ACCOUNTS RECEIVABLE</b>			
Photo Enforcement	\$ 52,523	\$ -	\$ 52,523
Ambulance	53,723	-	53,723
Hotel and Motel Taxes	-	35,469	35,469
Other Accounts	-	2,124	2,124
<b>TOTAL ACCOUNTS RECEIVABLE</b>	<b><u>\$ 106,246</u></b>	<b><u>\$ 37,593</u></b>	<b><u>\$ 143,839</u></b>
<b>OTHER RECEIVABLES</b>			
Cable Fees	\$ 117,787	\$ -	\$ 117,787
Places for Eating Tax	19,305	-	19,305
Utility Tax			
ComEd	39,135	-	39,135
Nicor	15,873	-	15,873
Other	123,457	-	123,457
<b>TOTAL OTHER RECEIVABLES</b>	<b><u>\$ 315,557</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 315,557</u></b>

**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
<b>INTERGOVERNMENTAL RECEIVABLES</b>					
Taxes					
Income	\$ 266,342	\$ -	\$ -	\$ -	\$ 266,342
Sales	303,724	-	167,226	-	470,950
Local Use	95,384	-	-	-	95,384
Gaming	10,023	-	-	-	10,023
Telecommunications	170,831	-	-	-	170,831
911 Telecommunication	-	-	-	78,770	78,770
Circuit Court	11,682	-	-	-	11,682
IMET	59,078	-	-	-	59,078
Grant	1,430	-	-	-	1,430
Motor Fuel Tax Allotments	-	38,047	-	-	38,047
<b>TOTAL INTERGOVERNMENTAL RECEIVABLES</b>	<b>\$ 918,494</b>	<b>\$ 38,047</b>	<b>\$ 167,226</b>	<b>\$ 78,770</b>	<b>\$ 1,202,537</b>

**6. LONG-TERM DEBT**

The following is a summary of changes to the Village's long-term debt for the year ended April 30, 2016:

**Governmental Activities**

	Balances May 1, 2015, Restated	Additions	Retirements	Balances April 30, 2016	Due Within One Year
Taxable General Obligation Alternate Revenue Source Bonds Series of 2010A	\$ 2,975,000	\$ -	\$ 145,000	\$ 2,830,000	\$ 150,000
General Obligation Alternate Revenue Source Bonds Series of 2013	5,650,000	-	255,000	5,395,000	260,000
General Obligation Alternate Revenue Source Bonds Series of 2015	-	2,200,000	-	2,200,000	95,000
Installment Contracts Payable	992,131	-	263,974	728,157	270,056
Compensated Absences Payable	114,275	2,739	17,433	99,581	99,581
Net Pension Liability - IMRF	900,662	312,934	-	1,213,596	-
Net Pension Liability - Police Pension Plan	23,104,065	3,085,964	-	26,190,029	-
Net Pension Liability - Firefighters' Pension Plan	17,116,180	-	1,290,505	15,825,675	-
Unamortized Bond Premiums	162,960	19,011	10,386	171,585	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 51,015,273</b>	<b>\$ 5,620,648</b>	<b>\$ 1,982,298</b>	<b>\$ 54,653,623</b>	<b>\$ 874,637</b>



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

**6. LONG-TERM DEBT (Continued)**

Governmental Activities (Continued)

Compensated absences have historically been liquidated by the General Fund of the Village.

The General Fund and Water Fund have historically liquidated the obligations for postemployment benefits.

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

Business-Type Activities

	Balances May 1, 2015, Restated	Additions	Retirements	Balances April 30, 2016	Due Within One Year
Taxable General Obligation Alternate Revenue Source Bonds Series of 2010B	\$ 1,025,000	\$ -	\$ 160,000	\$ 865,000	\$ 165,000
Installment Contracts Payable	151,822	1,370,415	162,719	1,359,518	314,689
IEPA Loan 1	773,933	-	39,825	734,108	40,325
IEPA Loan 2	549,962	-	20,218	529,744	23,182
Net Pension Liability - IMRF	446,404	155,102	-	601,506	-
Compensated Absences Payable	14,797	2,434	97	17,134	17,134
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 2,961,918</b>	<b>\$ 1,527,951</b>	<b>\$ 382,859</b>	<b>\$ 4,107,010</b>	<b>\$ 560,330</b>

Taxable General Obligation Bonds (Alternate Revenue Source)

Long-term obligations outstanding at April 30, 2016 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	\$ 2,830,000	\$ 150,000

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

**6. LONG-TERM DEBT (Continued)**

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

	Payable From	Total	Due Within One Year
\$1,610,000 Series 2010B, dated May 18, 2010, interest payable June 1 and December 1 of each year at rates of 1.25% to 4.50%. Pursuant to the American Recovery and Reinvestment Act, the Village is eligible to receive a rebate from the U.S. Treasury Department of 35% of the interest paid each year. The net interest rate for the Series 2010B Build America Bonds, after rebate, is 0.81% to 2.93%.	Water	\$ 865,000	\$ 165,000
\$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	5,395,000	260,000
\$2,200,000 Series 2015, dated May 14, 2015, interest payable June 15 and December 15 of each year at rates of 2.25% to 3.125%.	Capital Improvements and Debt Service	2,200,000	95,000
<b>TOTAL</b>		<b>\$ 11,290,000</b>	<b>\$ 670,000</b>

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

Fiscal Year Ending April 30,	Principal	Interest
2017	\$ 670,000	\$ 390,577
2018	685,000	372,305
2019	700,000	352,491
2020	710,000	330,942
2021	730,000	308,006
2022	565,000	283,787
2023	580,000	263,556
2024	595,000	242,761
2025	610,000	221,405
2026	635,000	198,663
2027	650,000	174,931
2028	675,000	150,586
2029	690,000	124,916
2030	715,000	98,536
2031	740,000	70,646
2032	520,000	41,726
2033	535,000	25,549
2034	140,000	8,906
2035	145,000	4,532
<b>TOTAL</b>	<b>\$ 11,290,000</b>	<b>\$ 3,664,821</b>

**6. LONG-TERM DEBT (Continued)**

**Taxable General Obligation Sales Tax Alternate Revenue Source Bonds**

The Village has issued General Obligation Sales Tax Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2015 General Obligation Sales Tax Alternate Revenue Source Bonds, issued for various infrastructure improvements, are payable from a pledge of the Village's 1% sales, use and non-home rule sales taxes, with a remaining total pledge of \$2,857,308 and the bonds maturing December 15, 2034. During the current fiscal year, \$0 in principal and \$34,012 in interest payments were due on the bonds which was 1.4% of the total 1% sales, use and non-home rule sales tax revenue received.

The Village has issued General Obligation Sales Tax Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2013 General Obligation Sales Tax Alternate Revenue Source Bonds, issued for various infrastructure improvements, are payable from a pledge of the Village's 1% sales, use and non-home rule sales taxes, with a remaining total pledge of \$6,934,213 and the bonds maturing December 15, 2032. During the current fiscal year, \$255,000 in principal and \$154,620 in interest payments were due on the bonds which was 17.4% of the total 1% sales, use and non-home rule sales tax revenue received.

**Taxable General Obligation Water and Sewer Alternate Revenue Source Bonds**

The Village has issued Taxable General Obligation Water and Sewer Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2010B Taxable General Obligation Water and Sewer Alternate Revenue Source Bonds, issued for various waterworks and sewerage system improvements, are payable from a pledge of the Village's water and sewerage fees, with a remaining total pledge of \$976,780, with the bonds maturing December 1, 2020. During the current fiscal year, \$160,000 in principal and \$39,780 in interest payments were due on the bonds which was 3.1% of the total water and sewer fee revenue.

**Taxable General Obligation Motor Fuel Tax Alternate Revenue Source Bonds**

The Village has issued Taxable General Obligation Motor Fuel Tax Alternate Revenue Source Bonds for which they have pledged future revenue streams. The Series 2010A Taxable General Obligation Motor Fuel Tax Alternate Revenue Source Bonds, issued for various motor fuel tax improvements, are payable from a pledge of the Village's motor fuel tax, with a remaining total pledge of \$4,186,520, with the bonds maturing December 1, 2030. During the current fiscal year, \$145,000 in principal and \$152,615 in interest payments were due on the bonds, which was 69.6% of the total Motor Fuel Tax revenue received.

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

**6. LONG-TERM DEBT (Continued)**

IEPA Loans

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

Fiscal Year Ending April 30,	Principal	Interest
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	<u>\$ 734,108</u>	<u>\$ 80,590</u>

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

Fiscal Year Ending April 30,	Principal	Interest
2017	\$ 23,182	\$ 10,453
2018	23,647	9,989
2019	24,121	9,514
2020	24,604	9,031
2021	25,098	8,538
2022	25,601	8,034
2023	26,115	7,521
2024	26,638	6,997
2025	27,173	6,463
2026	27,717	5,919
2027	28,273	5,363
2028	28,839	4,796
2029	29,418	4,218
2030	30,007	3,628
2031	30,610	3,026
2032	31,223	2,413
2033	31,850	1,787
2034	32,487	1,148
2035	33,141	496
TOTAL	<u>\$ 529,744</u>	<u>\$ 109,334</u>

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

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**6. LONG-TERM DEBT (Continued)**

IEPA Loans (Continued)

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

Installment Contracts

	Payable From	Total	Due Within One Year
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	General	\$ 21,918	\$ 14,516
Dated March 29, 2012, principal and interest payable semiannually at 2.66%	Water	19,426	12,865
Dated December 20, 2012, principal and interest payable semiannually at 2.44%	General	37,963	25,155
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	General/ 911 Fund	136,153	53,551
Dated August 29, 2013, principal and interest payable semiannually at 2.25%	Water	33,519	13,183
Dated October 1, 2013, principal and interest payable semiannually at 2.55%	General	189,036	45,478
Dated October 24, 2013, principal and interest payable semiannually at 2.20%	General	121,825	39,723
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	General	33,191	10,825
Dated November 19, 2013, principal and interest payable semiannually at 2.18%	Water	33,191	10,825
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	General	20,013	9,889
Dated December 11, 2013, principal and interest payable semiannually at 2.37%	Water	20,012	9,889
Dated March 26, 2014, principal and interest payable semiannually at 2.40%	General	120,098	39,083

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

**6. LONG-TERM DEBT (Continued)**

Installment Contracts (Continued)

	Payable From	Total	Due Within One Year
Dated August 28, 2014, principal and interest payable quarterly at 1.50%	General	\$ 47,960	\$ 31,836
Dated August 6, 2015, principal and interest payable semiannually at 2.20%	Water	1,112,955	237,959
Dated January 29, 2016, principal and interest payable semiannually at 2.20%	Water	140,415	29,968
<b>TOTAL</b>		<b>\$ 2,087,675</b>	<b>\$ 584,745</b>

Fiscal Year Ending April 30,	Principal	Interest	Total
2017	\$ 584,745	\$ 43,791	\$ 628,536
2018	554,691	30,505	585,196
2019	467,596	18,447	486,043
2020	335,212	8,855	344,067
2021	145,431	1,597	147,028
<b>TOTAL</b>	<b>\$ 2,087,675</b>	<b>\$ 103,195</b>	<b>\$ 2,190,870</b>

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

Legal Debt Margin

Equalized Assessed Value - 2015 Levy	<u>\$ 435,054,105</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 37,523,416
Amount of Debt Applicable to Debt Limit	<u>2,087,675</u>
<b>LEGAL DEBT MARGIN</b>	<b><u>\$ 35,435,741</u></b>

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."

