

VILLAGE OF WINNETKA, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
MARCH 31, 2012**

VILLAGE OF WINNETKA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MARCH 31, 2012

Prepared by:
Finance Department

VILLAGE OF WINNETKA, ILLINOIS

TABLE OF CONTENTS

PAGE

INTRODUCTORY SECTION

List of Principal Officialsi
Organization Chart..... ii
Letter of Transmittal iii - ix
GFOA Certificate of Achievement for Excellence in Financial Reporting.....x

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT 1 - 2

MANAGEMENT'S DISCUSSION AND ANALYSISMD&A 1 - 10

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements
Statement of Net Assets 3 - 4
Statement of Activities 5 - 6

Fund Financial Statements
Balance Sheet – Governmental Funds7
Reconciliation of Total Governmental Fund Balance to the
Statement of Net Assets – Governmental Activities8
Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds9
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances to the Statement of Activities – Governmental Activities10
Statement of Net Assets – Proprietary Fund.....11
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds..... 12 - 13
Statement of Cash Flows – Proprietary Funds 14 - 15
Statement of Net Assets – Fiduciary Funds.....16
Statement of Changes in Net Assets – Fiduciary Funds.....17

Notes to the Financial Statements..... 18 - 55

REQUIRED SUPPLEMENTARY INFORMATION

Illinois Municipal Retirement Fund – Schedule of Funding Progress and Employer Contributions56
Police Pension Fund – Schedule of Funding Progress and Employer Contributions.....57
Firefighters' Pension Fund – Schedule of Funding Progress and Employer Contributions.....58
Other Post-Employment Benefit Plan – Schedule of Funding Progress and Employer Contributions.....59
General Fund – Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual60

VILLAGE OF WINNETKA, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

OTHER SUPPLEMENTARY INFORMATION

General Fund – Schedule of Revenues – Budget and Actual.....	61 - 62
General Fund – Schedule of Expenditures – Budget and Actual	63 - 64
General Fund – Schedule of Detailed Expenditures – Budget and Actual	65 - 73
Village Facilities – Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	74
Nonmajor Governmental Funds – Combining Balance Sheet	75 - 76
Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....	77 - 78
Motor Fuel Tax – Special Revenue Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	79
General Obligation – Debt Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	80
Downtown Redevelopment – Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	81
Special Service Areas – Capital Projects Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	82
Electric – Enterprise Fund – Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual	83
Water – Enterprise Fund – Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual	84
Refuse – Enterprise Fund – Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual	85
Sewer – Enterprise Fund – Schedule of Revenues, Expenses and Changes in Net Assets – Budget and Actual	86
Combining Statement of Net Assets – Internal Service Funds	87 - 88
Combining Statement of Changes in Assets and Liabilities – Internal Service Funds	89 - 90
Combining Statement of Cash Flows – Internal Service Funds.....	91 - 92
Data Processing – Internal Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	93
Workers’ Compensation Insurance – Internal Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	94
Health Insurance – Internal Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	95
Liability Insurance – Internal Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	96
Fleet – Internal Service Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.....	97

VILLAGE OF WINNETKA, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION – Continued

OTHER SUPPLEMENTARY INFORMATION – Continued

Combining Statement of Net Plan Assets – Pension Trust Funds.....	98
Combining Statement of Changes in Net Plan Assets – Pension Trust Funds.....	99
Police Pension Fund – Pension Trust Fund – Schedule of Changes in Net Plan Assets – Budget and Actual	100
Firefighters’ Pension Fund – Pension Trust Fund – Schedule of Changes in Net Plan Assets – Budget and Actual	101

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements	
General Obligation Limited Bonds of 1999	102
General Obligation (Alternate Revenue) Refunding Bonds of 2003.....	103

STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Ten Fiscal Years	104 - 105
Changes in Net Assets – Last Ten Fiscal Years	106
Fund Balances of Governmental Funds – Last Ten Fiscal Years.....	107 - 108
General Governmental Revenues by Source – Last Ten Fiscal Years	109 - 110
General Governmental Expenditures by Function – Last Ten Fiscal Years	111 - 112
Changes in Net Assets for Governmental Funds – Last Ten Fiscal Years.....	113 - 114
Assessed Value and Actual Value of Taxable Property – Last Ten Tax Levy Years	115 - 116
Direct and Overlapping Property Tax Rates – Last Ten Tax Levy Years.....	117 - 118
Principal Property Tax Payers – Current Year and Nine Years Ago	119
Property Tax Levies and Collections – Last Ten Fiscal Years	120
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	121
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	122
Schedule of Direct and Overlapping Bonded Debt	123
Schedule of Legal Debt Margin.....	124
Pledged-Revenue Coverage – Last Ten Fiscal Years	125
Demographic and Economic Statistics – Last Ten Fiscal Years	126
Principal Employers – Current Fiscal Year and Nine Fiscal Years Ago.....	127
Full-Time Equivalent Village Employees by Function – Last Ten Fiscal Years	128 - 129
Operating Indicators by Function/Program – Last Ten Fiscal Years	130 - 131
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	132 - 133

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Winnetka including: List of Principal Officials, Organization Chart, Letter of Transmittal from the Finance Director and GFOA Certificate of Achievement for Excellence in Financial Reporting.

VILLAGE OF WINNETKA, ILLINOIS

List of Principal Officials

LEGISLATIVE

Jessica Tucker, Village President

E. Gene Greable, Trustee

Arthur Braun, Trustee

William Johnson, Trustee

Christopher Rintz, Trustee

Richard Kates, Trustee

Jennifer Spinney, Trustee

ADMINISTRATIVE

Robert M. Bahan, Village Manager

Edward F. McKee, Jr., Finance Director

Steven Saunders, Director of Public Works

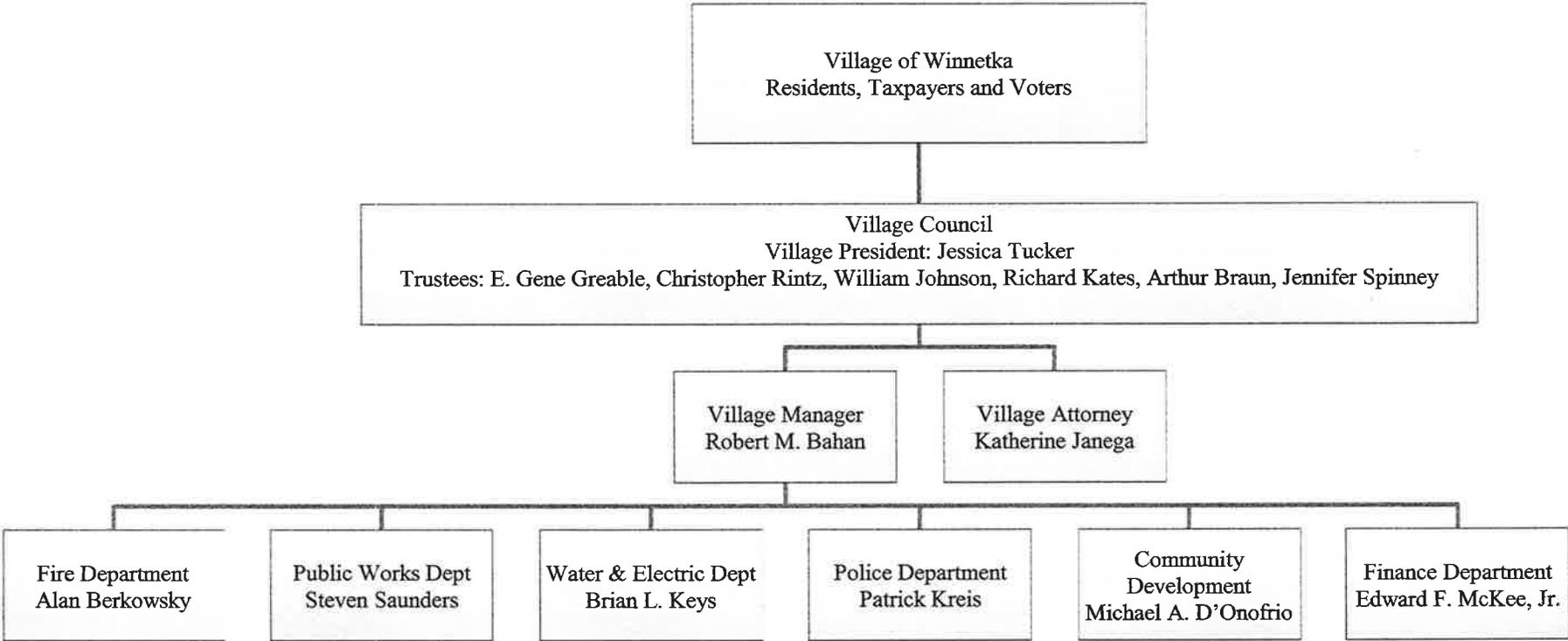
Brian L. Keys, Director of Water & Electric

Alan J. Berkowsky, Fire Chief

Patrick J. Kreis, Chief of Police

Michael A. D'Onofrio, Director of Community Development

Winnetka Village Government





VILLAGE · OF · WINNETKA

Incorporated in 1869

June 12, 2012

**Village President,
Members of the Board of Trustees and
Village Manager
Village of Winnetka
Winnetka, IL 60093**

The Comprehensive Annual Financial Report (CAFR) of the Village of Winnetka, Illinois for the fiscal year ended March 31, 2012 is hereby submitted, as required by State of Illinois Statutes. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including disclosures, is the responsibility of 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 results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The CAFR includes all funds and account groups of the Village and is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the Village's organization chart, and a list of principal officers and officials. The financial section includes the general purpose financial statements; the combining, individual fund financial statements and schedules; and supplementary information, as well as the auditors' opinion on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

Governmental Accounting Standards Board Statement Number 34 requires the Village to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This transmittal letter is designed to complement the MD&A and should be read in conjunction with it. The MD&A immediately follows the independent auditors report.

The Reporting Entity and Its Services

The Village of Winnetka is located seventeen miles north of the City of Chicago on the west shore of Lake Michigan and is primarily a residential community. The Village was incorporated in 1869, prior to the adoption of the first State of Illinois Constitution and thus enjoys Special Charter status with the State of Illinois. In 2005 the Village adopted Home-Rule status that provides additional legislative and revenue raising powers. To date, the Village has not utilized any of these new revenue raising powers.

510 Green Bay Road, Winnetka, Illinois 60093

Administration and Finance (847) 501-6000; Fire (847) 501-6029 Police (847) 501-6034
Public Works (847) 716-3568 Water and Electric (847) 716-3558 www.villageofwinnetka.org

The Village is approximately 3.9 square miles. The 2010 federal census records a Village population of 12,187 persons. There are three commercial business districts within the Village, all located adjacent to three commuter rail stations. The Village is one of the most affluent in the Chicago area, having a per capita income exceeding \$104,440. The Village obtained an Aaa bond rating from Moody's Investors Service in 1989 on General Obligation debt issued. At that time, the Village was only one of three communities having a Aaa bond rating within the State of Illinois based solely upon the merits of the Community. Moody's has reaffirmed this rating on several occasions, most recently in January 2003 when \$3,190,000 of bonds were issued to refinance a portion of the Village's outstanding debt.

The Village provides a full range of general government services including police, fire, refuse collection and disposal, street construction and maintenance, and sanitary and storm sewer systems. In addition, the Village provides water and electric service to Village residents; wholesale water to the Village of Northfield (immediately west of the Village); fire service to the Village of Kenilworth (immediately south of the Village); and both water and fire service to a small unincorporated area south of the Village.

The CAFR also includes the financial activity of the Police and Firefighters' Pension Funds. Separate statutory pension boards control both of these activities.

The Village also participates in three proprietary joint ventures: 1) The Solid Waste Agency of Northern Cook County, 2) The Illinois Municipal Electric Agency, and 3) the High-Level Excess Liability Pool (HELP). Additional disclosures regarding the financial reporting entity and these joint ventures are included in the notes to the financial statements.

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, each of which is considered a separate and distinct accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The accounting records for general governmental operations are maintained on the modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when materials or services are received and the liability incurred. Accounting records for the Village's enterprise funds, internal service funds, and pension trust funds are maintained on the accrual basis of accounting.

Management of the Village is responsible for establishing and maintaining a system of internal accounting controls. These controls are designed to assure that the assets of the Village are safeguarded against any material loss, theft, or misuse. These controls assure that the financial statements are in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurances that control objectives will be met. The concept of reasonable assurances recognizes that (1) the cost of control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgment by Management.

The Budgetary Control System monitors the actual expenditures compared to budget on a monthly basis for the fiscal year. Each department is given the responsibility to maintain expenditures within budgetary guidelines.