**6. LONG-TERM DEBT (Continued)**

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, 2016, the principal amount payable for the bonds was indeterminable. The original issue amounts of the bonds were \$6,825,000.

**7. DEFINED BENEFIT PENSION PLANS**

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and the Firefighters' Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by ILCS and can only be amended by the Illinois General Assembly. The pension plans issue separate reports, which can be obtained by contacting the Village. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained at [www.imrf.org](http://www.imrf.org) or by writing to Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or online at [www.imrf.org](http://www.imrf.org).

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

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

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

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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

At December 31, 2015, membership consisted of:

Inactive Employees or their Beneficiaries	
Currently Receiving Benefits	64
Inactive Employees Entitled to but not yet Receiving Benefits	59
Active Employees	54
	<hr/>
TOTAL	177
	<hr/>

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

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

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

IMRF also provides death and disability benefits. These benefit provisions are established by State statute.

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2015 was 12.84% of covered payroll.



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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial Valuation Date	December 31, 2015
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value of Assets
Assumptions	
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.48%
Cost of Living Adjustments	3.00%

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

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and, therefore, was blended with the index rate of 3.57% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 19,243,002	\$ 17,640,116	\$ 1,602,886
Changes for the Period			
Service Cost	318,485	-	318,485
Interest	1,410,666	-	1,410,666
Difference Between Expected and Actual Experience	(123,457)	-	(123,457)
Assumption Changes	21,548	-	21,548
Employer Contributions	-	373,079	(373,079)
Employee Contributions	-	131,242	(131,242)
Net Investment Income	-	86,620	(86,620)
Benefit Payments and Refunds	(1,136,511)	(1,136,511)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	479,380	(479,380)
Net Changes	490,731	(66,190)	556,921
BALANCES AT DECEMBER 31, 2015	\$ 19,733,733	\$ 17,573,926	\$ 2,159,807

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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Continued)*

The table presented above includes amounts for both the Village and the Library. The Village's proportionate share of the net pension liability at January 1, 2015, the employer contributions and the net pension liability at December 31, 2015 were \$1,347,065, \$313,066 and \$1,815,102, respectively. The Library's proportionate share of the net pension liability at January 1, 2015, the employer contributions and the net pension liability at December 31, 2015 were \$255,821, \$60,013 and \$344,705, respectively.

There was a change in assumptions related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2015, is 7.48%. The discount rate used in the prior actuarial valuation, dated December 31, 2014, was 7.48%.

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

For the year ended April 30, 2016, the Village recognized pension expense of \$14,148. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 87,672
Changes in Assumption	15,302	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	984,526	-
Employer Contributions after the Measurement Date	119,360	-
<b>TOTAL</b>	<b>\$ 1,119,188</b>	<b>\$ 87,672</b>

The deferred outflows of resources and deferred inflows of resources presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the net deferred outflows of resources at December 31, 2015, was \$866,886. The Library's proportionate share of the net deferred outflows of resources at December 31, 2015 was \$164,630.

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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

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

<u>Year Ending April 30,</u>	
2017	\$ 282,335
2018	182,025
2019	195,679
2020	<u>206,847</u>
 TOTAL	 <u>\$ 866,886</u>

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.48% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net Pension Liability - Village	\$ 3,780,315	\$ 1,815,102	\$ 200,193
Net Pension Liability - Library	717,918	344,705	38,018
 Net Pension Liability - Total	 <u>\$ 4,498,233</u>	 <u>\$ 2,159,807</u>	 <u>\$ 238,211</u>

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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan

*Plan Administration*

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

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

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

Administrative costs are financed through contributions and investment income.

*Plan Membership*

At April 30, 2016, membership consisted of:

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided*

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

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Contributions*

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2016, the Village's contribution was 40.6% of covered payroll.

*Investment Policy*

The Police Pension Fund's (the Fund) investment policy authorizes the Fund to invest in all investments allowed by ILCS. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds and Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participant's fair value).

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

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

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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy* (Continued)

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

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2%	1.0%
Fixed Income	38%	2.6%
U.S. Large Cap Equities	27%	6.7%
U.S. Mid Cap Equities	3%	7.2%
U.S. Small Cap Equities	3%	7.7%
Developed International Equities	16%	6.1%
Emerging International Equities	8%	7.1%
Real Estate Equities	3%	5.7%

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study by the Global Investment Committee of Morgan Stanley published in March of 2016. Long-term returns for the asset classes are calculated on a geometric means basis.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. 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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.39%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.



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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Deposits with Financial Institutions*

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

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Notes	\$ 3,040,638	\$ -	\$ 1,790,404	\$ 1,250,234	\$ -
Government National Mortgage Association	61	61	-	-	-
Federal Home Loan Mortgage Corporation	239,546	-	125,319	-	114,227
Federal National Mortgage Association	296,339	85,266	8,081	176,626	26,366
Corporate Bonds	4,102,208	648,585	1,074,616	2,212,195	166,812
State and Local Obligations	240,340	35,047	205,293	-	-
<b>TOTAL</b>	<b>\$ 7,919,132</b>	<b>\$ 768,959</b>	<b>\$ 3,203,713</b>	<b>\$ 3,639,055</b>	<b>\$ 307,405</b>

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

*Credit Risk*

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Custodial Credit Risk*

For an investment, this is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Fund's investment policy limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral. Also, the Fund limits its exposure by requiring the investment broker/custodian to acquire an excess Securities Investor Protection Corporation (SIPC) policy to provide the same coverage for the portfolio as would be provided by the SIPC.

*Concentrations*

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

*Discount Rate*

The discount rate used to measure the total pension liability was 5.68%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and, therefore, the long-term expected rate of return of 7.00% was blended with the index rate of 3.32% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2016 to arrive at a discount rate of 5.68% used to determine the total pension liability.

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 49,043,619	\$ 25,939,554	\$ 23,104,065
Changes for the Period			
Service Cost	644,513	-	644,513
Interest	2,727,717	-	2,727,717
Difference Between Expected and Actual Experience	(3,142,212)	-	(3,142,212)
Assumption Changes	3,696,141	-	3,696,141
Employer Contributions	-	996,315	(996,315)
Employee Contributions	-	257,642	(257,642)
Net Investment Income	-	(364,913)	364,913
Benefit Payments and Refunds	(2,040,864)	(2,040,864)	-
Administrative Expense	-	(48,849)	48,849
Net Changes	1,885,295	(1,200,669)	3,085,964
BALANCES AT APRIL 30, 2016	\$ 50,928,914	\$ 24,738,885	\$ 26,190,029

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

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

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**7. DEFINED BENEFIT PENSION PLANS (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, 2016 using the following actuarial methods and assumptions:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Assumptions	
Inflation	2.50%
Salary Increases	3.25% to 4.47%
Investment Rate of Return	7.00%
Cost of Living Adjustments	2.50%

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

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 5.68% 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 (4.68%) or 1 percentage point higher (6.68%) than the current rate:

	1% Decrease (4.68%)	Current Discount Rate (5.68%)	1% Increase (6.68%)
Net Pension Liability	\$ 34,034,691	\$ 26,190,029	\$ 19,835,087

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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2016, the Village recognized police pension expense of \$1,896,549. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 2,635,403
Changes in Assumptions	3,099,989	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,721,144	-
<b>TOTAL</b>	<b>\$ 4,821,133</b>	<b>\$ 2,635,403</b>

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

Year Ending April 30,	
2017	\$ 519,629
2018	519,629
2019	519,629
2020	519,629
2021	89,343
Thereafter	17,871
<b>TOTAL</b>	<b>\$ 2,185,730</b>

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan

*Plan Administration*

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by ILCS (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Firefighters' Pension Plan as a pension trust fund.

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

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

Administrative costs are financed through contributions and investment income.

*Plan Membership*

At April 30, 2016, the Firefighters' Pension Plan membership consisted of:

Inactive Plan Members or Beneficiaries Currently	
Receiving Benefits	27
Inactive Plan Members Entitled to but not yet	
Receiving Benefits	-
Active Plan Members	<u>26</u>
TOTAL	<u><u>53</u></u>

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Benefits Provided*

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

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

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

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**7. DEFINED BENEFIT PENSION PLANS (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 Firefighters' Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan. For the year ended April 30, 2016, the Village's contribution was 44.7% of covered payroll.

*Investment Policy*

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

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

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

Asset Class	Target Allocations	Long-Term Expected Real Rate of Return
Cash and Cash Equivalents	2%	1.0%
Fixed Income	38%	2.6%
U.S. Large Cap Equities	27%	6.7%
U.S. Mid Cap Equities	3%	7.2%
U.S. Small Cap Equities	3%	7.7%
Developed International Equities	16%	6.1%
Emerging International Equities	8%	7.1%
Real Estate Equities	3%	5.7%



**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Investment Policy (Continued)*

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study by the Global Investment Committee of Morgan Stanley published in March of 2016. Long-term returns for the asset classes are calculated on a geometric means basis.

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. 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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.02%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

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

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities and money market mutual funds as of April 30, 2016:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	Greater Than 10
U.S. Treasury Notes	\$ 3,436,100	\$ 625,033	\$ 1,353,490	\$ 1,457,577	\$ -
Government National Mortgage Association	13,911	-	13,911	-	-
Federal Home Loan Mortgage Corporation	295,018	-	230,777	-	64,241
Federal National Mortgage Association	219,639	-	75,758	99,966	43,915
Corporate Bonds	3,205,194	583,145	967,414	1,551,587	103,048
State and Local Obligations	244,455	-	244,455	-	-
<b>TOTAL</b>	<b>\$ 7,414,317</b>	<b>\$ 1,208,178</b>	<b>\$ 2,885,805</b>	<b>\$ 3,109,130</b>	<b>\$ 211,204</b>

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

*Credit Risk*

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Custodial Credit Risk*

For an investment, this is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Money market mutual funds and equity mutual funds are not subject to custodial credit risk. The Fund's investment policy limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Fund, to act as custodian for its securities and collateral. Also, the Fund limits its exposure by requiring the investment broker/custodian to acquire an excess Securities Investor Protection Corporation (SIPC) policy to provide the same coverage for the portfolio as would be provided by the SIPC.

*Concentrations*

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

*Discount Rate*

The discount rate used to measure the total pension liability was 6.48%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Firefighters' Pension Fund's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members and, therefore, the long-term expected rate of return of 7.00% was blended with the index rate of 3.32% for tax exempt general obligation municipal bonds rated AA or better at April 30, 2016 to arrive at a discount rate of 6.48% used to determine the total pension liability.

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

**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 38,412,438	\$ 21,296,257	\$ 17,116,181
Changes for the Period			
Service Cost	548,586	-	548,586
Interest	2,443,423	-	2,443,423
Difference Between Expected and Actual Experience	471,224	-	471,224
Assumption Changes	(3,816,007)	-	(3,816,007)
Employer Contributions	-	1,027,335	(1,027,335)
Employee Contributions	-	217,769	(217,769)
Net Investment Income	-	(260,954)	260,954
Benefit Payments and Refunds	(1,410,583)	(1,410,583)	-
Administrative Expense	-	(46,419)	46,419
Net Changes	(1,763,357)	(472,852)	(1,290,505)
BALANCES AT APRIL 30, 2016	\$ 36,649,081	\$ 20,823,405	\$ 15,825,676

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

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

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**7. DEFINED BENEFIT PENSION PLANS (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, 2016 using the following actuarial methods and assumptions:

Actuarial Valuation Date	April 30, 2016
Actuarial Cost Method	Entry-Age Normal
Asset Valuation Method	Market Value
Assumptions	
Inflation	2.50%
Salary Increases	2.50% to 17.85%
Investment Rate of Return	7.00%
Cost of Living Adjustments	2.50%

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

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.48% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.48%) or 1 percentage point higher (7.48%) than the current rate:

	1% Decrease (5.48%)	Current Discount Rate (6.48%)	1% Increase (7.48%)
Net Pension Liability	\$ 21,301,038	\$ 15,825,675	\$ 11,369,535

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

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**7. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Firefighters' Pension Plan (Continued)

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

For the year ended April 30, 2016, the Village recognized firefighters' pension expense of \$1,219,697. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to the firefighters' pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 405,502	\$ -
Changes in Assumptions	-	3,283,788
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>1,395,420</u>	<u>-</u>
<b>TOTAL</b>	<u><u>\$ 1,800,922</u></u>	<u><u>\$ 3,283,788</u></u>

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

<u>Year Ending April 30,</u>	
2017	\$ (117,641)
2018	(117,641)
2019	(117,641)
2020	(117,645)
2021	(466,497)
Thereafter	<u>(545,801)</u>
<b>TOTAL</b>	<u><u>\$ (1,482,866)</u></u>

**8. CONTINGENT LIABILITIES**

Litigation

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

**9. RISK MANAGEMENT**

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

The Village purchases employee health insurance from commercial carriers.

Intergovernmental Risk Management Agency

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

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

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

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

**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

b. Benefits Provided

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

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

c. Membership

At April 30, 2015, membership consisted of:

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

d. Funding Policy

The Village negotiates the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees (except as noted below) contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the retirees (pay as you go) which results in an implicit subsidy to the Village as defined by GASB Statement No. 45. In addition, the Village pays \$100 of the monthly health insurance premium for two retirees. For the fiscal year ended April 30, 2016, retirees contributed \$326,146 and the Village contributed \$198,294. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.



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

**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for April 30, 2014, 2015 and 2016 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
2014	\$ 40,489	\$ 41,994	103.70%	\$ (7,979)
2015	178,917	198,294	110.80%	(27,409)
2016	178,734	198,294	110.94%	(46,969)

The net OPEB obligation (asset) as of April 30, 2016, was calculated as follows:

Annual Required Contribution	\$ 178,917
Interest on Net OPEB Obligation (Asset)	(1,096)
Adjustment to Annual Required Contribution	913
Annual OPEB Cost	178,734
Contributions Made	(198,294)
Decrease in Net OPEB Obligation (Asset)	(19,560)
Net OPEB Obligation (Asset), Beginning of Year	(27,409)
<b>NET OPEB OBLIGATION (ASSET), END OF YEAR</b>	<b>\$ (46,969)</b>

Funded Status and Funding Progress: The funded status and funding progress 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.

**11. CHANGE IN ACCOUNTING PRINCIPLE**

In 2016, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*.

The new standards require the Village to recognize a liability in its government-wide financial statements for the net pension liability associated with IMRF.

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

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**11. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

The governmental fund financial statements are not affected by the new standards. Pension expenditures in the governmental funds continue to be recognized equal to the total of (a) amounts paid by the Village to the pension plans and (b) the change between the beginning and ending balances of amounts of contributions currently payable to the pensions.

The beginning net position reported in the government-wide financial statements has been restated to reflect the new guidance as follows:

	<u>Increase (Decrease)</u>
<b>CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES</b>	
Change in Accounting Principle	
To Write-Off the Police Pension Plan Net Pension Obligation	\$ 1,560,638
To Write-Off the Firefighters' Pension Plan Net Pension Obligation	1,206,829
To Write-Off the IMRF Net Pension Obligation	190,469
To Record the Police Pension Plan Net Pension Liability	(23,104,065)
To Record the Firefighters' Pension Plan Net Pension Liability	(17,116,180)
To Record IMRF Net Pension Liability-Related Deferred Outflows of Resources	65,271
To Record the IMRF Net Pension Liability	<u>(900,662)</u>
<b>TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES</b>	<u><b>\$ (38,097,700)</b></u>
<b>CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES</b>	
To Record the IMRF Net Pension Liability-Related Deferred Outflows of Resources	\$ 32,351
To Record the IMRF Net Pension Liability	<u>(446,404)</u>
<b>TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES</b>	<u><b>\$ (414,053)</b></u>

**12. PRIOR PERIOD ADJUSTMENT**

The beginning net position of business-type activities was restated by \$72,901. Beginning net position was restated because certain payroll liabilities were overstated as of April 30, 2015.

## **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, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Property Taxes	\$ 6,361,700	\$ 6,361,700	\$ 6,149,145	\$ (212,555)
Other Local Taxes	2,126,000	2,126,000	2,249,464	123,464
Intergovernmental	5,069,989	5,069,989	4,530,790	(539,199)
Licenses and Permits	1,265,025	1,265,025	1,360,371	95,346
Charges for Services	524,750	524,750	687,823	163,073
Fines and Forfeitures	660,000	660,000	655,215	(4,785)
Rental Income	159,000	159,000	171,057	12,057
Investment Income	4,500	4,500	8,300	3,800
Miscellaneous	279,457	279,457	212,116	(67,341)
Total Revenues	16,450,421	16,450,421	16,024,281	(426,140)
<b>EXPENDITURES</b>				
Current				
General Government	1,627,597	1,627,597	1,970,697	343,100
Community Development Department	616,601	616,601	492,778	(123,823)
Planning and Zoning	1,900	1,900	3,016	1,116
Fire and Police Commission	13,875	13,875	16,444	2,569
Police Department	5,677,868	5,677,868	5,426,719	(251,149)
Civil Defense	5,334	5,334	4,109	(1,225)
Fire Department	4,668,493	4,668,493	4,731,571	63,078
Public Works	3,866,031	3,866,031	3,552,800	(313,231)
Capital Outlay	129,775	129,775	149,122	19,347
Debt Service				
Principal	236,577	236,577	224,499	(12,078)
Interest and Fiscal Charges	17,937	17,937	18,524	587
Total Expenditures	16,861,988	16,861,988	16,590,279	(271,709)
NET CHANGE IN FUND BALANCE	\$ (411,567)	\$ (411,567)	(565,998)	\$ (154,431)
FUND BALANCE, MAY 1			4,712,933	
FUND BALANCE, APRIL 30			\$ 4,146,935	

(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, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Intergovernmental				
State Allotments	\$ 591,573	\$ 591,573	\$ 477,277	\$ (114,296)
Investment Income	-	-	4	4
<b>Total Revenues</b>	<b>591,573</b>	<b>591,573</b>	<b>477,281</b>	<b>(114,292)</b>
<b>EXPENDITURES</b>				
Current				
Public Works	310,000	310,000	133,898	(176,102)
Debt Service				
Principal	150,000	150,000	145,000	(5,000)
Interest	148,048	148,048	152,615	4,567
<b>Total Expenditures</b>	<b>608,048</b>	<b>608,048</b>	<b>431,513</b>	<b>(176,535)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (16,475)</b>	<b>\$ (16,475)</b>	<b>45,768</b>	<b>\$ 62,243</b>
<b>FUND BALANCE, MAY 1</b>			<b>123,729</b>	
<b>FUND BALANCE, APRIL 30</b>			<b>\$ 169,497</b>	

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2016

Schedule of Funding Progress

<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age Normal</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Active Members Covered Payroll</b>	<b>(6) UAAL as a Percentage of Covered Payroll (4) / (5)</b>
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%	\$ 3,019,172	\$ 7,099,992	42.52%
2016	N/A	N/A	N/A	N/A	N/A	N/A

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

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
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%
2016	198,294	178,917	110.83%

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

April 30, 2016

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	<u>2016</u>
Actuarially Determined Contribution	\$ 315,377
Contributions in Relation to the Actuarially Determined Contribution	<u>315,377</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u><u>\$ -</u></u>
Covered-Employee Payroll	\$ 2,440,087
Contributions as a Percentage of Covered-Employee Payroll	12.9%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013 and December 31, 2014. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was aggregate entry-age normal; the amortization method was level percentage of payroll, closed; the amortization period was 28-year, closed until the remaining period reaches 15 years (then a 15-year rolling period); the asset valuation method was 5-year smoothed market with a 20.0% corridor; and the significant actuarial assumptions were wage growth at 4.0%; price inflation at 3.0%; salary increases of 4.4% to 16.0%, including inflation; and an investment rate of return at 7.5% annually.