Economic Condition and Outlook

The Village of Winnetka is primarily a residential community. The real estate property tax provided 55% of General Fund revenues for 2012. The three business/commercial areas have good occupancy rates but have experienced some weakness in recent years related to the overall economy. Intergovernmental revenues have increased in the current year. Sales tax revenues for 2012 totaled \$1,321,062, a 7.3% or \$90,002 increase from the prior year. Income tax revenue has increased in the current year by 4.7%. Lower interest rates have decreased the investment income in the current year. The Village does maintain sufficient cash balances to buffer unexpected items such as late property tax receipts and to fund non-routine capital expenses.

The Village utilizes a 5 year capital plan to identify and prioritize current and future capital expenses. The Village maintains its infrastructure through routine capital projects paid from current budget revenues. For large projects such as Village facilities and downtown redevelopment, the Village has used cash reserves.

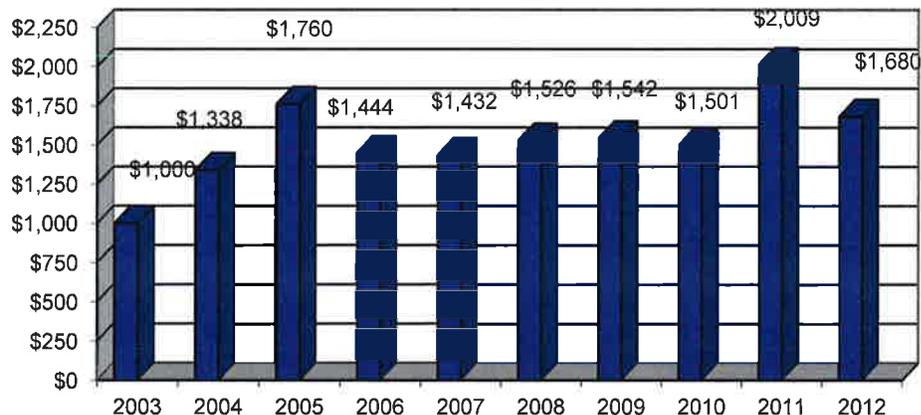
The Village continues to carefully evaluate productivity and changes in service levels to maintain or lower the tax burden on the residents of the Village. The Village, although home rule, continues to operate within non-home rule tax caps. The Village has decreased the number of full time employees over the last several years to control personnel costs. During the budget process the operating fund expenditures were limited in most areas to a 2% increase. Expenditures the Village has limited control in limiting are pensions, health and worker's compensations costs and salt prices. The Village did not budget the use of fund balance to pay for any current operating expenditures.

The Village property taxes account for only 12.58% of the total property tax burden on Winnetka residents, with the schools being the primary taxing agencies. By carefully evaluating services and making revenue increases when necessary, the Village should be able to continue its reputation as an excellent community with a broad range of services at a reasonable cost.

Significant Events

The Village continues to issue a significant number of remodeling and reconstruction permits that increases property values and improves the housing stock. Last year the Village issued two large permits which accounted for about \$350,000 in permit revenues. Although there were no similar permits issued this year, overall permit revenue remained strong. Below is a summary of permit revenues by year, including 2012 receipts of \$1,679,559, down 16.4% or \$329,049 from the prior year.

Permit Revenues by Fiscal Year (in thousands of dollars)



Solid waste disposal is a major concern of all governments. The Village owned landfill was closed on April 1, 1994. The costs for monitoring the Village's closed landfill have been estimated and been recorded as a liability in the refuse utility. The Village along with other Illinois local governments previously formed the Solid Waste Agency of Northern Cook County (SWANCC) to develop a mutual solution to the problem of refuse disposal. A balefill transfer station owned by SWANCC serves member communities.

Fund Balances

The Fund balance for the General Fund declined in 2008 as planned when the Village transferred \$2,500,000 to the Downtown Redevelopment Capital Projects Fund and \$1,500,000 to the Village Facilities Capital Projects Fund. In 2010 \$2,025,000 was transferred back to the General fund from the Downtown Redevelopment Fund increasing the General Fund balance. For 2012, the revenues held up reasonably well despite the weakness in the National economy and expenditures were lower than projected primarily because a few discretionary capital projects were deferred. This increased the General Fund balance an additional \$2,035,992.

General Fund Balances (in millions of dollars)			
Year	Unassigned Fund Balance	Budgeted Expenditures	Undesignated Fund Balance as a Percentage of Budgeted Expenditures
2007	\$18.61	\$19.76	94.2%
2008	\$16.53	\$21.81	75.8%
2009	\$17.91	\$20.98	85.4%
2010	\$21.25	\$22.04	96.4%
2011	\$22.28	\$22.93	97.2%
2012	\$24.30	\$21.53	112.9%

Enterprise Funds

The Village maintains enterprise operations for electric, water, sewer, and refuse services. The Village initiated electric and water service to residents in the early 1900's and currently produces potable water from Lake Michigan, and has the capability to generate electricity locally. In 1991, the Village contracted to purchase wholesale power through the Illinois Municipal Electric Agency and generates only when needed which is more economical and environmentally friendly than generating all power locally.

Electric rate increases have been needed periodically to offset higher wholesale power costs and the effects of inflation. Additionally, the Village usually finances capital improvements on a pay as you go basis which also impacts electric rates. For fiscal 2012 retail electric rates were increased 0.30 cents per kilowatt hour.

The retail water rate was increased 8%, the third of five planned 8% rate increases proposed primarily to fund capital improvements at the water plant on Lake Michigan. Sewer rates were kept the same.

The Village's refuse fund obtains \$1.1 million dollars of non-operating revenue from property taxes and an additional \$550,000 as a transfer from the General Fund. This non-operating revenue allows residents to receive weekly refuse and recycling services without a separate bill for those services.

Comparative operating information for all four utilities for the fiscal year ended March 31, are presented on the following page. The electric rates shown are for residential customers and assume that 50% of the power consumption is at the summer rates.

Utility Operating Results in Thousands of Dollars For 2012 and 2011				
	2012 Budget	2012 Actual	% Change	2011 Actual
Electric				
Rate Per Kwh	\$0.12	\$0.12	-4.2%	\$0.12
Operating Revenues	\$15,655	\$14,571	-2.8%	\$14,998
Operating Expenses	\$14,258	\$13,379	-3.0%	\$13,786
Operating Income	\$1,397	\$1,192		\$1,212
Water				
Rate Per 1,000 Cft.	\$27.57	\$27.57	8.0%	\$25.53
Operating Revenues	\$3,464	\$3,151	-0.4%	\$3,164
Operating Expenses	\$3,037	\$2,941	1.0%	\$2,912
Operating Income	\$427	\$210		\$252
Refuse				
Operating Revenues	\$543	\$615	9.0%	\$564
Operating Expenses	\$2,323	\$2,239	-5.1%	\$2,359
Operating (loss)	(\$1,780)	(1,624)		(1,795)
Sewer				
Rate Per 1,000 Cft.	\$9.44	\$9.44	0.0%	\$9.44
Operating Revenues	\$816	\$731	-6.0%	\$778
Operating Expenses	\$921	\$786	7.7%	\$730
Operating Income	(\$105)	(\$55)		\$48

Electric operating expenses for 2012 decreased 3% due to lower generation cost because unit sales decreased 6.7%. Expenses were also 6% less than budget.

Water revenue decreased slightly, 0.4% from the prior year. Unit sales decreased 5.6% but the rate increased 8%. In terms of expenses, many of the Village's costs in supplying water are fixed in the short term. Revenues were 91% of budget while expenses were 96% of budget.

Refuse revenues and expenses were largely in line with the budget and there are no noteworthy variances from the budget.

Sewer revenues are generated by a charge assessed from water use. Because water revenues were below budget, sewer fund revenues were also below budget and decreased 6% from the prior year. Expenses are 15% below budget as fewer labor costs were charged to this fund due to the level of work required.

Pension Trust Funds

While the Village has strived through the budget process to limit increases in operating expenses, one expense the Village has limited ability to control is the funding amounts required by the pensions. The funding ratio (actuarial value of plan assets divided by the actuarial accrued liability) for all pension plans has declined significantly from 2004 to 2011. While the Village contributes 100% of the actuarially determined amount, poor investment returns over many years has resulted in the assets not growing as well as projected. The Police and Fire plans use a 6.25% earnings assumption and the IMRF plan uses 7.5%.

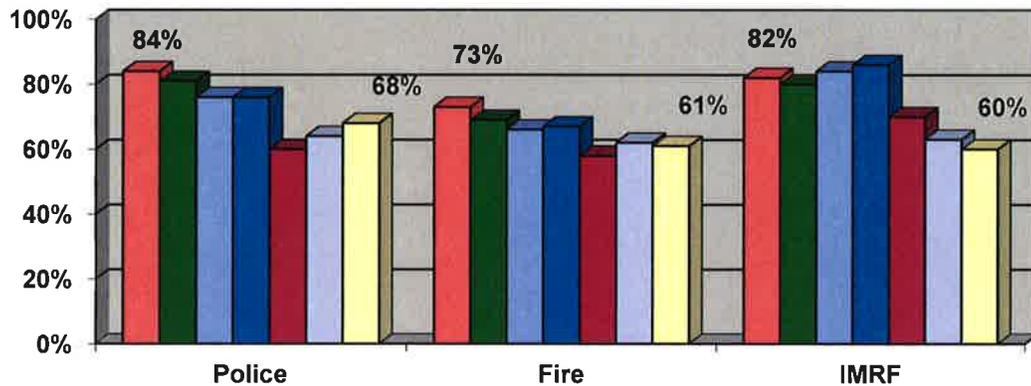
The IMRF pension plan uses 5 year asset smoothing while the police and fire pension funds utilize market value for assets. On a market value basis, the IMRF funding would be about 60%.

The assumed rate of return for the Police and Fire Pension Plans was reduced from 6.5% to 6.25% in 2012.

The lower funding levels of the pension will increase pressure on the Village budget in future years. Ultimately, local property owners must pay higher property taxes to make up for any funding shortfalls as employee pension contributions are a fixed percentage of pay ranging from 4.5% for IMRF to about 10% for the Police and Fire plans.

The funding ratio from 2006 (pink bar) to 2012 (yellow bar) is shown below:

Pension Funding By Year



Other Information

The Village of Winnetka recognizes that the annual financial report is Management's report to the governing body, constituents, oversight bodies, resource providers, investors, and creditors. In addition to the vast amount of financial information presented, there is included herein a Statistical Section. This section includes information on outstanding bonded debt, insurance and self-insurance coverage for the risks of the Village, principal Village officials, and data on the entire governmental structure of the Village of Winnetka.

Additionally, the Village's financial policies, reserve policies, budget projections, capital plan, and other financial information can be found in the annual budget that can be viewed from the Village's web site (<http://villageofwinnetka.org>) or at the local library.

Independent Audit

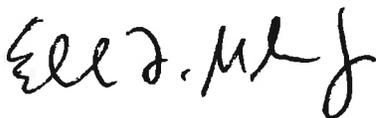
Illinois State Statutes require an annual audit by an independent Certified Public Accountant. The auditing firm of Lauterbach and Amen, 27W457 Warrenville Road, Warrenville, Illinois 60555 was selected by the Village Board of Trustees to conduct the annual audit for fiscal year 2012. The auditors' report, general purpose financial statements, and the combining and individual fund statements and schedules are included in the financial section of this report.

Acknowledgments

The preparation of this report could not have been accomplished without the dedicated assistance of the Finance Department staff and cooperation from the other Village operating departments. Special recognition is due Hanna Sullivan, Assistant Finance Director, for her efforts in preparing the majority of this report.

In closing, I would like to thank the Village President and the Village Council for their leadership and support of the Finance Department.

Respectfully Submitted,



Edward F. McKee, Jr.
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Winnetka
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
March 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.

INDEPENDENT AUDITORS' REPORT

June 12, 2012

The Honorable Village President
Members of the Board of Trustees
Village of Winnetka, 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 Winnetka, Illinois as of and for the year ended March 31, 2012, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Winnetka, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

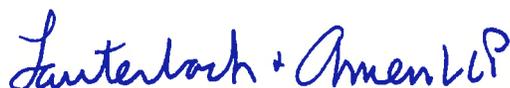
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois as of March 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Winnetka, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S
DISCUSSION AND ANALYSIS
MARCH 31, 2012

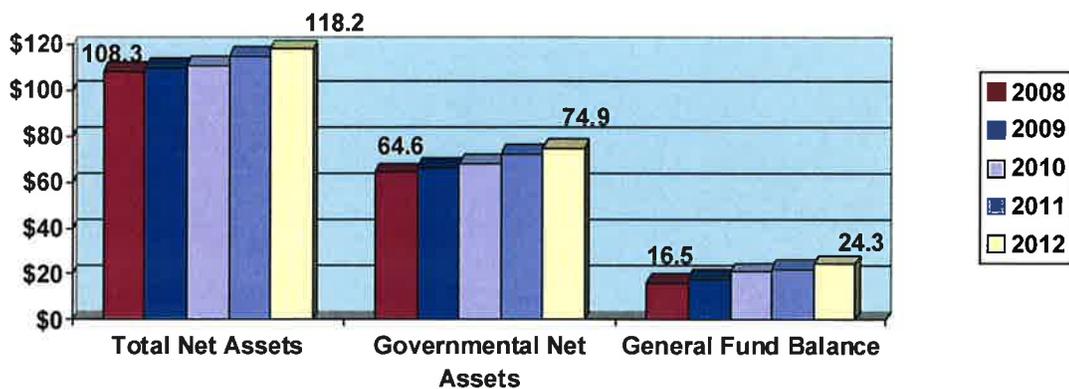
The Village of Winnetka implemented Governmental Accounting Standards Board (GASB) Statements 43 and 45 in fiscal 2007. These Statements require that post employment benefit costs be captured and reported in the financial statements, much like the pension obligations. While the Village does not pay any portion of retiree health care costs, State law mandates that retirees can continue on the Village's policies at the same premium rate as active employees. This gives rise to explicit and implicit subsidies that must be disclosed in the financial statements. The Village has elected to fund this liability on a pay-as-you-go basis given the overall strong financial position of the Village.