**VILLAGE OF WESTCHESTER, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

April 30, 2016

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	<b>2015</b>	<b>2016</b>
Actuarially Determined Contribution	\$ 1,053,264	\$ 1,061,927
Contributions in Relation to the Actuarially Determined Contribution	918,481	996,315
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 134,783</b>	<b>\$ 65,612</b>
Covered-Employee Payroll	\$ 2,357,318	\$ 2,455,279
Contributions as a Percentage of Covered-Employee Payroll	38.96%	40.58%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of the beginning of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed; and the amortization period was 24 years; the asset valuation method was 5-year smoothing of asset gains and losses; and the significant actuarial assumptions were an investment rate of return at 7.0% annually; inflation at 2.50% annually; projected individual salary increases of 3.25% to 4.47% annually; projected increases in total payroll of 3.25% annually; and cost-of-living adjustments of 2.50% annually.

**VILLAGE OF WESTCHESTER, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FIREFIGHTERS' PENSION FUND**

April 30, 2016

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	<b>2015</b>	<b>2016</b>
Actuarially Determined Contribution	\$ 707,271	\$ 915,936
Contributions in Relation to the Actuarially Determined Contribution	628,706	1,027,335
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 78,565</b>	<b>\$ (111,399)</b>
Covered-Employee Payroll	\$ 2,343,788	\$ 2,299,574
Contributions as a Percentage of Covered-Employee Payroll	26.82%	44.68%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuation as of the beginning of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed; and the amortization period was 24 years; the asset valuation method was 5-year smoothing of asset gains and losses; and the significant actuarial assumptions were an investment rate of return at 7.00% annually; inflation at 2.50% annually; projected individual salary increases of 2.50% to 17.85% annually; projected increases in total payroll of 3.25% annually; and cost-of-living adjustments of 2.50% annually.

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

April 30, 2016

	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 746,186	\$ 644,513
Interest	2,463,037	2,727,717
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	(3,142,212)
Change of Assumptions	-	3,696,141
Benefit Payments, Including Refunds of Member Contributions	(1,982,798)	(2,040,864)
	<hr/>	<hr/>
Net Change in Total Pension Liability	1,226,425	1,885,295
Total Pension Liability - Beginning	47,817,194	49,043,619
	<hr/>	<hr/>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 49,043,619</b>	<b>\$ 50,928,914</b>
	<hr/>	<hr/>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 918,481	\$ 996,315
Contributions - Members	253,106	257,642
Net Investment Income	1,569,330	(364,913)
Benefit Payments, Including Refunds of Member Contributions	(1,982,798)	(2,040,864)
Administrative Expense	(55,905)	(48,849)
	<hr/>	<hr/>
Net Change in Plan Fiduciary Net Position	702,214	(1,200,669)
Plan Fiduciary Net Position - Beginning	25,237,340	25,939,554
	<hr/>	<hr/>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 25,939,554</b>	<b>\$ 24,738,885</b>
	<hr/>	<hr/>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 23,104,065</b>	<b>\$ 26,190,029</b>
	<hr/>	<hr/>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.89%	48.58%
Covered-Employee Payroll	\$ 2,357,318	\$ 2,455,279
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	980.10%	1066.68%

Notes to Required Supplementary Information

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

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

April 30, 2016

	<b>2015</b>	<b>2016</b>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 799,025	\$ 548,586
Interest	1,997,463	2,443,423
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	471,224
Changes of Assumptions	-	(3,816,007)
Benefit Payments, Including Refunds of Member Contributions	(1,271,307)	(1,410,583)
	<hr/>	<hr/>
Net Change in Total Pension Liability	1,525,181	(1,763,357)
Total Pension Liability - Beginning	36,887,257	38,412,438
	<hr/>	<hr/>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 38,412,438</b>	<b>\$ 36,649,081</b>
	<hr/>	<hr/>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - Employer	\$ 628,706	\$ 1,027,335
Contributions - Members	223,583	217,769
Net Investment Income	1,336,306	(260,954)
Benefit Payments, Including Refunds of Member Contributions	(1,271,307)	(1,410,583)
Administrative Expense	(48,107)	(46,419)
	<hr/>	<hr/>
Net Change in Plan Fiduciary Net Position	869,181	(472,852)
Plan Fiduciary Net Position - Beginning	20,427,076	21,296,257
	<hr/>	<hr/>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 21,296,257</b>	<b>\$ 20,823,405</b>
	<hr/>	<hr/>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 17,116,181</b>	<b>\$ 15,825,676</b>
	<hr/>	<hr/>
Plan Fiduciary Net Position		
as a Percentage of the Total Pension Liability	55.44%	56.82%
Covered-Employee Payroll	\$ 2,343,788	\$ 2,299,574
Employer's Net Pension Liability		
as a Percentage of Covered-Employee Payroll	730.28%	688.20%

Notes to Required Supplementary Information

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

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

April 30, 2016

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	<b>2016*</b>
Employer's Proportion of Net Pension Liability	84.04%
Employer's Proportionate Share of Net Pension Liability	\$ 1,815,102
Employer's Covered-Employee Payroll	2,440,087
Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	74.39%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.06%

\*IMRF's measurement date is December 31; therefore, information above is presented for the respective calendar year ended December 31.

**VILLAGE OF WESTCHESTER, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

April 30, 2016

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	<b>2015</b>	<b>2016</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.90%	(1.39%)

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

April 30, 2016

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	<b>2015</b>	<b>2016</b>
Annual Money-Weighted Rate of Return, Net of Investment Expense	5.38%	(1.02%)

(See independent auditor's report.)

## VILLAGE OF WESTCHESTER, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

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#### 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
Debt Service	\$ 409,620	\$ 444,832
Capital Improvements	1,102,000	1,152,371



**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, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Other Local Taxes				
Non-Home Rule Sales Tax	\$ 750,000	\$ 750,000	\$ 703,953	\$ (46,047)
Investment Income	-	-	527	527
Total Revenues	750,000	750,000	704,480	(45,520)
<b>EXPENDITURES</b>				
Capital outlay	1,102,000	1,102,000	1,058,666	(43,334)
Debt Service				
Fiscal Charges	-	-	93,705	93,705
Total Expenditures	1,102,000	1,102,000	1,152,371	50,371
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(352,000)	(352,000)	(447,891)	(95,891)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds Issued	1,102,000	1,102,000	2,200,000	1,098,000
Premium on Bonds Issued	-	-	19,011	19,011
Transfers (Out)	-	-	(444,832)	(444,832)
Total Other Financing Sources (Uses)	1,102,000	1,102,000	1,774,179	672,179
NET CHANGE IN FUND BALANCE	\$ 750,000	\$ 750,000	1,326,288	\$ 576,288
FUND BALANCE, MAY 1			222,331	
FUND BALANCE, APRIL 30			\$ 1,548,619	

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**VILLAGE OF WESTCHESTER, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2016

	<b>Special Revenue</b>			<b>Debt Service</b>	<b>Total Nonmajor Governmental</b>
	<b>Police Forfeiture</b>	<b>911</b>	<b>Hotel/ Motel Tax</b>		
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 90,658	\$ 64,275	\$ 121,160	\$ 89	\$ 276,182
Receivables					
Intergovernmental	-	78,770	-	-	78,770
Accounts	2,124	-	35,469	-	37,593
<b>TOTAL ASSETS</b>	<b>\$ 92,782</b>	<b>\$ 143,045</b>	<b>\$ 156,629</b>	<b>\$ 89</b>	<b>\$ 392,545</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 5,575	\$ 225	\$ -	\$ 5,800
Due to Other Funds	-	118,207	-	-	118,207
<b>Total Liabilities</b>	<b>-</b>	<b>123,782</b>	<b>225</b>	<b>-</b>	<b>124,007</b>
<b>FUND BALANCES</b>					
Restricted for Public Safety	92,782	19,263	-	-	112,045
Restricted for Tourism	-	-	156,404	-	156,404
Assigned for Debt Service	-	-	-	89	89
<b>Total Fund Balances</b>	<b>92,782</b>	<b>19,263</b>	<b>156,404</b>	<b>89</b>	<b>268,538</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 92,782</b>	<b>\$ 143,045</b>	<b>\$ 156,629</b>	<b>\$ 89</b>	<b>\$ 392,545</b>

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

For the Year Ended April 30, 2016

	<b>Special Revenue</b>			<b>Debt</b>	<b>Total</b>
	<b>Police</b>		<b>Hotel/</b>	<b>Service</b>	<b>Nonmajor</b>
	<b>Forfeiture</b>	<b>911</b>	<b>Motel Tax</b>		<b>Governmental</b>
<b>REVENUES</b>					
Other Local Taxes	\$ -	\$ 104,940	\$ 132,104	\$ -	\$ 237,044
Intergovernmental	3,953	163,999	-	-	167,952
Investment Income	200	-	-	-	200
Reimbursements	-	-	6,030	-	6,030
Forfeited Asset Sale Proceeds	3,175	-	-	-	3,175
Miscellaneous	801	-	-	-	801
<b>Total Revenues</b>	<b>8,129</b>	<b>268,939</b>	<b>138,134</b>	<b>-</b>	<b>415,202</b>
<b>EXPENDITURES</b>					
Current					
Tourism	-	-	81,745	-	81,745
Police 911	-	266,095	-	-	266,095
Police Department	764	-	-	-	764
Debt Service					
Principal	-	39,476	-	255,000	294,476
Interest	-	2,970	-	189,832	192,802
<b>Total Expenditures</b>	<b>764</b>	<b>308,541</b>	<b>81,745</b>	<b>444,832</b>	<b>835,882</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>7,365</b>	<b>(39,602)</b>	<b>56,389</b>	<b>(444,832)</b>	<b>(420,680)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	444,832	444,832
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>444,832</b>	<b>444,832</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>7,365</b>	<b>(39,602)</b>	<b>56,389</b>	<b>-</b>	<b>24,152</b>
<b>FUND BALANCES, MAY 1</b>	<b>85,417</b>	<b>58,865</b>	<b>100,015</b>	<b>89</b>	<b>244,386</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 92,782</b>	<b>\$ 19,263</b>	<b>\$ 156,404</b>	<b>\$ 89</b>	<b>\$ 268,538</b>