The accounting standards reflected in this report designed to provide two perspectives of the Village's financial performance; a focus on the Village as a whole (government-wide) and a focus on the major individual funds. Both perspectives (government-wide and major fund) provide a broader basis upon which to compare and judge the Village's financial accountability. This improved accountability is in part achieved by consolidating financial transactions (eliminating activities between certain funds and focusing on major funds), allocating specific revenues that finance operations to those expenditures, and displaying information about long-term financial decisions (Is debt used to finance operations? What financial investments are made in capital? What is the impact of outstanding or newly issued debt?, etc.).

The management discussion and analysis 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 the Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds. Readers are encouraged to review the additional information furnished in the transmittal letter that starts on page iii of this report.

FINANCIAL HIGHLIGHTS

Below is a graph showing the growth of the Village's total net assets, governmental net assets, and unreserved general fund balance for the last five years (in millions of dollars) reflecting the overall strong financial performance of the Village and investment in infrastructure.



The Village's total net assets increased \$3 million dollars from \$115.2 million to \$118.2 million in fiscal 2012. This increase is largely the result of the financial performance of the general fund, as explained later. The general fund has \$24.3 million of unassigned fund balance which is 112.9% of budgeted annual expenditures.

REPORTING THE VILLAGE AS A WHOLE

Government-wide Financial Statements

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Inter-fund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first government-wide statement is the *Statement of Net Assets* that presents information about all of the Village's assets and liabilities, with the difference reported as *net assets*. Over a multi-year period, an increase or decrease in net assets can detect an improvement or deterioration in the financial position of the Village as a whole. Additionally, one would need to evaluate non-financial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

The second government-wide statement is the *Statement of Activities*, which reports how the Village's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public services, and internal service funds. Business-type activities include, electric, water, and sewer utilities and refuse collection. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and therefore are not included in the government-wide statements.

The Village's financial reporting includes the funds of the Village (primary government). The Village is not accountable for any outside organizations and, therefore, no adjustments were made to blend financial information from other legally separate entities into this report.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The Village has three kinds of funds:

Governmental Funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, Governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The government-wide financial statements provide a long-term view. Comparisons between the individual governmental fund statements and the government-wide statements provide information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances reconcile the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the general fund. Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

Proprietary Funds reported in the fund financial statements are for those services for which the Village charges customers a fee. There are two kinds of proprietary funds, enterprise and internal service. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the Village organization such as those of the electric, water, and sewer utilities and refuse functions.

Internal service funds provide services and charge fees to customers within the Village organization, such as equipment services (repair and maintenance of Village vehicles) and the insurance funds. Because internal service funds primarily benefit Village operations, they are included within the governmental activities of the government-wide financial statements.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for major enterprise funds and individual component units. Individual fund information for internal service funds and non-major enterprise funds is found in combining statements in a later section of this report.

Fiduciary Funds such as the employee pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund Village programs. The accounting for fiduciary fund financial statements is similar to that used for proprietary funds.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's funding of pension benefit obligations to its employees and budget information.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual statements and schedules for non-major and internal service funds are presented in a subsequent section of this report.

The Village's total primary government's overall financial position has improved in each of the last two years. This is a function of operating revenues growing, especially building permit revenues, and modest increases in other taxes and service charges. Capital investments, such as a major rehabilitation of the yards facility funded from cash balances, have increased capital assets without incurring debt.

STATEMENT OF NET ASSETS
(in millions of dollars)

	Govern- mental Activities 2012	Business Type Activities 2012	Govern- mental Activities 2011	Business Type Activities 2011	Total Primary Gov't 2012	Total Primary Gov't 2011
Current & Other Assets	\$44.2	\$11.2	\$45.0	\$11.4	\$55.4	\$56.4
Capital Assets	45.5	34.9	43.0	34.4	80.4	77.4
Total Assets	<u>89.7</u>	<u>46.1</u>	<u>88.0</u>	<u>45.8</u>	<u>135.8</u>	<u>133.8</u>
Current Liabilities	10.3	1.4	10.6	1.5	11.7	12.1
Long-Term Liabilities	4.6	1.4	5.0	1.5	6.0	6.5
Total Liabilities	<u>14.9</u>	<u>2.8</u>	<u>15.6</u>	<u>3.0</u>	<u>17.7</u>	<u>18.6</u>
<u>Net Assets</u>						
Investment in Capital						
Assets, net of Debt	44.2	34.9	41.3	34.4	79.1	75.7
Restricted	2.2		1.8		2.2	1.8
Unrestricted	28.4	8.4	29.3	8.4	36.8	37.7
Total Net Assets	<u>\$74.8</u>	<u>\$43.3</u>	<u>\$72.4</u>	<u>\$42.8</u>	<u>\$118.1</u>	<u>\$115.2</u>

Government-wide net assets increased due to revenue being in line with budget or slightly exceeding those amounts while expenses were less than budgeted. The Village adopts a conservative revenue budget in most areas, especially where there is less certainty, such as in building permit revenues.

While operating expenses were in line with the budget in most areas, capital spending, especially in the general fund, was substantially less than budgeted. Several large capital projects in the general fund were deferred while planning efforts continue in the streetscape improvement and drainage areas. In the electric fund, capital spending was deferred on one major project that allowed cash to build up, as electric rates are set to fund annual operating and capital needs.

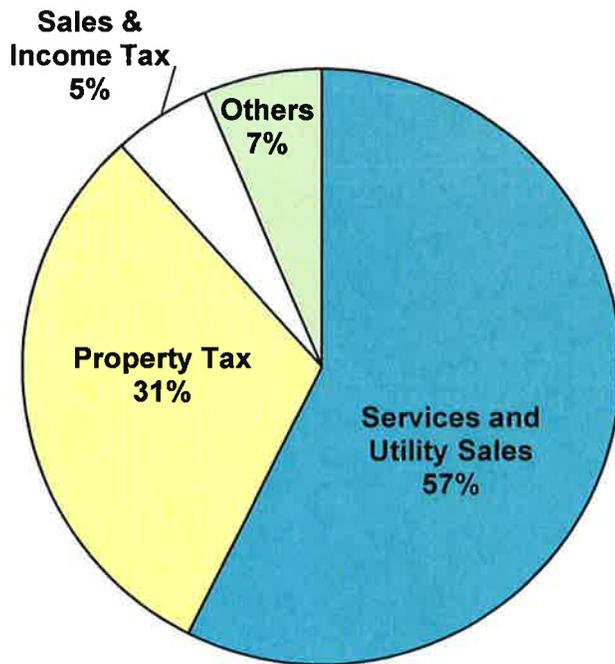
The following table provides a summary of the Village's changes in net assets:

STATEMENT OF ACTIVITIES
(in millions of dollars)

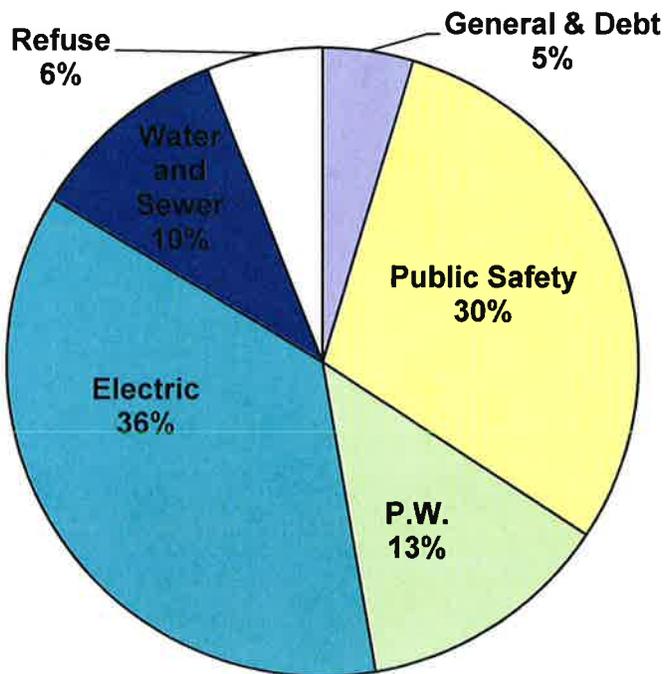
	Govern- mental Activities 2012	Business Type Activities 2012	Govern- mental Activities 2011	Business Type Activities 2011	Total Primary Gov't 2012	Total Primary Gov't 2011
Revenue:						
Program Revenues:						
Charges for Services	\$5.9	\$19.1	\$6.2	\$19.5	\$25.0	\$25.7
Grant Revenue	0.2		0.2		0.2	\$0.2
General Revenues:						
Property Taxes	12.4	1.1	11.4	1.1	13.5	\$12.5
Sales Taxes	1.3		1.2		1.3	\$1.2
Investment Income	0.4	0.1	0.5	0.1	0.5	\$0.6
Others	2.6	0.4	2.7	0.3	3.0	3.0
Total Revenues	22.8	20.7	22.2	21.0	43.5	43.2
Expenses:						
General Government	3.6		1.6		3.6	1.6
Public Safety	10.7		10.9		10.7	10.9
Community Development	1.6		1.8		1.6	1.8
Public Works	5.2		4.8		5.2	4.8
Electricity		13.4		13.9	13.4	13.9
Water		3.0		2.9	3.0	2.9
Sewer		0.8		0.7	0.8	0.7
Refuse		2.2		2.3	2.2	2.3
Total Expense	21.1	19.4	19.1	19.8	40.5	38.9
Increase in net assets before transfers	1.7	1.3	3.1	1.2	3.0	4.3
Transfers	0.7	-0.7	0.9	-0.9	0.0	0.0
Capital Contribution					0.0	0.0
Increase in net assets	2.4	0.6	4.0	0.3	3.0	4.3
Net Assets – Beginning	72.4	42.7	68.4	42.5	115.1	110.9
Net Assets – Ending	\$74.8	\$43.3	\$72.4	\$42.8	\$118.1	\$115.2

Revenues of \$43.6 million exceeded expenses of \$40.5 million, providing \$3.1 million of resources to increase the net asset base. The following page contains two graphs that aggregate by major type the Village's revenues and expenses at the government-wide level, based on the information above.

Government-Wide Revenues by Type

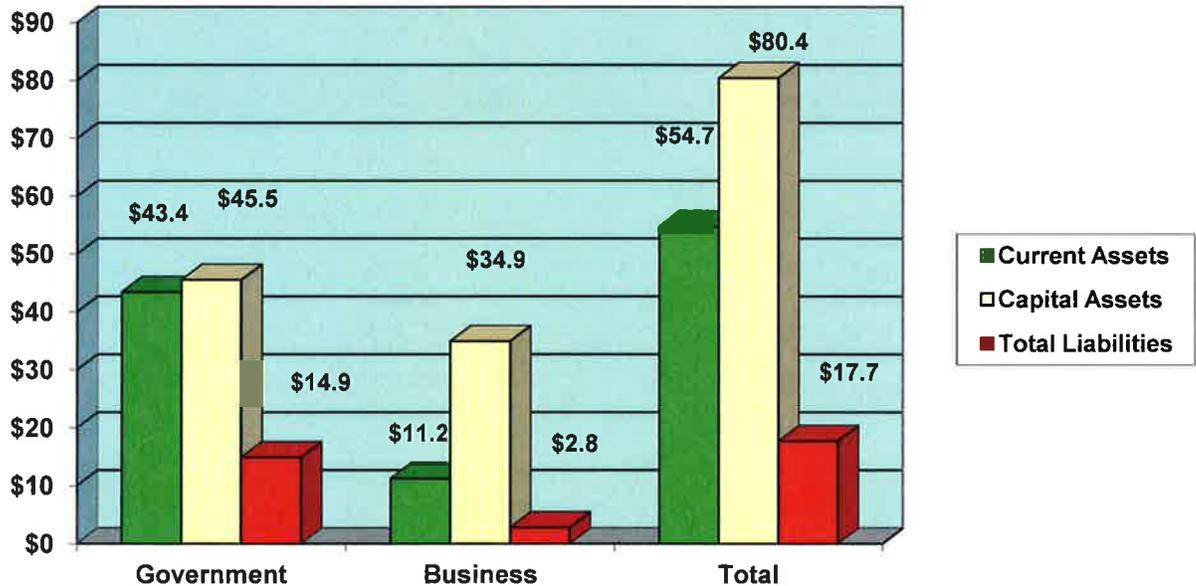


Government-Wide Expenses by Type



Below is a graph that compares current and capital assets to the liabilities for governmental and business-type funds. This graph shows the Village's strong financial position in both areas and its conservative approach to finances:

Assets Significantly Exceed Liabilities



Financial Analysis of the Village's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$27 million, up \$0.2 million from the prior year. This increase is attributable to the positive financial results for the General Fund as explained below.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance of the General Fund increased \$2 million from \$22.3 million to \$24.3 million. This increase is the result of some revenues such as permits and franchise fees remaining strong and other revenues such as sales tax and income tax exceeding the prior year and budget. Operating expenditures were held below budgeted levels and were less than the prior year

The General fund cash balance of \$23.9 million remains within the policy limits established by the Village Council.

The Village deliberately budgets revenues conservatively so that financial decisions can be made in a planned manner. Budgeted projects can proceed even if revenues weaken somewhat or unexpected expenditures are encountered because of this conservative philosophy. Permit and fee revenue is a function of the economy and redevelopment in the community. It is interesting to note that a few large projects can offset the loss of revenue related to a decline in the volume of more routine projects.

General Fund expenditures were less than budget because the Village budgeted \$750,000 for drainage capital. The Village has decided to study options for drainage capital improvements further. The Village also budgeted \$250,000 for public improvements, which were not spent and have been budgeted for next year. Looking just at operating expenditures, the General Fund spent 97% of the dollars budgeted reflecting a close to fully staffed level.

The Motor Fuel Tax Fund has a restricted fund balance of \$1.7 million available for road and bridge related projects.

Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term financial status information.

Major Proprietary Funds

The proprietary funds operated by the Village are the Electric, Water, Sewer, and Refuse funds. A 2% rate increase for electric and an 8% water rate increase (to finance water plant improvements) were approved effective April 1, 2011. The Village also reduced the purchased power adjustment based on prior year costs.

Internal Service Funds

The Village's combined internal service funds' net assets were \$6.3 million as of March 31, 2012, with \$5.3 million of the total segregated for workers' compensation, liability, and health insurance risks retained by the Village. While the Village's existing reserves are adequate to fund known liabilities, the high (up to \$2,000,000) retention level in some areas makes a conservative cash reserve policy in both the internal service funds and in the general fund prudent.

General Fund Budgetary Highlights

The original budget for the General Fund was not amended and actual expenditures did not exceed the budgeted amount.

Capital Assets

The Village's policy is to capitalize equipment over \$50,000 in value. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of March 31, 2012 was \$45.5 million, up \$2.5 million from the prior year. The Village relies on an outside appraisal to value governmental assets.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of March 31, 2012 was \$34.9 million, up \$0.5 million from the prior year.

Additional information about the Village's capital assets, including beginning balances, current year additions and retirements, and outstanding balances at year end, can be found in the financial statement notes, Note 3, page 33-34.

Long-term Debt

At the end of the fiscal year, the Village had total bonded debt outstanding of \$1.3 million. Of this amount, \$0.36 million is funded directly from property taxes. The remaining outstanding debt is repaid from pledged sales tax revenues.

Additional information about the Village's long-term liabilities, including outstanding debt, can be found in the financial statement notes, Note 3, pages 36-38.

Bond Ratings

The Village's general obligation bonds are rated Aaa by Moody's Investor Rating Service. The Aaa rating was last confirmed in January 2003 when refinancing bonds were issued.

Economic Factors

The local Village economy has remained a little weak over the past year but sales tax revenues remained steady. Occupancy rates remain high and a few commercial properties are in the process of being redeveloped. Because the Village of Winnetka is primarily an affluent residential community heavily reliant on property taxes and utility sales, revenues tend to be more stable compared to governments that rely more on sales tax, real estate transfer taxes, and other revenues particularly sensitive to economic cycles to finance operations. Three separate business districts cater largely to the local area and continue to maintain high occupancy rates.

The Village's population of 12,187 has remained about the same over the last decade.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations, and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Village's Finance Director, 510 Green Bay Road, Winnetka, IL 60093, or access the Village website at villageofwinnetka.org.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF WINNETKA, ILLINOIS

**Statement of Net Assets
March 31, 2012**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Assets
March 31, 2012

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 34,735,316	\$ 7,720,146	\$ 42,455,462
Receivables - Net of Allowances			
Taxes	6,390,282	561,269	6,951,551
Accounts	552,655	1,899,225	2,451,880
Accrued Interest	550,286	138,667	688,953
Notes	375,000	-	375,000
Prepays/Inventories	19,977	926,918	946,895
Due from Other Governments	798,913	-	798,913
Total Current Assets	<u>43,422,429</u>	<u>11,246,225</u>	<u>54,668,654</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	16,945,263	164,008	17,109,271
Depreciable	45,311,481	80,737,438	126,048,919
Accumulated Depreciation	<u>(16,722,608)</u>	<u>(46,029,477)</u>	<u>(62,752,085)</u>
	45,534,136	34,871,969	80,406,105
Other Assets			
Net Pension Assets	808,097	-	808,097
Total Noncurrent Assets	<u>46,342,233</u>	<u>34,871,969</u>	<u>81,214,202</u>
Total Assets	<u>89,764,662</u>	<u>46,118,194</u>	<u>135,882,856</u>

The accompanying notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts and Retainage Payable	593,870	907,829	1,501,699
Accrued Payroll	380,820	138,272	519,092
Accrued Interest Payable	20,642	-	20,642
Deposits Payable	1,420,407	177,469	1,597,876
Claims Payable	1,019,244	-	1,019,244
Unearned Property Tax Revenue	6,142,397	-	6,142,397
Current Portion of Long-Term Liabilities	757,589	133,850	891,439
Total Current Liabilities	10,334,969	1,357,420	11,692,389
Noncurrent Liabilities			
Claims Payable	554,244	-	554,244
Compensated Absences	1,350,356	495,404	1,845,760
Landfill Post-Closure Costs	-	928,259	928,259
General Obligation Bonds	245,000	-	245,000
Alternate Revenue Bonds	655,000	-	655,000
Net Other Post-Employment Benefit Obligation	1,785,461	-	1,785,461
Total Noncurrent Liabilities	4,590,061	1,423,663	6,013,724
Total Liabilities	14,925,030	2,781,083	17,706,113
NET ASSETS			
Invested in Capital Assets -			
Net of Related Debt	44,214,136	34,871,969	79,086,105
Restricted - Highways and Streets	1,738,230	-	1,738,230
Restricted - Debt Service	362,824	-	362,824
Restricted - Awards	716	-	716
Restricted - Tax Escrow	84,130	-	84,130
Unrestricted	28,439,596	8,465,142	36,904,738
Total Net Assets	\$ 74,839,632	\$ 43,337,111	\$ 118,176,743

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

**Statement of Activities
Year Ended March 31, 2012**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 3,588,121	\$ 2,833,541	\$ -	\$ -
Public Safety	10,732,430	1,361,370	111,043	-
Community Development	1,551,413	1,510,667	-	-
Public Works	5,205,126	168,891	-	53,932
Interest on Long-Term Debt	51,007	-	-	-
	<u>21,128,097</u>	<u>5,874,469</u>	<u>111,043</u>	<u>53,932</u>
Business-Type Activities				
Electric	13,400,738	14,570,744	-	-
Water	2,959,737	3,150,740	-	-
Refuse	2,239,102	615,392	-	-
Sewer	785,768	731,083	-	-
	<u>19,385,345</u>	<u>19,067,959</u>	<u>-</u>	<u>-</u>
	<u>\$ 40,513,442</u>	<u>\$ 24,942,428</u>	<u>\$ 111,043</u>	<u>\$ 53,932</u>

General Revenues
 Taxes
 Property
 Telecommunications
 Natural Gas
 Intergovernmental - Unrestricted
 Sales Taxes
 Income Taxes
 Personal Property Replacement
 Other Taxes
 Investment Income
 Miscellaneous
 Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

The accompanying notes to the financial statements are an integral part of this statement.

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
\$ (754,580)	\$ -	\$ (754,580)
(9,260,017)	-	(9,260,017)
(40,746)	-	(40,746)
(4,982,303)	-	(4,982,303)
(51,007)	-	(51,007)
<u>(15,088,653)</u>	-	<u>(15,088,653)</u>
-	1,170,006	1,170,006
-	191,003	191,003
-	(1,623,710)	(1,623,710)
-	(54,685)	(54,685)
-	<u>(317,386)</u>	<u>(317,386)</u>
<u>\$ (15,088,653)</u>	<u>\$ (317,386)</u>	<u>\$ (15,406,039)</u>
\$ 12,437,894	\$ 1,086,582	\$ 13,524,476
638,596	-	638,596
458,790	-	458,790
1,321,062	-	1,321,062
979,922	-	979,922
124,253	-	124,253
369,074	-	369,074
364,513	84,272	448,785
79,240	454,527	533,767
740,600	(740,600)	-
<u>17,513,944</u>	<u>884,781</u>	<u>18,398,725</u>
2,425,291	567,395	2,992,686
<u>72,414,341</u>	<u>42,769,716</u>	<u>115,184,057</u>
<u>\$ 74,839,632</u>	<u>\$ 43,337,111</u>	<u>\$ 118,176,743</u>

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

**Balance Sheet - Governmental Funds
March 31, 2012**

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 23,870,241	\$ 520,451	\$ 2,587,255	\$ 26,977,947
Receivables - Net of Allowances				
Taxes	6,322,556	-	67,726	6,390,282
Accounts	343,697	-	9,920	353,617
Accrued Interest	367,423	39,796	5,935	413,154
Notes	375,000	-	-	375,000
Due from Other Governments	774,478	-	24,435	798,913
Due from Other Funds	433,897	-	-	433,897
Inventory	1,979	-	-	1,979
Total Assets	\$ 32,489,271	\$ 560,247	\$ 2,695,271	\$ 35,744,789
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts Payable	\$ 239,946	\$ 125,432	\$ -	\$ 365,378
Retainage Payable	-	206,323	-	206,323
Accrued Payroll	366,295	-	-	366,295
Deposits Payable	1,420,407	-	-	1,420,407
Due to Other Funds	-	-	255,000	255,000
Unearned/Deferred Revenues	6,077,349	-	65,048	6,142,397
Total Liabilities	8,103,997	331,755	320,048	8,755,800
Fund Balances				
Nonspendable	1,979	-	-	1,979
Restricted	84,846	-	2,121,696	2,206,542
Assigned	-	228,492	472,489	700,981
Unassigned	24,298,449	-	(218,962)	24,079,487
Total Fund Balances	24,385,274	228,492	2,375,223	26,988,989
Total Liabilities and Fund Balances	\$ 32,489,271	\$ 560,247	\$ 2,695,271	\$ 35,744,789

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

Reconciliation of Total Governmental Fund Balance to the Statement of
Net Assets - Governmental Activities

March 31, 2012

Total Governmental Fund Balances	\$ 26,988,989
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Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	45,530,059
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Internal service funds are used by the Village to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	6,326,535
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The net pension assets of the pension funds are included in the governmental activities in the statement of net assets.	808,097
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,687,945)
General Obligation Bonds Payable	(360,000)
Alternate Revenue Bonds Payable	(960,000)
Net Other Post-Employment Benefit Obligation	(1,785,461)
Accrued Interest Payable	<u>(20,642)</u>

Net Assets of Governmental Activities	<u>\$ 74,839,632</u>
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The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended March 31, 2012

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	\$ 13,395,683	\$ -	\$ 139,597	\$ 13,535,280
Licenses and Permits	2,003,172	-	-	2,003,172
Intergovernmental	2,598,460	-	360,826	2,959,286
Charges for Services	3,656,488	-	-	3,656,488
Fines and Forfeits	214,809	-	-	214,809
Investment Income	235,331	22,690	13,769	271,790
Miscellaneous	79,240	-	-	79,240
Total Revenues	22,183,183	22,690	514,192	22,720,065
Expenditures				
Current				
General Government	2,738,434	-	-	2,738,434
Public Safety	10,433,116	-	-	10,433,116
Community Development	1,509,051	-	33,045	1,542,096
Public Works	5,117,430	-	62,451	5,179,881
Capital Outlay	-	2,421,207	480,458	2,901,665
Debt Service				
Principal Retirement	-	-	410,000	410,000
Interest and Fiscal Charges	-	-	57,380	57,380
Total Expenditures	19,798,031	2,421,207	1,043,334	23,262,572
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,385,152	(2,398,517)	(529,142)	(542,507)
Other Financing Sources (Uses)				
Transfers In	1,290,600	500,000	589,760	2,380,360
Transfers Out	(1,639,760)	-	-	(1,639,760)
	(349,160)	500,000	589,760	740,600
Net Change in Fund Balances	2,035,992	(1,898,517)	60,618	198,093
Fund Balances - Beginning	22,349,282	2,127,009	2,314,605	26,790,896
Fund Balances - Ending	\$ 24,385,274	\$ 228,492	\$ 2,375,223	\$ 26,988,989

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities

Year Ended March 31, 2012

Net Change in Fund Balances - Total Governmental Funds \$ 198,093

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

Governmental funds report capital outlays as expenditures. However, in the
Statement of Activities the cost of those assets is allocated over their estimated
useful lives and reported as depreciation expense.