(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, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 160,000	\$ 160,000	\$ 104,940	\$ (55,060)
Intergovernmental	161,100	161,100	163,999	2,899
Investment Income	500	500	-	(500)
Total Revenues	321,600	321,600	268,939	(52,661)
<b>EXPENDITURES</b>				
Current				
Police 911	277,801	277,801	266,095	(11,706)
Debt Service				
Principal	39,476	39,476	39,476	-
Interest	2,970	2,970	2,970	-
Total Expenditures	320,247	320,247	308,541	(11,706)
NET CHANGE IN FUND BALANCE	<u>\$ 1,353</u>	<u>\$ 1,353</u>	(39,602)	<u>\$ (40,955)</u>
FUND BALANCE, MAY 1			<u>58,865</u>	
FUND BALANCE, APRIL 30			<u>\$ 19,263</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, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
Other Local Taxes	\$ 112,000	\$ 112,000	\$ 132,104	\$ 20,104
Reimbursements	18,100	18,100	6,030	(12,070)
Total Revenues	130,100	130,100	138,134	8,034
<b>EXPENDITURES</b>				
Current				
Tourism	142,538	142,538	81,745	(60,793)
Total Expenditures	142,538	142,538	81,745	(60,793)
NET CHANGE IN FUND BALANCE	<u>\$ (12,438)</u>	<u>\$ (12,438)</u>	56,389	<u>\$ 68,827</u>
FUND BALANCE, MAY 1			<u>100,015</u>	
FUND BALANCE, APRIL 30			<u>\$ 156,404</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, 2016

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>				
None	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
<b>EXPENDITURES</b>				
Debt Service				
Principal	255,000	255,000	255,000	-
Interest	154,620	154,620	189,832	35,212
Total Expenditures	409,620	409,620	444,832	35,212
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(409,620)	(409,620)	(444,832)	(35,212)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	409,620	409,620	444,832	35,212
Total Other Financing Sources (Uses)	409,620	409,620	444,832	35,212
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE, MAY 1</b>			89	
<b>FUND BALANCE, APRIL 30</b>			<u>\$ 89</u>	

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

April 30, 2016

	<b>Pension Trust</b>		<b>Total</b>
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 408,615	\$ 470,907	\$ 879,522
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Accrued Interest	59,549	52,062	111,611
Investments			
U.S. Government Obligations	3,040,637	3,436,100	6,476,737
U.S. Agency Obligations	535,946	528,568	1,064,514
State and Local Obligations	240,340	244,455	484,795
Corporate Bonds	4,102,208	3,205,194	7,307,402
Mutual Funds	15,174,531	12,483,225	27,657,756
Money Market Mutual Funds	1,196,515	407,974	1,604,489
Prepaid Items	530	930	1,460
Due from Village	2,088	1,096	3,184
Total Assets	24,760,959	20,830,511	45,591,470
<b>LIABILITIES</b>			
Accounts Payable	22,074	7,106	29,180
Total Liabilities	22,074	7,106	29,180
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 24,738,885</b>	<b>\$ 20,823,405</b>	<b>\$ 45,562,290</b>

(See independent auditor's report.)

# VILLAGE OF WESTCHESTER, ILLINOIS

## COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUNDS

For the Year Ended April 30, 2016

	<b>Pension Trust</b>		
	<b>Police Pension</b>	<b>Firefighters' Pension</b>	<b>Total</b>
<b>ADDITIONS</b>			
Contributions			
Employer Contributions	\$ 996,315	\$ 1,027,335	\$ 2,023,650
Plan Members	257,642	217,769	475,411
Total Contributions	1,253,957	1,245,104	2,499,061
Investment Income			
Net Depreciation in Fair Value of Investments	(922,866)	(667,982)	(1,590,848)
Interest	647,831	471,006	1,118,837
Total Investment Income	(275,035)	(196,976)	(472,011)
Less Investment Expense	(89,878)	(63,978)	(153,856)
Net Investment Income	(364,913)	(260,954)	(625,867)
Total Additions	889,044	984,150	1,873,194
<b>DEDUCTIONS</b>			
Retirement Benefits and Refunds	2,040,864	1,410,583	3,451,447
Administrative Expenses	48,849	46,419	95,268
Total Deductions	2,089,713	1,457,002	3,546,715
NET DECREASE	(1,200,669)	(472,852)	(1,673,521)
<b>NET POSITION RESRICTED FOR PENSION BENEFITS</b>			
May 1	25,939,554	21,296,257	47,235,811
April 30	\$ 24,738,885	\$ 20,823,405	\$ 45,562,290

(See independent auditor's report.)

**VILLAGE OF WESTCHESTER, ILLINOIS**

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

For the Year Ended April 30, 2016

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	<b>Balances</b>			<b>Balances</b>
	<b>May 1</b>	<b>Additions</b>	<b>Deletions</b>	<b>April 30</b>
	<hr/>			
<b>Refundable Deposits</b>				
<b>ASSETS</b>				
Cash	\$ 670,271	\$ 455,884	\$ 547,871	\$ 578,284
	<hr/>			
<b>TOTAL ASSETS</b>	<b>\$ 670,271</b>	<b>\$ 455,884</b>	<b>\$ 547,871</b>	<b>\$ 578,284</b>
	<hr/>			
<b>LIABILITIES</b>				
Due to Others	\$ 670,271	\$ 442,417	\$ 534,404	\$ 578,284
	<hr/>			
<b>TOTAL LIABILITIES</b>	<b>\$ 670,271</b>	<b>\$ 442,417</b>	<b>\$ 534,404</b>	<b>\$ 578,284</b>
	<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.	90-99
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.	100-106
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.	107-110
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.	111-112
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.	113-116

*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

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 24,546,664	\$ 24,087,301	\$ 25,720,503	\$ 24,722,401
Restricted	863,192	1,080,659	445,605	484,697
Unrestricted	4,003,035	5,290,928	4,324,333	3,747,530
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 29,412,891</b>	<b>\$ 30,458,888</b>	<b>\$ 30,490,441</b>	<b>\$ 28,954,628</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net Investment in Capital Assets	\$ 8,162,045	\$ 7,936,598	\$ 7,751,481	\$ 7,710,865
Unrestricted	1,069,386	1,047,755	2,038,004	1,697,637
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 9,231,431</b>	<b>\$ 8,984,353</b>	<b>\$ 9,789,485</b>	<b>\$ 9,408,502</b>
<b>PRIMARY GOVERNMENT</b>				
Net Investment in Capital Assets	\$ 32,708,709	\$ 32,023,899	\$ 33,471,984	\$ 32,433,266
Restricted	863,192	1,080,659	445,605	484,697
Unrestricted	5,072,421	6,338,683	6,362,337	5,445,167
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 38,644,322</b>	<b>\$ 39,443,241</b>	<b>\$ 40,279,926</b>	<b>\$ 38,363,130</b>

Data Source

Audited Financial Statements

GASB Statement Number 68 was implemented in 2016.

2011	2012	2013	2014	2015	2016
\$ 24,533,889	\$ 23,453,120	\$ 21,898,803	\$ 21,164,996	\$ 22,124,391	\$ 21,051,837
935,253	1,057,485	763,725	361,722	491,755	463,431
2,144,143	1,955,569	2,575,023	3,393,989	1,678,304	(37,462,080)
\$ 27,613,285	\$ 26,466,174	\$ 25,237,551	\$ 24,920,707	\$ 24,294,450	\$ (15,946,812)
\$ 6,910,269	\$ 7,434,766	\$ 7,472,315	\$ 8,754,657	\$ 9,445,125	\$ 9,003,132
1,846,113	2,132,453	2,696,187	1,476,459	339,977	185,929
\$ 8,756,382	\$ 9,567,219	\$ 10,168,502	\$ 10,231,116	\$ 9,785,102	\$ 9,189,061
\$ 31,444,158	\$ 30,887,886	\$ 29,371,118	\$ 29,919,653	\$ 31,569,516	\$ 30,054,969
935,253	1,057,485	763,725	361,722	491,755	463,431
3,990,256	4,088,022	5,271,210	4,870,448	2,018,281	(37,276,151)
\$ 36,369,667	\$ 36,033,393	\$ 35,406,053	\$ 35,151,823	\$ 34,079,552	\$ (6,757,751)



**VILLAGE OF WESTCHESTER, ILLINOIS**

**CHANGE IN NET POSITION**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>EXPENSES</b>				
Governmental Activities				
General Government	\$ 1,711,620	\$ 1,969,667	\$ 2,061,823	\$ 2,336,063
Public Safety	8,711,272	8,532,345	9,777,684	9,843,048
Public Works	3,719,405	4,380,139	3,270,206	3,253,548
Interest	28,326	29,963	23,186	21,779
Total Governmental Activities Expenses	14,170,623	14,912,114	15,132,899	15,454,438
Business-Type Activities				
Water and Sewer	3,051,684	3,210,844	4,958,778	5,411,161
Total Business-Type Activities Expenses	3,051,684	3,210,844	4,958,778	5,411,161
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 17,222,307</b>	<b>\$ 18,122,958</b>	<b>\$ 20,091,677</b>	<b>\$ 20,865,599</b>
<b>PROGRAM REVENUES</b>				
Governmental Activities				
Charges for Services				
General Government	\$ 1,093,603	\$ 1,148,987	\$ 912,469	\$ 852,133
Public Safety	724,353	855,664	927,702	1,221,796
Public Works	1,712,630	1,897,654	382,104	397,661
Operating Grants and Contributions	554,369	560,159	454,932	447,755
Capital Grants and Contributions	72,009	239,371	2,254,867	65,844
Total Governmental Activities Program Revenues	4,156,964	4,701,835	4,932,074	2,985,189
Business-Type Activities				
Charges for Services				
Water and Sewer	2,730,501	2,921,063	4,922,086	5,005,316
Operating Grants and Contributions	-	-	-	-
Capital Grants and Contributions	-	-	60,000	-
Total Business-Type Activities Program Revenues	2,730,501	2,921,063	4,982,086	5,005,316
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 6,887,465</b>	<b>\$ 7,622,898</b>	<b>\$ 9,914,160</b>	<b>\$ 7,990,505</b>
<b>NET REVENUE (EXPENSES)</b>				
Governmental Activities	\$ (10,013,659)	\$ (10,210,279)	\$ (10,200,825)	\$ (12,469,249)
Business-Type Activities	(321,183)	(289,781)	23,308	(405,845)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSES)</b>	<b>\$ (10,334,842)</b>	<b>\$ (10,500,060)</b>	<b>\$ (10,177,517)</b>	<b>\$ (12,875,094)</b>