Capital Outlays	4,089,831
Depreciation Expense	(1,556,427)

The net effect of various miscellaneous transactions involving capital assets
is to decrease net assets.

Disposals - Cost	(1,032,191)
Disposals - Accumulated Depreciation	1,031,392

Increase in the net pension asset is shown as a reduction of expenses
in the statement of activities

22,203

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Deductions to Compensated Absences Payable	63,991
Additions to Net Other Post-Employment Benefit Obligation Payable	(215,283)
Retirement of General Obligation Bonds Payable	110,000
Retirement of Alternate Revenue Bonds Payable	300,000

Changes to accrued interest on long-term debt in the Statement of Activities
do not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

6,373

Internal service funds are used by the Village to charge the costs of vehicle and equipment
management and employee compensated absences to individual funds.

The net revenue of certain activities of internal service funds is
reported with governmental activities.

(592,691)

Changes in Net Assets of Governmental Activities

\$ 2,425,291

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Assets - Proprietary Funds
 March 31, 2012

	Business-Type Activities - Enterprise Funds					Governmental
	Electric	Water	Refuse	Nonmajor Sewer	Totals	Internal Service
ASSETS						
Current Assets						
Cash and Investments	\$ 5,462,826	\$ 24,939	\$ 1,326,237	\$ 906,144	\$ 7,720,146	\$ 7,757,369
Receivables - Net of Allowances						
Taxes	-	-	561,269	-	561,269	-
Accounts - Billed	789,875	126,365	32,154	27,282	975,676	20,141
Accounts - Unbilled	691,724	137,150	20,189	34,224	883,287	-
Accounts - Other	32,162	-	8,100	-	40,262	-
Accrued Interest	86,521	7,635	19,931	24,580	138,667	137,132
Due from Other Funds	100,000	-	-	-	100,000	-
Inventories	926,918	-	-	-	926,918	17,998
Total Current Assets	8,090,026	296,089	1,967,880	992,230	11,346,225	7,932,640
Noncurrent Assets						
Capital Assets						
Nondepreciable Capital Assets	69,003	95,005	-	-	164,008	-
Depreciable Capital Assets	53,254,624	18,165,925	2,593,700	6,723,189	80,737,438	313,188
	53,323,627	18,260,930	2,593,700	6,723,189	80,901,446	313,188
Accumulated Depreciation	(31,783,356)	(7,701,788)	(1,828,640)	(4,715,693)	(46,029,477)	(309,111)
Total Noncurrent Assets	21,540,271	10,559,142	765,060	2,007,496	34,871,969	4,077
Total Assets	29,630,297	10,855,231	2,732,940	2,999,726	46,218,194	7,936,717

	Business-Type Activities					Governmental
	Electric	Water	Refuse	Nonmajor	Totals	Activities
				Sewer		Internal
						Service
LIABILITIES						
Current Liabilities						
Accounts Payable	\$ 818,649	\$ 35,486	\$ 25,350	\$ 28,344	\$ 907,829	\$ 22,169
Deposits Payable	177,469	-	-	-	177,469	-
Accrued Payroll	82,614	31,992	21,617	2,049	138,272	14,525
Claims Payable	-	-	-	-	-	1,019,244
Due to Other Funds	-	100,000	-	-	100,000	-
Compensated Absences	60,728	30,380	19,393	13,349	123,850	-
Landfill Post-Closure Costs	-	-	10,000	-	10,000	-
Total Current Liabilities	1,139,460	197,858	76,360	43,742	1,457,420	1,055,938
Noncurrent Liabilities						
Claims Payable	-	-	-	-	-	554,244
Compensated Absences	242,913	121,522	77,572	53,397	495,404	-
Landfill Post-Closure Costs	-	-	928,259	-	928,259	-
Total Noncurrent Liabilities	242,913	121,522	1,005,831	53,397	1,423,663	554,244
Total Liabilities	1,382,373	319,380	1,082,191	97,139	2,881,083	1,610,182
NET ASSETS						
Invested in Capital Assets	21,540,271	10,559,142	765,060	2,007,496	34,871,969	4,077
Unrestricted	6,707,653	(23,291)	885,689	895,091	8,465,142	6,322,458
Total Net Assets	\$ 28,247,924	\$ 10,535,851	\$ 1,650,749	\$ 2,902,587	\$ 43,337,111	\$ 6,326,535

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds
Year Ended March 31, 2012

	<u>Electric</u>
Operating Revenues	
Charges for Services	\$ 14,551,618
Interfund Services	-
Miscellaneous	19,126
Total Operating Revenues	<u>14,570,744</u>
Operating Expenses	
Administration	2,509,601
Operations	9,321,378
Depreciation	1,547,968
Total Operating Expenses	<u>13,378,947</u>
Operating Income (Loss)	<u>1,191,797</u>
Nonoperating Revenues (Expenses)	
Property Taxes	-
Investment Income	60,104
Rental Income	106,624
Merchandise Sales and Jobbing - Net	314,252
Disposal of Capital Assets	(21,791)
	<u>459,189</u>
Income (Loss) Before Transfers	<u>1,650,986</u>
Transfers In	-
Transfers Out	(965,400)
	<u>(965,400)</u>
Change in Net Assets	685,586
Net Assets - Beginning	<u>27,562,338</u>
Net Assets - Ending	<u>\$ 28,247,924</u>

The accompanying notes to the financial statements are an integral part of this statement.

Business-Type Activities - Enterprise Funds				Governmental
Water	Refuse	Nonmajor Sewer	Totals	Internal Service
\$ 3,112,401	\$ 525,780	\$ 731,083	\$ 18,920,882	\$ -
-	-	-	-	4,709,068
38,339	89,612	-	147,077	-
3,150,740	615,392	731,083	19,067,959	4,709,068
1,173,580	127,080	140,040	3,950,301	159,101
1,306,605	1,986,879	560,096	13,174,958	5,234,022
460,846	125,143	85,632	2,219,589	1,359
2,941,031	2,239,102	785,768	19,344,848	5,394,482
209,709	(1,623,710)	(54,685)	(276,889)	(685,414)
-	1,086,582	-	1,086,582	-
(1,546)	11,814	13,900	84,272	92,723
-	-	-	106,624	-
33,651	-	-	347,903	-
(18,706)	-	-	(40,497)	-
13,399	1,098,396	13,900	1,584,884	92,723
223,108	(525,314)	(40,785)	1,307,995	(592,691)
-	550,000	-	550,000	-
(225,600)	(42,000)	(57,600)	(1,290,600)	-
(225,600)	508,000	(57,600)	(740,600)	-
(2,492)	(17,314)	(98,385)	567,395	(592,691)
10,538,343	1,668,063	3,000,972	42,769,716	6,919,226
\$ 10,535,851	\$ 1,650,749	\$ 2,902,587	\$ 43,337,111	\$ 6,326,535

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

Statement of Cash Flows - Proprietary Funds
Year Ended March 31, 2012

	<u>Electric</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 14,981,087
Receipts from Interfund Services	-
Payments to Suppliers	(10,091,156)
Payments to Employees	(1,559,831)
	<u>3,330,100</u>
Cash Flows from Noncapital Financing Activities	
Property Taxes	-
Transfers In	-
Transfers Out	(965,400)
	<u>(965,400)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(1,852,488)
Cash Flows from Investing Activities	
Interest Received	60,104
Net Change in Cash and Cash Equivalents	572,316
Cash and Cash Equivalents - Beginning	<u>4,890,510</u>
Cash and Cash Equivalents - Ending	<u>\$ 5,462,826</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ 1,191,797
Adjustments to Reconcile Operating Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation	1,547,968
Other Income	420,876
(Increase) Decrease in Current Assets	(10,533)
Increase (Decrease) in Current Liabilities	179,992
Net Cash Provided by Operating Activities	<u>\$ 3,330,100</u>

The accompanying notes to the financial statements are an integral part of this statement.

Business-Type Activities - Enterprise Funds				Governmental Activities
Water	Refuse	Nonmajor Sewer	Totals	Internal Service
\$ 3,166,143	\$ 970,179	\$ 729,829	\$ 19,847,238	\$ -
-	-	-	-	4,716,040
(1,900,002)	(1,632,695)	(532,049)	(14,155,902)	(4,897,108)
(867,818)	(551,924)	(165,331)	(3,144,904)	(367,814)
398,323	(1,214,440)	32,449	2,546,432	(548,882)
-	1,086,582	-	1,086,582	-
-	550,000	-	550,000	-
(225,600)	(42,000)	(57,600)	(1,290,600)	-
(225,600)	1,594,582	(57,600)	345,982	-
(361,587)	(53,505)	(477,435)	(2,745,015)	-
(1,546)	11,814	13,900	84,272	92,723
(190,410)	338,451	(488,686)	231,671	(456,159)
215,349	987,786	1,394,830	7,488,475	8,213,528
\$ 24,939	\$ 1,326,237	\$ 906,144	\$ 7,720,146	\$ 7,757,369
\$ 209,709	\$ (1,623,710)	\$ (54,685)	\$ (276,889)	\$ (685,414)
460,846	125,143	85,632	2,219,589	1,359
33,651	-	-	454,527	-
(18,248)	354,787	(1,254)	324,752	6,972
(287,635)	(70,660)	2,756	(175,547)	128,201
\$ 398,323	\$ (1,214,440)	\$ 32,449	\$ 2,546,432	\$ (548,882)

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

**Statement of Net Assets - Fiduciary Funds
March 31, 2012**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,270,553
Investments	
U.S. Government and Agency Obligations	14,280,670
Equity Securities	13,111,869
Mutual Funds	11,166,841
Receivables	
Accrued Interest	<u>117,962</u>
Total Assets	40,947,895
LIABILITIES	
Due to Other Funds	<u>178,897</u>
NET ASSETS	
Held in Trust for Pension Benefits	<u>\$ 40,768,998</u>

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

Statement of Changes in Net Assets - Fiduciary Funds
Year Ended March 31, 2012

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,909,461
Contributions - Plan Members	<u>433,957</u>
Total Contributions	<u>2,343,418</u>
Investment Income	
Interest Earned	681,225
Net Change in Fair Value	<u>1,890,621</u>
	<u>2,571,846</u>
Less Investment Expenses	<u>(95,959)</u>
Net Investment Income	<u>2,475,887</u>
Total Additions	<u>4,819,305</u>
Deductions	
Administration	69,234
Benefits and Refunds	<u>3,180,625</u>
Total Deductions	<u>3,249,859</u>
Change in Net Assets	1,569,446
Net Assets - Beginning	<u>39,199,552</u>
Net Assets - Ending	<u>\$ 40,768,998</u>

The accompanying notes to the financial statements are an integral part of this statement.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Winnetka, Illinois, incorporated in 1869, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services, refuse services, electric services, parking system services, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Winnetka
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

The Village's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and fire safety, village yard, motor fuel tax, downtown redevelopment, and general administrative services are classified as governmental activities. The Village's electric, water, refuse, and sewer services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, highways and streets, etc). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or discretely benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc).

The Village does not allocate indirect costs. An administrative service fee is charged by the General Fund to the other operating funds that is eliminated like a reimbursement (reducing the revenue and expense in the General Fund) to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, technology management, etc.).

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either have debt outstanding or a specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one non-major special revenue fund, the Motor Fuel Tax Fund.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a non-major fund and accounts for all future payments of interest and principal on the Village's long-term general obligation debt.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the Village Facilities Fund. This fund accounts for the resources used for major rehabilitation of the public works, water and electric yards located at 1390 Willow Road. The Village maintains two non-major capital projects funds, the Downtown Development Fund and the Special Service Areas Fund.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains three major enterprise funds. The Electric Fund accounts for the provision of electric utility services to the residents of the Village. The Water Fund, a major fund, accounts for the provision of potable water to the residents of the Village. The Refuse Fund accounts for the provision of refuse services to the residents of the Village. The Village maintains one non-major enterprise fund, the Sewer Fund.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains five non-major internal service funds. The Data Processing Fund is used to account for the acquisition and depreciation of Village data processing equipment and software. The Worker's Compensation Insurance Fund is used to account for the servicing and payment of claims for workers' compensation. The Health Insurance Fund is used to account for the servicing and payment of claims for health insurance. The Liability Insurance Fund is used to account for the servicing and payment of claims for liability insurance. The Fleet Fund is used to account for the costs of maintaining transportation equipment used by the Village. The Village's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. The Firefighters' Pension Fund accounts for the accumulation of resources to be used for disability and retirement payments to employees covered by the plan.