2011	2012	2013	2014	2015	2016
\$ 2,243,335	\$ 2,321,017	\$ 3,303,980	\$ 2,117,829	\$ 2,368,964	\$ 2,560,541
10,225,622	10,000,780	10,030,144	9,570,853	10,422,325	11,664,678
2,818,288	3,170,591	2,315,612	4,674,296	4,362,860	5,089,156
188,772	186,623	348,228	311,993	331,036	450,430
15,476,017	15,679,011	15,997,964	16,674,971	17,485,185	19,764,805
5,855,690	4,866,286	5,570,540	5,985,449	6,522,563	6,816,129
5,855,690	4,866,286	5,570,540	5,985,449	6,522,563	6,816,129
\$ 21,331,707	\$ 20,545,297	\$ 21,568,504	\$ 22,660,420	\$ 24,007,748	\$ 26,580,934
\$ 845,037	\$ 1,053,503	\$ 1,270,038	\$ 1,393,545	\$ 1,990,955	\$ 2,130,993
1,173,519	926,556	970,056	1,020,548	1,015,341	1,222,136
427,211	412,398	400,653	394,466	370,982	428,128
619,870	585,489	427,034	913,289	698,316	572,090
418,374	486,155	75,491	310,320	206,791	5,191
3,484,011	3,464,101	3,143,272	4,032,168	4,282,385	4,358,538
5,200,548	5,552,156	6,173,333	6,047,268	6,075,978	6,551,240
9,169	-	-	-	-	-
-	-	-	-	-	-
5,209,717	5,552,156	6,173,333	6,047,268	6,075,978	6,551,240
\$ 8,693,728	\$ 9,016,257	\$ 9,316,605	\$ 10,079,436	\$ 10,358,363	\$ 10,909,778
\$ (11,992,006)	\$ (12,214,910)	\$ (12,854,692)	\$ (12,642,803)	\$ (13,202,800)	\$ (15,406,267)
(645,973)	685,870	602,793	61,819	(446,585)	(264,889)
\$ (12,637,979)	\$ (11,529,040)	\$ (12,251,899)	\$ (12,580,984)	\$ (13,649,385)	\$ (15,671,156)

**VILLAGE OF WESTCHESTER, ILLINOIS**

**CHANGE IN NET POSITION (Continued)**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL REVENUES AND OTHER</b>				
<b>CHANGES IN NET ASSETS</b>				
Governmental Activities				
Taxes				
Property	\$ 4,831,883	\$ 5,241,736	\$ 5,374,147	\$ 5,831,140
Sales and Use	1,116,648	1,348,330	1,298,967	1,105,099
Income	1,417,985	1,549,042	1,532,916	1,336,226
Telecommunications	1,045,265	1,123,987	1,088,078	1,110,277
Utility	946,097	1,043,185	976,302	868,953
Places for Eating	122,097	201,391	185,366	164,413
Hotel/Motel Tax	146,930	154,767	124,607	112,206
Other	135,166	66,722	35,116	53,192
Investment Earnings	237,923	255,427	138,719	55,219
State Shared Income	-	-	-	-
Transfers	-	-	(750,000)	-
Miscellaneous	231,351	271,689	228,160	296,711
Total Governmental Activities	10,231,345	11,256,276	10,232,378	10,933,436
Business-Type Activities				
Investment Earnings	42,761	42,703	31,824	15,862
Transfers	-	-	750,000	-
Miscellaneous	-	-	-	9,000
Total Business-Type Activities	42,761	42,703	781,824	24,862
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 10,274,106</b>	<b>\$ 11,298,979</b>	<b>\$ 11,014,202</b>	<b>\$ 10,958,298</b>
<b>CHANGE IN NET POSITION</b>				
Governmental Activities	\$ 217,686	\$ 1,045,997	\$ 31,553	\$ (1,535,813)
Business-Type Activities	(278,422)	(247,078)	805,132	(380,983)
<b>TOTAL PRIMARY GOVERNMENT</b>				
<b>CHANGE IN NET POSITION</b>	<b>\$ (60,736)</b>	<b>\$ 798,919</b>	<b>\$ 836,685</b>	<b>\$ (1,916,796)</b>

Data Source

Audited Financial Statements

GASB Statement Number 68 was implemented in 2016.

	2011	2012	2013	2014	2015	2016
\$	5,417,410	\$ 5,809,700	\$ 5,786,028	\$ 6,023,480	\$ 6,037,619	\$ 6,149,145
	976,165	1,225,610	1,391,445	1,903,597	2,067,455	1,657,523
	1,311,711	1,318,224	1,551,311	1,629,105	1,662,052	-
	1,010,038	892,456	791,670	800,847	753,774	725,182
	896,838	807,207	817,669	898,340	825,878	713,829
	180,099	177,494	188,328	205,276	219,711	254,221
	119,904	143,876	108,924	98,713	126,863	132,104
	62,040	611,343	718,024	651,454	567,746	661,172
	42,198	14,388	7,990	6,739	9,498	9,031
	-	-	-	-	-	2,738,373
	-	-	(12,723)	-	-	-
	309,605	67,501	63,975	108,408	356,812	222,125
	10,326,008	11,067,799	11,412,641	12,325,959	12,627,408	13,262,705
	15,873	2,553	1,042	795	571	-
	-	-	12,723	-	-	-
	-	-	-	-	-	-
	15,873	2,553	13,765	795	571	-
\$	10,341,881	\$ 11,070,352	\$ 11,426,406	\$ 12,326,754	\$ 12,627,979	\$ 13,262,705
\$	(1,665,998)	\$ (1,147,111)	\$ (1,442,051)	\$ (316,844)	\$ (575,392)	\$ (2,143,562)
	(630,100)	688,423	616,558	62,614	(446,014)	(264,889)
\$	(2,296,098)	\$ (458,688)	\$ (825,493)	\$ (254,230)	\$ (1,021,406)	\$ (2,408,451)

# VILLAGE OF WESTCHESTER, ILLINOIS

## FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
<b>GENERAL FUND</b>				
Reserved	\$ 198,115	\$ 360,994	\$ 468,986	\$ 746,554
Unreserved	3,571,766	5,678,638	5,294,385	5,219,256
Nonspendable - Prepaid Items	-	-	-	-
Restricted for Public Safety	-	-	-	-
Unrestricted				
Assigned - Capital Projects	-	-	-	-
Assigned - Subsequent Budget	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<u>\$ 3,769,881</u>	<u>\$ 6,039,632</u>	<u>\$ 5,763,371</u>	<u>\$ 5,965,810</u>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Reserved	\$ 863,192	\$ 1,080,659	\$ 445,605	\$ 484,697
Unreserved, Reported In				
Special Revenue Funds	967,704	-	-	(104,458)
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	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<u>\$ 1,830,896</u>	<u>\$ 1,080,459</u>	<u>\$ 445,405</u>	<u>\$ 380,239</u>

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

### Data Source

Audited Financial Statements

2011	2012*	2013	2014	2015	2016
\$ 326,144	\$ -	\$ -	\$ -	\$ -	\$ -
4,601,465	-	-	-	-	-
-	302,937	313,646	367,165	300,437	320,974
-	-	-	-	-	25,485
-	-	-	-	699,207	-
-	642,838	48,471	813,818	411,566	141,861
-	3,438,312	4,463,875	4,027,660	3,301,723	3,658,615
\$ 4,927,609	\$ 4,384,087	\$ 4,825,992	\$ 5,208,643	\$ 4,712,933	\$ 4,146,935
\$ 1,562,550	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,750	5,064	-	-
-	-	169,309	867,119	-	497,279
-	417,487	302,081	201,191	144,282	112,045
-	95,112	76,356	87,936	100,015	156,404
-	544,886	385,288	72,595	123,729	169,497
-	-	4,453,051	1,498,833	222,331	1,051,340
-	-	119,537	38	89	89
\$ 1,562,550	\$ 1,057,485	\$ 5,507,372	\$ 2,732,776	\$ 590,446	\$ 1,986,654

**VILLAGE OF WESTCHESTER, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2007</b>	<b>2008</b>	<b>2009 (1)</b>	<b>2010</b>
<b>REVENUES</b>				
Real Estate Taxes	\$ 4,719,577	\$ 5,117,943	\$ 5,265,623	\$ 5,741,031
Other Local Taxes	2,356,995	2,546,640	2,365,346	2,423,621
Licenses and Permits	994,272	1,084,121	887,044	912,776
Intergovernmental	3,587,762	3,981,100	4,094,819	3,190,481
Charges for Services	1,673,396	2,089,529	490,503	467,366
Investment Income	237,923	255,427	138,719	55,219
Fines and Forfeits	374,221	456,619	444,320	774,464
Reimbursements	-	-	-	-
Miscellaneous	362,959	233,710	260,235	183,436
Rental Income	162,601	165,022	167,563	170,231
<b>Total Revenues</b>	<b>14,469,706</b>	<b>15,930,111</b>	<b>14,114,172</b>	<b>13,918,625</b>
<b>EXPENDITURES</b>				
General Government	2,965,342	1,331,339	1,180,578	1,452,466
Legal Department	116,875	181,870	206,404	334,692
CATS	79,340	14,506	-	-
Community Development Department	242,282	385,613	396,671	517,469
Planning and Zoning	-	-	-	-
Elections Department	248	-	-	43
Fire and Police Commission	13,432	25,837	11,307	22,237
Tourism	68,383	65,263	154,691	163,295
Police 911	517,536	820,672	889,859	870,231
Police Department	3,676,652	4,509,046	4,751,912	4,839,326
Civil Defense	4,877	3,124	977	4,761
Fire Department	2,616,972	3,238,011	3,720,002	3,375,500
Street Lighting	11,314	132,278	208,981	165,584
Public Works	392,443	824,553	827,375	885,195
Streets	1,108,871	1,183,584	1,962,917	1,371,597
Sanitation	1,281,605	1,463,002	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	214,277	210,734	207,455	280,734
Interest and Fiscal Charges	29,605	31,041	24,408	23,179
Bond Issuance Costs	-	-	-	-
<b>Total Expenditures</b>	<b>13,340,054</b>	<b>14,420,473</b>	<b>14,543,537</b>	<b>14,306,309</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,129,652</b>	<b>1,509,638</b>	<b>(429,365)</b>	<b>(387,684)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	500,000	978,138	81,193	113
Transfers (Out)	(500,000)	(978,138)	(831,193)	(113)
Sale of Capital Assets	8,170	9,676	56,025	8,050
Bonds Issued	-	-	-	-
Premium on Bonds Issued	-	-	-	-
Proceeds from Capital Leases	-	-	212,025	145,907
Proceeds from Installment Contracts	-	-	-	220,000
<b>Total Other Financing Sources (Uses)</b>	<b>8,170</b>	<b>9,676</b>	<b>(481,950)</b>	<b>373,957</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 1,137,822</b>	<b>\$ 1,519,314</b>	<b>\$ (911,315)</b>	<b>\$ (13,727)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>				
	1.92%	1.78%	1.76%	2.23%

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

[Data Source](#)