The Village's fiduciary funds are presented in the fiduciary fund financial statements. Since by definition these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Assets, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds “Statement of Cash Flows”, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepaids/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$50,000 to \$200,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	50 – 65 Years
Machinery & Equipment	5 – 10 Years
Furniture and Fixtures	7 – 30 Years
Infrastructure	20 – 50 Years
Plant and Equipment	7 – 30 Years
Distribution System	7 – 30 Years
Sewer System	50 Years
Other Equipment	5 – 10 Years

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 31, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Compensated Absences – Continued

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Unearned/Deferred Revenue

Governmental funds report unearned/deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity – Continued

Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for their department to the Village’s Administrator 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 expenditures 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 designations, but may not change the form of the budget.

The administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted expenses at the fund level. During the year no amendments were necessary.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
Workers' Compensation Insurance	\$ 34,630
Health Insurance	129,270
Fleet	25,560

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$38,123,841 and the bank balances totaled \$43,538,720. In addition, the Village has \$4,331,621 invested in the Illinois Funds at year-end.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy attempts to limit the Village's exposure to interest rate risk by matching its investments with anticipated cash flow requirements. The Village will not directly invest in securities maturing more than five (5) years from the date of purchase. Reserve funds may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village helps limit its exposure to credit risk by primarily investing in external investment pools (Illinois Funds.) The Village's investment policy also prescribes to the "prudent person" rule which states that, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as possible income to be derived." As of March 31, 2012 the Village's investment in Illinois Funds was rated AAAM by Standard and Poor's.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy limits custodial credit risk for deposits by not maintaining funds in any institution not willing or capable of pledging required collateral for funds in excess of FDIC insurable limits. The amount of collateral provided shall not be less than 110 percent of the fair market value of the net amount of public funds secured. Pledged collateral will be held in safekeeping by an independent third party depository designated by the Village and evidenced by a safekeeping agreement.

Custodial Credit – Investments. In the case of investments, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy does not address custodial credit risk for investments. The Village's investment in the Illinois Funds is noncategorizable.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy requires diversification of investments to avoid unreasonable risk by limiting commercial paper to the lesser of 20% of the cash and investment balance at the time of placement, or 25% of the cash and investment balance.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,078,360 and the bank balances totaled \$1,078,360.

All deposits are covered by federal depository insurance, or by collateral held by the Pension Fund, or its agent, in the Pension Fund's name.

Investments. At March 31, 2012, the Fund's investments are as follows:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury and Agency Obligations	\$ 7,358,447	\$ 508,134	\$ 2,457,384	\$ 738,140	\$ 3,654,789
Equity Securities	6,841,511	6,841,511	-	-	-
Mutual Funds	5,996,249	5,996,249	-	-	-
Illinois Funds	106,739	106,739	-	-	-
	<u>\$ 20,302,946</u>	<u>\$ 13,452,633</u>	<u>\$ 2,457,384</u>	<u>\$ 738,140</u>	<u>\$ 3,654,789</u>

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Fund's investment in a single issuer. The Fund's investment policy states that in no case shall the following diversification limits be exceeded unless specifically authorized by the Board:

Investment	Minimum	Maximum
Direct U.S. Treasury Securities (includes STRIPS, CUBES)	0%	100%
Interest Investments, CD's	0%	30%
Commercial Paper	0%	10%
Investment Pools Established by the State Treasurer	0%	40%
Money Market Mutual Funds	0%	40%
Equity Investments	0%	45%
Government Agency Securities	0%	80%
Government Bonds and Warrants	0%	20%
Municipal Bonds Rated "a" or Better	0%	20%

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Fund – Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$1,005,471 and the bank balances totaled \$1,005,471.

All deposits are covered by federal depository insurance, or by collateral held by the Pension Fund, or its agent, in the Pension Fund’s name.

Investments. At March 31, 2012, the Fund’s investments are as follows:

	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury and Agency Obligations	\$ 6,922,223	\$ 407,913	\$ 2,303,297	\$ 718,679	\$ 3,492,334
Equity Securities	6,270,358	6,270,358	-	-	-
Mutual Funds	5,170,592	5,170,592	-	-	-
Illinois Funds	79,983	79,983	-	-	-
	<u>\$ 18,443,156</u>	<u>\$ 11,928,846</u>	<u>\$ 2,303,297</u>	<u>\$ 718,679</u>	<u>\$ 3,492,334</u>

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Fund’s investment in a single issuer. The Fund’s investment policy states that in no case shall the following diversification limits be exceeded unless specifically authorized by the Board:

Investment	Minimum	Maximum
Direct U.S. Treasury Securities (includes STRIPS, CUBES)	0%	100%
Interest Investments, CD's	0%	30%
Commercial Paper	0%	10%
Investment Pools Established by the State Treasurer	0%	40%
Money Market Mutual Funds	0%	40%
Equity Investments	0%	45%
Government Agency Securities	0%	80%
Government Bonds and Warrants	0%	20%
Municipal Bonds Rated "a" or Better	0%	20%

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are issued on or about February 1, 2012 and August 1, 2012, and are payable in two installments, on or about March 1, 2012, and September 1, 2012. The County collects such taxes and remits them periodically. As the 2011 tax levy is intended to fund expenditures for the 2012-2013 fiscal year, these taxes are deferred as of March 31, 2012.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land and Rights of Way	\$ 13,700,000	\$ -	\$ -	\$ 13,700,000
Construction in Progress	723,843	2,521,420	-	3,245,263
	<u>14,423,843</u>	<u>2,521,420</u>	<u>-</u>	<u>16,945,263</u>
Depreciable Capital Assets				
Buildings and Improvements	10,825,799	-	-	10,825,799
Machinery and Equipment	8,607,906	50,587	-	8,658,493
Furniture and Fixtures	934,665	-	110,100	824,565
Infrastructure	24,406,891	1,517,824	922,091	25,002,624
	<u>44,775,261</u>	<u>1,568,411</u>	<u>1,032,191</u>	<u>45,311,481</u>
Less Accumulated Depreciation				
Buildings and Improvements	2,925,607	133,488	-	3,059,095
Machinery and Equipment	5,474,332	423,995	-	5,898,327
Furniture and Fixtures	934,665	-	110,100	824,565
Infrastructure	6,861,610	1,000,303	921,292	6,940,621
	<u>16,196,214</u>	<u>1,557,786</u>	<u>1,031,392</u>	<u>16,722,608</u>
Total Net Depreciable Capital Assets	<u>28,579,047</u>	<u>10,625</u>	<u>799</u>	<u>28,588,873</u>
Total Net Capital Assets	<u>\$ 43,002,890</u>	<u>\$ 2,532,045</u>	<u>\$ 799</u>	<u>\$ 45,534,136</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 104,350
Public Safety	230,708
Public Works	1,212,052
Community Development	9,317
Internal Service	1,359
	<u>\$ 1,557,786</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 164,008	\$ -	\$ -	\$ 164,008
Depreciable Capital Assets				
Buildings	12,046,210	43,818	-	12,090,028
Plants and Equipment	14,125,786	116,251	-	14,242,037
Distribution System	37,268,971	1,764,127	116,671	38,916,427
Sewer System	4,740,630	186,005	-	4,926,635
Other Equipment	9,896,574	665,737	-	10,562,311
	<u>78,078,171</u>	<u>2,775,938</u>	<u>116,671</u>	<u>80,737,438</u>
Less Accumulated Depreciation				
Buildings	3,847,659	210,051	-	4,057,710
Plants and Equipment	9,524,001	284,044	-	9,808,045
Distribution System	18,836,857	1,313,048	45,251	20,104,654
Sewer System	3,653,107	34,329	-	3,687,436
Other Equipment	7,993,515	378,117	-	8,371,632
	<u>43,855,139</u>	<u>2,219,589</u>	<u>45,251</u>	<u>46,029,477</u>
Total Net Depreciable Capital Assets	<u>34,223,032</u>	<u>556,349</u>	<u>71,420</u>	<u>34,707,961</u>
Total Net Capital Assets	<u>\$ 34,387,040</u>	<u>\$ 556,349</u>	<u>\$ 71,420</u>	<u>\$ 34,871,969</u>

Depreciation expense was charged to business-type activities as follows:

Electric	\$ 1,547,968
Water	460,846
Refuse	125,143
Sewer	<u>85,632</u>
	<u>\$ 2,219,589</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
Electric General Fund	Water Nonmajor Governmental	\$ 100,000 255,000
General Fund	Police Pension	120,393
General Fund	Firefighters' Pension	<u>58,504</u>
		<u>\$ 533,897</u>

Interfund balances result from the time lag between when transactions are recorded in the accounting system and payments between funds are made.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Electric	\$ 965,400
General	Water	225,600
General	Refuse	42,000
General	Nonmajor Business-Type	57,600
Village Facilities	General	500,000
Nonmajor Governmental	General	589,760
Refuse	General	<u>550,000</u>
		<u>\$ 2,930,360</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$1,380,000 General Obligation Limited Bonds of 1999, due in annual installments of \$50,000 to \$125,000 through December 1, 2014 plus interest at 4.35% to 4.85%.	Debt Service	\$ 470,000	\$ -	\$ 110,000	\$ 360,000

Alternate Revenue Bonds

The Village has also issued alternate revenue bonds where the Village has pledged sales tax revenues for the payment of bond principal and interest. Alternate revenue bonds are direct obligations and pledge the full faith and credit of the Village. Alternate revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$3,190,000 General Obligation (Alternate Revenue) Refunding Bonds of 2003, due in annual installments of \$60,000 to \$335,000 through October 1, 2014 plus interest at 2.65% to 3.10%.	Debt Service	\$ 1,260,000	\$ -	\$ 300,000	\$ 960,000

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,751,936	\$ 63,991	\$ 127,982	\$ 1,687,945	\$ 337,589
General Obligation Bonds	470,000	-	110,000	360,000	115,000
Alternate Revenue Bonds	1,260,000	-	300,000	960,000	305,000
Net Other Post-Employment Benefit Obligation	1,570,178	215,283	-	1,785,461	-
	<u>\$ 5,052,114</u>	<u>\$ 279,274</u>	<u>\$ 537,982</u>	<u>\$ 4,793,406</u>	<u>\$ 757,589</u>
Business-Type Activities					
Compensated Absences	\$ 683,250	\$ 63,996	\$ 127,992	\$ 619,254	\$ 123,850
Landfill Post-Closure Costs	948,259	-	10,000	938,259	10,000
	<u>\$ 1,631,509</u>	<u>\$ 63,996</u>	<u>\$ 137,992</u>	<u>\$ 1,557,513</u>	<u>\$ 133,850</u>

For the governmental activities, compensated absences and the net other post-employment benefit obligation are generally liquidated by the General Fund. Additionally, the Debt Service Fund makes payments on the general obligation bonds and the alternate revenue source bonds. For business-type activities, compensated absences are liquidated by the Electric, Water, Refuse and Sewer Funds.

Landfill Closure Costs

On June 1, 1993, the Village Board approved closing the landfill by April 1, 1994, depending on the final outcome of federal regulations. The post-closure costs of \$938,259 are based on landfill capacity used to date and have been estimated by the Village engineers. The Village annually reviews these costs and adjusts them as necessary. On April 1, 1994, the Village established the Refuse Fund as a separate enterprise fund. The post-closure costs will be funded by the operations of the Refuse Fund.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending March 31	Governmental Activities			
	General Obligation Bonds		Alternate Revenue Source Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 115,000	\$ 17,284	\$ 305,000	\$ 29,760
2014	120,000	11,822	320,000	20,304
2015	125,000	6,062	335,000	10,386
Total	<u>\$ 360,000</u>	<u>\$ 35,168</u>	<u>\$ 960,000</u>	<u>\$ 60,450</u>

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. “The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent:...indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.” To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

NET ASSETS/FUND BALANCE

Net Assets Classifications

Investment in capital assets – net of related debt, was comprised of the following as of March 31, 2012:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 45,534,136
Less Capital Related Debt:	
General Obligation Limited Bonds of 1999	(360,000)
General Obligation (Alternate Revenue) Refunding Bonds of 2003	<u>(960,000)</u>
Investment in Capital Assets - Net of Related Debt	<u>\$ 44,214,136</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 34,871,969</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSETS/FUND BALANCE – Continued

Fund Balance Classifications

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Village Facilities	Nonmajor	Total
Fund Balances				
Nonspendable	\$ 1,979	\$ -	\$ -	\$ 1,979
Restricted				
Tax Escrow	84,130	-	-	84,130
Awards	716	-	-	716
Road Improvements	-	-	1,738,230	1,738,230
Debt Service Reserves	-	-	383,466	383,466
Assigned				
Infrastructure Improvement Projects	-	228,492	-	228,492
Downtown Redevelopment	-	-	472,489	472,489
Special Service Areas	-	-	-	-
Unassigned	24,298,449	-	(218,962)	24,079,487
 Total Fund Balances	 \$ 24,385,274	 \$ 228,492	 \$ 2,375,223	 \$ 26,988,989

In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

Assigned Fund Balance. The Village reports assigned fund balance in the Village Facilities Fund, a major fund and in the Downtown Redevelopment Fund, a nonmajor fund. The Village's management has assigned the funds in these two funds to future infrastructure improvement projects and downtown redevelopment based on Board approved management expenditures as determined through the annual budget process.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 4 – OTHER INFORMATION

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; and injuries to the Village's employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insurance program. The Village is self-insured for the first \$250,000 for property claims, \$70,000 per employee for medical claims, \$2,000,000 for liability claims, and \$500,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. There were no reductions in insurance limits during 2012 from the coverage amounts in effect for 2011. The Village's self-insurance activities are reported in the Health Insurance, General Liability Insurance and Workers' Compensation internal service funds.

Premiums are paid into the internal service funds by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. There were no insurance claim settlements which exceeded the amounts of insurance coverage during 2012, 2011 and 2010.

Changes in the balances of claims liabilities during the fiscal year are as follows:

	Workers' Compensation	Health	Liability	Total
Claims Payable - March 31, 2010	\$ 1,009,824	\$ 500,000	\$ 295,500	\$ 1,805,324
Incurred Claims	307,486	2,525,770	154,593	2,987,849
Claims Paid	(369,639)	(2,650,770)	(334,593)	(3,355,002)
Claims Payable - March 31, 2011	947,671	375,000	115,500	1,438,171
Incurred Claims	642,201	180,000	24,950	847,151
Claims Paid	(571,934)	(90,000)	(49,900)	(711,834)
Claims Payable - March 31, 2012	\$ 1,017,938	\$ 465,000	\$ 90,550	\$ 1,573,488

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

High-Level Excess Liability Pool

The Village is a member of the High-Level Excess Liability Pool (the POOL) which consists of fifteen Illinois Municipalities. The purpose of the POOL is to act as a joint self-insurance pool for the purpose of seeking the prevention of lessening of liability claims for injuries to persons or property of claims for errors and omissions made against the members and other parties included within the scope of coverage of the POOL. The coverage provided by the POOL is \$10,000,000 per occurrence and aggregate of each member, with a self-insured retention of \$2,000,000 per member. In addition, the POOL provided excess insurance of \$5,000,000 per occurrence for claims in excess of \$6,000,000.

The POOL is governed by the Board of Directors which consists of one appointed representative from each Member Municipality. Each Director has an equal vote. The officers of the POOL are elected by the Board of Directors. The Board of Directors determines the general policy of the POOL, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of debt by the POOL, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the POOL Agreement or the by-laws.

The Village does not exercise any control over the activities of the POOL beyond its representation on the Board of Directors.

The Village of Elk Grove Village, Illinois (the initial Host member) issued \$5,000,000 of general obligation bonds in 1987 to provide initial funding for the POOL. The bond proceeds were put into escrow with LaSalle National Bank as escrow agent. An intergovernmental agreement among the POOL, the Village of Elk Grove Village and the Members provides that the POOL and its Members are obligated to the Village of Elk Grove Village for payment of principal and interest on the bonds until such bonds have been retired. The bonds were retired December 1, 1995.

The POOL was organized on April 1, 1987 with the initial agreement which has been extended to April 30, 2018. The Village has committed to purchase excess liability insurance from the POOL through the term of the agreement. Annual premiums are calculated based on a formula which specifies the following four criteria: 1) Miles of streets; 2) Full-time equivalent employees; 3) Number of motor vehicles; and 4) Operating revenues.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS

High-Level Excess Liability Pool

The Village has committed to purchase excess liability insurance from the High-Level Excess Liability Pool (the POOL), and insurance pool of Illinois municipalities, through April 30, 2018. There is no minimum annual commitment amount for the purchase of this insurance coverage.

Future premiums will be calculated using the Village's allocation percentage. The POOL's agreement provides that each year members will be assessed based upon a formula which specifies the following four criteria for allocating premium costs:

- Miles of Streets
- Full-Time Equivalent Employees
- Number of Motor Vehicles
- Operating Revenues

CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently 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.

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

High-Level Excess Liability Pool

The Village's agreement with the High-Level Excess Liability Pool provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Illinois Municipal Electric Agency (IMEA)

The Village's contract with the IMEA provides that each member is liable for its proportionate share of any costs arising from defaults in payment obligations by other members.

JOINT VENTURES

Illinois Municipal Electric Agency (IMEA)

Description of Jointly Governed Organizations

IMEA was created in 1984 by a group of municipalities under the provisions of Division 119.1 of Article II of the Illinois Municipal code. IMEA is a body politic and corporate, municipal corporation and unit of local government of the State of Illinois. The purpose of IMEA is to jointly plan, finance, own, and operate facilities for the generation and transmission of electric power and to provide for the current and projected energy needs of the purchasing members.

IMEA is governed by a Board of Directors comprised of one representative designated from each member. The Board determines the general policies of IMEA, makes all appropriations, approves contracts, approves the issuance of debt (some of which requires the approval of each participating member), and exercises such powers and performs such duties as may be prescribed in the agreement or bylaws. Certain matters, generally of a financial nature (such as the issuance of debt or a change in cost allocation formulas) require either a super-majority vote or approval from the governing boards of participating members.

The Village is a fully participating member of IMEA, which consists of 32 members, 32 of which are fully participating. Fully participating members obtain wholesale electricity from IMEA at a reduced price and are also responsible for the outstanding debt of IMEA.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Illinois Municipal Electric Agency (IMEA) – Continued

IMEA has eight debt issues outstanding related to financing ownership of coal fired electric generation facilities. While the Village of Winnetka does not have a specific percentage of these debts as a fixed liability, the Village of Winnetka is contractually bound to purchase power from IMEA through a purchased power agreement. The purchased power contract takes into account load factor, kilowatt sales to each member, and outstanding IMEA debt in setting the price paid by the member communities for wholesale power. IMEA has \$1,242 million of long-term debt outstanding and \$8.8 million due in the current fiscal year ending April 30, 2011. Based on the Village's percentage of the overall demand of IMEA, projected kilowatt hour sales, and debt outstanding, it is projected that the Village will pay about \$75 million for debt service through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2011.

Below is a schedule of facilities where IMEA has an ownership interest:

<u>Coal Facility Name</u>	<u>% Ownership</u>	<u>Capacity Owned (Megawatts)</u>	<u>Status</u>
Trimble County Unit 1	12.12%	62	Operational
Trimble County Unit 2	12.12%	91	Operational
Prairie State	15.17%	240	Under Construction
Total		<u>393</u>	

Summary of Operating Revenues, Operating Expenses and Changes in Net Assets for the year ended April 30, 2011, in millions of dollars:

Operating Revenues	\$ 176.8
Operating Expenses	<u>157.0</u>
Net Operating Income	19.8
Other Nonoperating Expenses (Net)	<u>(6.9)</u>
Change in Net Assets	<u>\$ 12.9</u>

Complete financial statements for IMEA can be obtained from IMEA's administrative office at 3400 Conifer Drive, Springfield, Illinois 62711, or on the internet at www.imea.org.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

JOINT VENTURES – Continued

Solid Waste Agency of Northern Cook County (SWANCC)

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 2700 Patriot Blvd., Suite 110, Glenview, Illinois 60026.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit 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. Separate reports are issued for the Police and Firefighter Pension Plans and may be obtained by writing to the Village at 510 Green Bay Road, Winnetka IL 60093.

IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2011 was 14.85 percent.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	28
Current Employees	
Vested	18
Nonvested	<u>8</u>
	<u>54</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ 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 pension 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

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 plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

Firefighters' Pension Plan

The Firefighters' Pension Plan is a single-employer defined pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	33
Current Employees	
Vested	13
Nonvested	<u>9</u>
	<u>55</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

The monthly pension of a firefighter hired before January 1, 2011, 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. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees, if any, 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 contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for either the Police or the Firefighters' Pension Plans. Information for IMRF is not available.

Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation

The Village’s annual pension cost for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	14.85%	44.12%	52.73%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2011	3/31/2011	3/31/2011
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level % of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	22 Years	22 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	6.25% Compounded Annually	6.25% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

There was no net pension obligation for the IMRF Plan at year-end. The amount of the pension liability (asset) for the Police and Firefighters' Pension plans is as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 958,022	\$ 938,956	\$ 1,896,978
Interest on the NPO/(NPA)	(24,466)	(24,576)	(49,042)
Adjustment to the ARC	20,118	19,204	39,322
Annual Pension Cost	953,674	933,584	1,887,258
Actual Contribution	964,387	945,074	1,909,461
Increase in the NPO/(NPA)	(10,713)	(11,490)	(22,203)
NPO/(NPA) - Beginning of Year	(392,061)	(393,833)	(785,894)
NPO/(NPA) - End of Year	\$ (402,774)	\$ (405,323)	\$ (808,097)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2010	\$ 1,081,479	\$ 978,499	\$ 912,704
	2011	1,299,891	722,238	741,496
	2012	1,362,001	953,674	933,584
Actual Contributions	2010	\$ 1,047,798	\$ 736,000	\$ 840,000
	2011	1,299,891	1,011,480	941,668
	2012	1,362,001	964,387	945,074
Percentage of APC Contributed	2010	100.00%	75.22%	92.03%
	2011	100.00%	140.05%	127.00%
	2012	100.00%	101.12%	101.23%
Net Pension Obligation (Asset)	2010	\$ -	\$ (102,819)	\$ (193,661)
	2011	-	(392,061)	(393,833)
	2012	-	(402,774)	(405,323)

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The Village’s funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/11	3/31/11	3/31/11
Percent Funded	59.96%	67.66%	60.79%
Actuarial Accrued Liability for Benefits	\$31,616,240	\$30,118,976	\$30,960,065
Actuarial Value of Assets	\$18,957,680	\$20,377,515	\$18,822,037
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$12,658,560)	(\$9,741,461)	(\$12,138,028)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$9,171,723	\$2,292,457	\$1,785,796
Ratio of UAAL to Covered Payroll	138.02%	424.94%	679.70%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and 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 General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

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 medial services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending March 31, 2012, retirees contributed \$431,700. Active employees do not contribute to the plan until retirement.

At March 31, 2012, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	42
Active Employees	<u>151</u>
Total	<u>193</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 2012**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of March 31, 2012 was calculated as follows:

Annual Required Contribution	\$ 454,428
Interest on the NOPEBO	78,509
Adjustment to the ARC	<u>(39,254)</u>
Annual OPEB Cost	493,683
Actual Contribution	<u>278,400</u>
Increase in the NOPEBO	215,283
NOPEBO - Beginning of Year	<u>1,570,178</u>
NOPEBO - End of Year	<u>\$ 1,785,461</u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 500,544	\$ 278,400	55.62%	\$ 1,397,818
2011	450,760	278,400	61.76%	1,570,178
2012	493,683	278,400	56.39%	1,785,461

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 2012

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress.