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	5,321,112	\$ 5,711,343	\$ 5,702,949	\$ 5,928,406	\$ 6,037,619	\$ 6,149,145
	2,447,970	2,509,129	2,425,860	2,527,755	2,493,971	3,190,461
	838,792	964,003	1,129,173	1,208,708	1,232,950	1,360,371
	3,470,405	3,843,358	3,673,393	4,998,261	4,757,918	5,176,019
	467,185	470,790	600,508	616,737	555,568	687,823
	42,198	14,388	7,990	6,739	9,498	9,031
	701,869	533,889	444,882	493,238	518,261	655,215
	-	6,000	46,464	11,743	6,625	6,030
	271,126	303,026	358,354	376,134	350,187	216,092
	173,032	175,974	179,063	190,406	194,608	171,057
	13,733,689	14,531,900	14,568,636	16,358,127	16,157,205	17,621,244
	1,358,597	1,661,707	1,460,251	1,510,102	1,620,697	1,970,697
	258,977	-	-	-	-	-
	-	-	-	-	-	-
	466,905	477,844	378,933	558,832	514,857	492,778
	-	-	-	1,063	1,160	3,016
	-	-	-	-	-	-
	26,566	31,835	15,446	23,639	22,950	16,444
	124,978	145,190	172,394	95,562	126,473	81,745
	954,713	960,875	1,024,642	1,209,638	309,009	266,095
	4,775,711	5,012,019	4,737,936	5,047,229	5,260,068	5,427,483
	358,818	6,428	71,643	6,281	3,986	4,109
	4,152,250	3,855,189	3,876,174	3,913,548	4,286,298	4,731,571
	151,927	-	-	-	-	-
	786,863	2,974,258	2,166,103	5,152,267	5,983,608	3,686,698
	3,497,240	-	-	-	-	-
	-	-	-	-	-	-
	-	-	1,224,386	1,430,872	452,499	1,207,788
	292,090	398,318	276,931	620,361	666,321	663,975
	216,810	191,068	185,934	324,676	343,748	457,646
	-	-	153,062	-	-	-
	17,422,445	15,714,731	15,743,835	19,894,070	19,591,674	19,010,045
	(3,688,756)	(1,182,831)	(1,175,199)	(3,535,943)	(3,434,469)	(1,388,801)
	-	-	1,183,512	-	-	444,832
	-	-	(1,196,235)	-	-	(444,832)
	22,695	16,714	-	-	-	-
	3,500,000	-	5,800,000	-	-	2,200,000
	28,431	-	157,138	-	-	19,011
	-	-	-	-	-	-
	380,000	117,530	122,576	1,143,998	94,707	-
	3,931,126	134,244	6,066,991	1,143,998	94,707	2,219,011
\$	242,370	\$ (1,048,587)	\$ 4,891,792	\$ (2,391,945)	\$ (3,339,762)	\$ 830,210
	3.63%	4.04%	3.21%	6.11%	6.39%	6.32%



**VILLAGE OF WESTCHESTER, ILLINOIS**

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Railroad Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
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%
2015	N/A	N/A	N/A	N/A	435,054,105	1.438	1,305,162,315	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

<b>Tax Levy Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Suburban TB Sanitarium	0.005	0.005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.012	0.012	0.012	0.011	0.011	0.014	0.015	0.016	0.016	0.017
Water Reclamation District	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426
Westchester Park District	0.279	0.318	0.219	0.257	0.264	0.315	0.357	0.381	0.406	0.422
Triton College District #504	0.240	0.224	0.212	0.214	0.225	0.267	0.269	0.325	0.336	0.352
High School District #209	1.878	1.839	1.752	1.759	1.813	2.263	2.518	2.722	2.913	3.060
School District #93	1.525	1.486	1.433	1.567	1.643	1.980	2.230	2.401	2.543	2.695
Westchester Library Fund	0.180	0.173	0.164	0.164	0.166	0.206	0.234	0.252	0.270	0.282
Village of Westchester	0.922	0.894	0.848	0.843	0.849	1.052	1.194	1.285	1.377	1.438
Proviso Mental Health District	0.115	0.117	0.113	0.113	0.117	0.145	0.150	0.150	0.150	0.150
Proviso General Assistance	0.036	0.034	0.033	0.033	0.031	0.038	0.045	0.052	0.053	0.057
Town of Proviso	0.062	0.059	0.057	0.057	0.062	0.081	0.095	0.110	0.106	0.115
Forest Preserve District	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069
Consolidated Elections	-	0.012	-	0.021	-	0.025	-	0.031	-	0.034
County of Cook	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552
<b>TOTAL</b>	<b>6.095</b>	<b>5.935</b>	<b>5.561</b>	<b>5.743</b>	<b>5.929</b>	<b>7.226</b>	<b>8.071</b>	<b>8.771</b>	<b>9.237</b>	<b>9.669</b>

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

<b>Tax Levy Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Suburban TB Sanitarium	0.005	0.005	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Des Plaines Valley Mosquito District	0.012	0.012	0.012	0.011	0.011	0.014	0.015	0.016	0.016	0.017
Water Reclamation District	0.284	0.263	0.252	0.261	0.274	0.320	0.370	0.417	0.430	0.426
Westchester Park District	0.279	0.318	0.219	0.257	0.264	0.315	0.357	0.381	0.406	0.422
Triton College District #504	0.240	0.224	0.212	0.214	0.225	0.267	0.269	0.325	0.336	0.352
High School District #209	1.878	1.839	1.752	1.759	1.813	2.263	2.518	2.722	2.913	3.060
School District #92.5	2.317	2.230	2.116	2.044	2.048	2.536	2.844	3.073	3.626	3.815
Westchester Library Fund	0.180	0.173	0.164	0.164	0.166	0.206	0.234	0.252	0.270	0.282
Village of Westchester	0.922	0.894	0.848	0.843	0.849	1.052	1.194	1.285	1.377	1.438
Proviso Mental Health District	0.115	0.117	0.113	0.113	0.117	0.145	0.150	0.150	0.150	0.150
Proviso General Assistance	0.036	0.034	0.033	0.033	0.031	0.038	0.045	0.052	0.053	0.057
Town of Proviso	0.062	0.059	0.057	0.057	0.062	0.081	0.095	0.110	0.106	0.115
Forest Preserve District	0.057	0.053	0.051	0.049	0.051	0.058	0.063	0.069	0.069	0.069
Consolidated Elections	-	0.012	-	0.021	-	0.025	-	0.031	-	0.034
County of Cook	0.500	0.446	0.415	0.394	0.423	0.462	0.531	0.560	0.568	0.552
<b>TOTAL</b>	<b>6.887</b>	<b>6.679</b>	<b>6.244</b>	<b>6.220</b>	<b>6.334</b>	<b>7.782</b>	<b>8.685</b>	<b>9.443</b>	<b>10.320</b>	<b>10.789</b>

N/A - data not available

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

Data Source

Cook County Clerk's Office

# VILLAGE OF WESTCHESTER, ILLINOIS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Ten Years Ago

Taxpayer	2016			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	\$ 56,043,618	1	12.88%	Westbrook Center	\$ 31,344,585	1	5.71%
Regency Centers	6,507,425	2	1.50%	Regency Centers	3,775,003	2	0.69%
Marc Realty	3,757,104	3	0.86%	Marc Realty	2,542,852	3	0.46%
GAMA LP Suite 4502	3,345,173	4	0.77%	Prime Group Realty	1,965,178	4	0.36%
Mariner Health Care	3,256,221	5	0.75%	Mariner Health Care	1,504,798	5	0.27%
Vinayakahos Westchester	2,619,106	6	0.60%	Inkeepers Westchester	1,499,999	6	0.27%
Westchester I Med Prop	2,076,226	7	0.48%	WiFi 2400 LLC	1,181,895	7	0.22%
Catholic Cemeteries	2,023,019	8	0.47%	Westchester Partners	849,539	8	0.15%
J Cacciatore Co	1,956,477	9	0.45%	Albertsons	831,991	9	0.15%
Albertsons	1,635,081	10	0.38%	Pension Fund Laborers Union	829,033	10	0.15%
<b>TOTAL</b>	<b>\$ 83,219,450</b>		<b>19.13%</b>		<b>\$ 46,324,874</b>		<b>8.43%</b>

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.

\* Information from 2007 was not available.

### Data Source

Office of the County Clerk

# VILLAGE OF WESTCHESTER, ILLINOIS

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 4,955,410	\$ 4,474,900	90.30%	N/A	\$ 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%	2,830,082	5,831,487	97.67%
2014	6,074,551	3,169,135	51.03%	2,896,951	6,066,086	99.86%
2015	6,256,078	3,213,877	51.37%	-	3,213,877	51.37%

N/A - Information not available

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

### Data Source

Office of the County Clerk

**VILLAGE OF WESTCHESTER, ILLINOIS**

**SALES TAX BY CATEGORY**

Last Ten Calendar Years

<b>Calendar Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General Merchandise	\$ 319	\$ 138	\$ -	\$ 152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	369,357	381,063	370,606	344,437	319,334	298,779	291,285	287,509	254,811	573,311
Drinking and Eating Places	200,753	196,087	185,900	174,563	168,451	169,668	172,243	191,567	201,270	204,528
Apparel	1,567	1,469	-	949	-	-	-	594	-	-
Furniture, H.H. and Radio	3,929	1,492	2,034	1,562	2,307	1,069	3,057	1,778	1,227	8,463
Lumber and Building Hardware	4,543	3,945	10,530	16,662	11,366	1,587	333	-	1,288	6,890
Automobile and Filling Stations	90,879	82,662	78,224	65,853	73,577	77,133	79,159	81,082	93,732	86,174
Drugs and Miscellaneous Retail	163,121	185,935	164,082	142,019	307,783	347,371	311,225	362,657	341,223	338,733
Agriculture and All Others	153,810	196,479	272,991	156,587	72,868	70,588	85,720	48,700	52,288	13,052
Manufacturers	1,552	10,887	16,989	8,671	10,163	6,789	8,711	7,299	13,920	12,371
<b>TOTAL</b>	<b>\$ 989,831</b>	<b>\$ 1,060,157</b>	<b>\$ 1,101,356</b>	<b>\$ 911,455</b>	<b>\$ 965,848</b>	<b>\$ 972,984</b>	<b>\$ 951,732</b>	<b>\$ 981,187</b>	<b>\$ 959,759</b>	<b>\$ 1,243,522</b>
<b>VILLAGE DIRECT SALES</b>										
<b>TAX RATE</b>	7.75%	8.00%	8.00%	9.00%	8.50%	8.25%	8.25%	8.25%	8.25%	8.25%

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

Data Source

Illinois Department of Revenue

# VILLAGE OF WESTCHESTER, ILLINOIS

## DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Fiscal Years

Fiscal Year	Overlapping Rate		State Rate
	Regional Transportation Authority Rate	Cook County Rate	
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%
2016	1.00%	2.75%	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					
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	
2016	2,850,612	7,745,973	-	728,157	-	865,000	-	1,263,852	1,359,518	14,813,112	435,054,105	3.40%	886.06	

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

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

Data Sources

Office of the County Clerk  
U.S. Census Bureau



# VILLAGE OF WESTCHESTER, ILLINOIS

## SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

April 30, 2016

	<b>Gross Debt (1)</b>	<b>Percentage of Debt Applicable to the Village (2)</b>	<b>Village's Share of Debt</b>
<b>DIRECT DEBT</b>			
Village of Westchester	\$ 11,324,742	100.00%	\$ 11,324,742
<b>OVERLAPPING DEBT</b>			
Cook County	3,362,051,750	0.33%	11,094,771
Cook County Forest Preserve District	116,060,000	0.33%	382,998
Metropolitan Water Reclamation District	2,629,938,991	0.33%	8,678,799 (3)
Westchester Park District	528,000	98.26%	518,813 (4)
School District #92.5	11,670,000	93.74%	10,939,458
School District #93	2,275,000	44.57%	1,013,968
High School #209	41,399,219	21.57%	8,929,812
Total Overlapping Debt	6,163,922,960		41,558,619
<b>TOTAL</b>	<u>\$ 6,175,247,702</u>		<u>\$ 52,883,361</u>

Notes (1) Office of the Cook County Clerk. Certain Gross Bonded Debt amounts as of April 30, 2016 could not be obtained as of the date of printing. In these instances, April 30, 2015 amounts are shown.

(2) Overlapping debt percentages based on 2015 EAV, as of April 30, 2016, for Cook County.

(3) Includes Revolving Loan Fund Bonds Issued with the IEPA.

(4) Excludes outstanding principal amounts of General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation.

# VILLAGE OF WESTCHESTER, ILLINOIS

## LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Legal Debt Limit</b>	<b>Total Net Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>	<b>Total Net Debt Applicable to the Limit as a Percentage of of Debt Limit</b>
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	37,523,416	1,143,953	36,379,463	3.05%
2016	37,523,416	2,087,675	35,435,741	5.56%

### Legal Debt Margin Calculation for Fiscal Year 2016

Assessed Value	\$ 435,054,105
Legal Debt Margin	<u>8.625%</u>
Legal Debt Limit	37,523,416
Debt Applicable to Limit	
Installment contracts	<u>2,087,675</u>
<b>LEGAL DEBT MARGIN</b>	<u><u>\$ 35,435,741</u></u>

# VILLAGE OF WESTCHESTER, ILLINOIS

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less Amounts Available In Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita</b>
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	-	10,267,238	0.71%	614.14
2015	9,812,960	-	9,812,960	0.71%	586.97
2016	11,461,585	-	11,461,585	0.88%	685.58

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

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

### Data Source

U.S. Census Bureau

# VILLAGE OF WESTCHESTER, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

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<b>Calendar Year</b>	<b>Population</b>	<b>Median Family Income</b>	<b>Family Income Per Capita</b>	<b>Unemployment Rate</b>
2015	16,718	\$ 71,479	\$ 4.28	6.4%
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%

### Data Sources

U.S. Census Bureau

Unemployment Rate:

Illinois Department of Employment Security  
Economic Information and Analysis

# VILLAGE OF WESTCHESTER, ILLINOIS

## PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior

Employer	2016		Employer	2007	
	Rank	Employees as a % of Village Population		Rank	Employees as a % of Village Population
G4S Secure Solutions (USA), Inc.	1	5.67%	Corn Products International	1	3.59%
Ingredion Inc.	2	3.59%	Grove, Inc.	2	1.65%
Follett Corporation	3	2.99%	Nonni's Food Company, Inc.	3	1.50%
Sogeti USA, LLC.	4	2.54%	SAP America, Inc.	4	1.50%
Mariano's Westchester	5	2.39%	Jewel Food Stores, Inc.	5	1.26%
Sterling Engineering, Inc./Sterling Staffing	6	1.91%	Fresenius Medical Care	6	1.02%
Jewel-Osco of Westchester	7	1.50%	Andrew Corportation	7	0.90%
Westchester School District 92.5	8	1.05%	Revenue Cycle Solutions, Inc.	8	0.87%
CVM Solutions	9	0.93%	Software Architects, Inc.	9	0.84%
Chicago Laborers' Pension & Welfare Fund	10	0.90%	Loyola University Physician Foundation	10	0.84%
Insurance Auto Auctions, Inc.	10	0.90%			
<b>TOTAL</b>		<b>24.37%</b>	<b>TOTAL</b>		<b>13.97%</b>
Total Population		16,718	Total Population		16,714

### Data Sources

2016 Illinois Services Directory, 2016 Illinois Manufacturers Directory and a selective telephone survey

**VILLAGE OF WESTCHESTER, ILLINOIS**

**FULL-TIME EMPLOYEES**

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
<b>GENERAL GOVERNMENT</b>										
Village Manager's Office	2	2	2	3	3	2	2	2	2	2
Finance	5	5	5	3	2	2	4	4	4	4
Building/Code Enforcement	4	4	4	4	4	4	3	3	2	2
<b>PUBLIC SAFETY</b>										
Police										
Officers	35	35	35	36	35	33	31	31	30	30
Administration/Civilians	13	13	13	11	8	10	12	12	12	12
Fire										
Firefighters and Officers	27	27	27	28	29	29	27	27	27	27
Administration/Civilians	1	1	1	-	-	-	-	-	-	-
<b>PUBLIC WORKS</b>										
Administration	4	4	4	4	3	2	4	3	3	3
Works and Street Maintenance	8	8	8	8	6	9	9	9	9	9
Water/Sewer Operations	9	9	9	9	9	8	8	8	8	8
<b>TOTAL</b>	<b>108</b>	<b>108</b>	<b>108</b>	<b>106</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>99</b>	<b>97</b>	<b>97</b>

Data Source

Village records

# VILLAGE OF WESTCHESTER, ILLINOIS

## OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>PUBLIC SAFETY</b>										
Police										
Total Accidents	510	578	572	376	443	361	399	577	517	607
Total Burglaries	116	129	116	139	83	104	95	50	69	37
Total Thefts	133	174	218	144	160	192	144	149	118	158
Total Criminal Damage	154	212	142	111	115	63	87	62	56	100
Total Arrests and Citations	10,654	10,089	8,190	8,313	7,553	9,555	5,762	5,209	3,572	3,229
Total Juvenile Cases	162	217	210	183	200	169	145	85	35	37
Fire										
Ambulance calls	1,707	1,491	1,777	1,554	1,716	1,720	1,709	1,823	1,881	2,069
Fire Alarms	62	73	40	87	46	51	49	46	47	54
Nonfire Alarms	672	721	833	710	855	631	709	842	933	998
Fire Prevention Inspections	212	875	587	621	312	502	829	414	434	836
<b>PUBLIC WORKS</b>										
Parkway Maintenance (Hours)	1,119	1,084	683	1,126	1,217	1,152	1,096	1,448	2,064	2,488
Branch Pick-Up (Hours)	3,642	979	1,188	948	1,277	1,780	1,610	1,168	912	1,008
Tree Maintenance (Hours)	2,609	887	875	1,296	1,152	2,424	2,696	2,340	4,056	5,224
Street and Alley Maintenance (Hours)	2,241	3,503	3,313	5,127	5,362	5,672	7,420	7,624	6,944	7,114
Snow Removal and Salt Spreading (Hours)	950	2,384	1,432	912	1,521	431	834	3,196	1,471	557
<b>WATER/SEWER</b>										
Sanitary Sewers										
Manholes Inspected	897	664	901	46	482	144	121	42	130	73
Manholes Cleaned and Repaired - Vacuumed	23	11	79	7	23	15	1	6	61	2
Total Feet Replaced	-	6	20	-	-	2,500	1,500	5,355	946	15
Storm Sewers										
Manholes Repaired	3	10	-	6	-	10	1	3	20	1
Total Rodded (Feet)	104,000	21,200	47,500	39,300	10,875	12,650	3,645	1,890	4,960	2,295
Total Replaced/Installed (Feet)	44	115	-	680	-	15	20	151	3,309	151
Catch Basins Cleaned and Repaired	34	17	48	47	285	239	72	157	312	324
Inlets Cleaned and Repaired	725	296	1,603	155	549	427	229	1,496	2,292	221
Jetting Sewer System (Feet)	271,300	117,400	196,200	51,800	19,275	15,150	4,770	7,245	21,442	4,915
Water Main Breaks	72	45	29	30	39	25	40	41	34	36
Fire Hydrants Replaced	7	9	2	-	3	1	4	3	7	7
Water Meters Replaced	342	147	23	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>BUILDING DEPARTMENT</b>										
Residential Alteration Permits Issued	249	266	174	131	102	109	81	139	91	166
Commercial Alteration Permits Issued	139	193	152	186	161	167	163	52	29	32
Electrical Permits Issued - Residential	182	179	163	128	112	83	79	82	77	59
Plumbing Permits Issued - Residential	153	154	202	131	132	46	98	155	173	155
Compliance for Sale										
Residential	687	521	353	425	364	587	721	412	652	657
Commercial	3	7	2	3	2	3	4	2	8	7
Industry	1	1	-	-	-	-	2	2	-	1
Code Enforcement										
Warning Notices Issued	424	444	428	367	182	232	154	193	149	69
Citations Issued	139	113	62	111	63	31	41	89	20	55

N/A - Not available

Data Source

Various Village departments



# VILLAGE OF WESTCHESTER, ILLINOIS

## CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>PUBLIC SAFETY</b>										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Area Patrols	5	5	5	5	5	5	5	5	5	5
Patrol Units	9	9	9	9	9	9	9	9	9	9
Fire										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Engines	4	4	4	4	4	4	4	4	4	4
Ambulance	1	1	1	2	2	2	2	2	2	2
<b>HIGHWAY AND STREETS</b>										
Streets (Miles)	49	49	49	49	49	49	49	49	49	49
<b>WATERWORKS</b>										
Water Mains (Miles)	65	65	65	65	65	65	65	68	65	65
Fire Hydrants	783	783	783	783	870	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
<b>SEWERAGE</b>										
Sanitary Sewers (Miles)	54	54	54	54	54	54	54	54	54	54

### Data Source

Various Village departments