The funded status of the plan as of March 31, 2011, the date of the latest actuarial valuation was as follows:

Actuarial Accrued Liability (AAL)	\$ 7,853,132
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 7,853,132
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	\$ 14,172,302
UAAL as a Percentage of Covered Payroll	55.41%

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 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 the financial statements, presents multiyear 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 March 31, 2011 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses and an annual healthcare cost trend rate of 6.0%. Both rates include a 3.0% 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 basis. The remaining amortization period at March 31, 2012, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund (IMRF)
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Post-Employment Benefit Plan

- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF WINNETKA, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
March 31, 2012**

Schedule of Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2006	\$ 24,839,587	\$ 29,691,294	83.66%	\$ 4,851,707	\$ 8,075,770	60.08%
2007	27,302,712	31,772,520	85.93%	4,469,808	8,519,046	52.47%
2008	22,574,198	32,156,404	70.20%	9,582,206	8,879,643	107.91%
2009	22,265,972	33,894,578	65.69%	11,628,606	9,478,345	122.69%
2010	20,802,213	32,850,427	63.32%	12,048,214	9,219,084	130.69%
2011	18,957,680	31,616,240	59.96%	12,658,560	9,171,723	138.02%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2007	\$ 991,704	\$ 991,704	100.00%
2008	1,059,769	1,059,769	100.00%
2009	1,047,798	1,047,798	100.00%
2010	1,081,479	1,081,479	100.00%
2011	1,299,891	1,299,891	100.00%
2012	1,362,001	1,362,001	100.00%

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 March 31, 2012

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
Mar. 31						
2006	\$ 17,159,379	\$ 22,540,523	76.13%	\$ 5,381,144	\$ 2,098,534	256.42%
2007	18,244,997	23,935,241	76.23%	5,690,244	1,990,314	285.90%
2008	18,205,126	25,066,992	72.63%	6,861,866	2,271,818	302.04%
2009	16,048,696	26,890,362	59.68%	10,841,666	2,316,542	468.01%
2010	18,904,231	29,630,253	63.80%	10,726,022	2,338,042	458.76%
2011	20,377,515	30,118,976	67.66%	9,741,461	2,292,457	424.94%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ 551,402	\$ 486,713	113.29%
2008	651,700	644,614	101.10%
2009	682,000	672,538	101.41%
2010	736,000	1,006,480	73.13%
2011	1,011,480	1,030,792	98.13%
2012	964,387	958,022	100.66%

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 March 31, 2012

Schedule of Funding Progress

Actuarial Valuation Date Mar. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2006	\$ 15,838,199	\$ 24,056,486	65.84%	\$ 8,218,287	\$ 1,696,443	484.44%
2007	16,862,213	25,007,483	67.43%	8,145,270	1,714,907	474.97%
2008	17,004,652	25,914,437	65.62%	8,909,785	1,859,725	479.09%
2009	15,131,866	26,287,160	57.56%	11,155,294	2,004,317	556.56%
2010	17,798,993	28,882,320	61.63%	11,083,327	2,086,790	531.12%
2011	18,822,037	30,960,065	60.79%	12,138,028	1,785,796	679.70%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ 663,715	\$ 595,727	111.41%
2008	733,900	726,893	100.96%
2009	737,000	727,176	101.35%
2010	840,000	795,495	105.59%
2011	941,668	936,668	100.53%
2012	945,074	938,956	100.65%

VILLAGE OF WINNETKA, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
March 31, 2012**

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
Mar. 31						
2007	\$ -	\$ 10,401,328	0.00%	\$ 10,401,328	\$ N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	7,853,132	0.00%	7,853,132	13,507,306	58.14%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	-	7,853,132	0.00%	7,853,132	14,172,302	55.41%
2012	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2007	\$ 297,600	\$ 648,888	45.86%
2008	N/A	N/A	N/A
2009	278,400	681,332	40.86%
2010	278,400	454,427	61.26%
2011	278,400	454,427	61.26%
2012	278,400	454,428	61.26%

The Village implemented GASB Statement No. 45 for the fiscal year ended March 31, 2007. Information for prior years is not available. The Village is required to have the actuarial valuation performed biennially.

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended March 31, 2012

	2012		2011 Actual
	Original and Final Budget	Actual	
Revenues			
Taxes	\$ 13,061,281	\$ 13,395,683	\$ 12,377,525
Licenses and Permits	1,591,000	2,003,172	2,329,913
Intergovernmental	2,251,000	2,598,460	2,438,670
Charges for Services	3,684,058	3,656,488	3,660,154
Fines and Forfeits	215,000	214,809	212,415
Investment Income	180,000	235,331	272,626
Miscellaneous	64,000	79,240	140,572
Total Revenues	<u>21,046,339</u>	<u>22,183,183</u>	<u>21,431,875</u>
Expenditures			
General Government	2,991,498	2,738,434	3,160,342
Public Safety	11,103,424	10,433,116	11,073,179
Community Development	1,560,940	1,509,051	1,585,290
Public Works	5,875,914	5,117,430	4,567,231
Total Expenditures	<u>21,531,776</u>	<u>19,798,031</u>	<u>20,386,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(485,437)</u>	<u>2,385,152</u>	<u>1,045,833</u>
Other Financing Sources (Uses)			
Transfers In	1,290,600	1,290,600	1,342,320
Transfers Out	(2,194,760)	(1,639,760)	(1,364,060)
	<u>(904,160)</u>	<u>(349,160)</u>	<u>(21,740)</u>
Net Change in Fund Balance	<u>\$ (1,389,597)</u>	2,035,992	1,024,093
Fund Balance - Beginning		<u>22,349,282</u>	<u>21,325,189</u>
Fund Balance - Ending		<u>\$ 24,385,274</u>	<u>\$ 22,349,282</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
 - General Fund
 - Village Facilities – Capital Projects Fund

- Nonmajor Governmental Funds
 - Combining Balance Sheets
 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 - Budgetary Comparison Schedules
 - Motor Fuel Tax – Special Revenue Fund
 - General Obligation – Debt Service Fund
 - Downtown Redevelopment – Capital Projects Fund
 - Special Service Areas – Capital Projects Fund

- Budgetary Comparison Schedules – Enterprise Funds
 - Electric – Major Enterprise Fund
 - Water – Major Enterprise Fund
 - Refuse – Major Enterprise Fund
 - Sewer – Nonmajor Enterprise Fund

- Internal Service Funds
 - Combining Statement of Net Assets
 - Combining Statement of Revenues, Expenses, and Changes in Net Assets
 - Combining Statement of Cash Flows
 - Budgetary Comparison Schedules
 - Data Processing Fund
 - Workers’ Compensation Insurance Fund
 - Health Insurance Fund
 - Liability Insurance Fund
 - Fleet Fund

- Fiduciary Funds
 - Combining Statement of Net Plan Assets
 - Combining Statement of Changes in Net Plan Assets
 - Budgetary Comparison Schedules
 - Police Pension Fund
 - Firefighters’ Pension Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

General Obligation Fund

The General Obligation Fund is used to accumulate monies for payment of principal and interest for bonds issued for the construction of public safety building. Series 1999 refunding bonds were issued August 1, 1999 with final payment due December 1, 2014. Series 2003 bonds were issued February 19, 2003 with final payment due October 1, 2014. Financing is provided by sales tax revenue.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

Village Facilities Fund

The Village Facilities Fund is used to account for the resources for major rehabilitation of the public works, water, and electric yards located at 1390 Willow Road.

Downtown Redevelopment Fund

The Downtown Redevelopment Fund is used to account for the resources for the redevelopment of the Village owned area of the downtown business district currently occupied by the post office. Financing is provided by transfers from the General Fund.

Special Service Areas Fund

The Special Service Areas Fund is used to account for specific tax levies and related costs of the Village's special service areas.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Electric Fund

The Electric Fund is used to account for the provision of electric services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to: administration, operations, maintenance, financing and related debt service, and billing and collection.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS – Continued

Water Fund

The Water Fund is used to account for the provision of portable water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to: administration, operations, maintenance, financing and related debt service, and billing and collection.

Refuse Fund

The Refuse Fund is used to account for the provision of refuse services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to: administration, operations, maintenance, financing and related debt service, and billing and collection.

Sewer Fund

The Sewer Fund is used to account for the provision of sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including but not limited to: administration, operations, maintenance, financing and related debt service, and billing and collection.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Data Processing Fund

The Data Processing Fund is used to account for the acquisition and depreciation of Village data processing equipment and software. Finance is provided by charges to the various Village funds.

Workers' Compensation Insurance Fund

The Worker's Compensation Insurance Fund is used to account for the servicing and payment of claims for workers' compensation. Financing is provided by charges to the various Village funds.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUNDS – Continued

Health Insurance Fund

The Health Insurance Fund is used to account for the servicing and payment of claims for health insurance. Financing is provided by charges to the various Village funds.

Liability Insurance Fund

The Liability Insurance Fund is used to account for the servicing and payment of claims for liability insurance. Financing is provided by charges to the various Village funds.

Fleet Fund

The Fleet Fund is used to account for the costs of maintaining transportation equipment used by the Village. Financing is provided by charges to the various Village funds.

TRUST FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the annual property tax levy and investment income.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan. Financing is provided by employee contributions, the annual property tax levy and investment income.

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 11,866,281	\$ 12,298,297
Natural Gas	475,000	458,790
Telecommunications Tax	720,000	638,596
	13,061,281	13,395,683
Licenses and Permits		
Licenses		
Vehicle	275,000	296,736
Dog	10,000	10,632
Liquor	13,000	12,375
Other	3,000	3,871
Permits		
Building	1,200,000	1,060,655
Plumbing	-	55,788
Electrical	-	60,780
Sewer, Sidewalks, and Miscellaneous	90,000	168,891
Plan Review	-	3,492
Compliance Fees	-	329,952
	1,591,000	2,003,172
Intergovernmental		
General Sales Tax	1,100,000	1,321,062
Illinois State Income Tax	931,000	979,922
Corporate Property Replacement Tax	100,000	124,253
Grants	60,000	111,043
Foreign Fire Insurance	60,000	62,180
	2,251,000	2,598,460

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Charges for Services		
Administrative Charges	\$ 1,807,400	\$ 1,807,400
Franchise Fees	210,000	250,753
Public Safety Services	902,956	822,821
Ambulance Fees	130,000	143,857
False Alarm Charges	15,000	11,050
Parking	155,850	168,833
Property Rental	417,852	401,390
State Route Maintenance	45,000	50,384
	<u>3,684,058</u>	<u>3,656,488</u>
Fines and Forfeits		
Justice Fines and Costs	215,000	214,809
	<u>180,000</u>	<u>235,331</u>
Investment Income		
	<u>180,000</u>	<u>235,331</u>
Miscellaneous		
Proceeds from Sale of Personal Property	20,000	4,799
Pole Rental	37,000	52,500
Miscellaneous	7,000	21,941
	<u>64,000</u>	<u>79,240</u>
Total Revenues	<u>\$ 21,046,339</u>	<u>\$ 22,183,183</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 548,470	\$ 211,226
General Administration	2,443,028	2,527,208
Total General Government	2,991,498	2,738,434
Public Safety		
Police Department		
Administration	2,353,179	2,266,633
Training	98,325	72,704
E-911 System	10,000	6,000
Public Service Officers	254,832	222,308
General and Criminal Records	317,119	348,444
Identification Records	-	4,801
Communication System	789,843	576,303
Detention and Custody of Prisoners	2,500	520
Investigation	344,052	305,128
Uniform Patrol	1,846,723	1,903,373
School Crossing Protection	500	-
Emergency Management	12,600	12,027
Patrol Vehicles	242,667	199,768
Social Work	42,000	46,775
Station Maintenance	211,154	109,973
Safety	12,520	10,107
Community Services	-	(30,115)
Total Police Department	6,538,014	6,054,749
Fire Department		
Administration	506,628	467,754
Training	66,000	47,006
Communications	157,900	185,473
Emergency Management	5,000	186
Fire Station Maintenance	109,050	81,952
Community Services	3,950	(565)

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Life Safety	\$ 51,870	\$ 32,442
Firefighting Force	3,208,682	3,129,060
Ambulance Service	396,330	364,809
	<hr/>	<hr/>
Total Fire Department	4,505,410	4,308,117
	<hr/>	<hr/>
Foreign Fire Insurance	60,000	70,250
	<hr/>	<hr/>
Total Public Safety	11,103,424	10,433,116
	<hr/>	<hr/>
Community Development		
Community Development Department	1,560,940	1,509,051
	<hr/>	<hr/>
Public Works		
Public Works Department	5,875,914	5,117,430
	<hr/>	<hr/>
Total Expenditures	\$ 21,531,776	\$ 19,798,031
	<hr/> <hr/>	<hr/> <hr/>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
General Government		
Public Affairs		
Public Improvements		
Capital	\$ 250,000	\$ -
Historical Museum		
Contractual Services	9,000	-
Legal		
Contractual Services	44,000	55,296
Surety Bonds and Insurance		
Contractual Services	46,000	30,745
Sundry		
Commodities	49,470	51,233
Contractual Services	150,000	73,585
	199,470	124,818
EOC		
Salaries	-	367
Total Public Affairs	548,470	211,226
General Administration		
Office of the Manager and Clerk		
Salaries	364,000	378,523
Contractual Services	77,900	120,961
Commodities	20,540	35,248
	462,440	534,732
Legal Expense		
Salaries	259,500	288,981
Personnel Costs	80,406	80,677
Contractual Services	(232,420)	(229,948)
	107,486	139,710

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
General Government - Continued		
General Administration - Continued		
Tuition Reimbursement		
Contractual Services	\$ 20,000	\$ -
Financial Administration		
Salaries	1,084,780	1,093,116
Personnel Costs	521,928	551,380
Contractual Services	188,862	168,251
Commodities	23,010	32,073
Vehicle Expense	4,272	4,272
Training	5,250	3,674
Equipment	25,000	-
	<u>1,853,102</u>	<u>1,852,766</u>
Total General Administration	<u>2,443,028</u>	<u>2,527,208</u>
Total General Government	<u>2,991,498</u>	<u>2,738,434</u>
Public Safety		
Police Department		
Administration		
Salaries	582,575	509,656
Personnel Costs	1,643,129	1,651,364
Contractual Services	117,250	95,222
Supplies	10,225	10,391
	<u>2,353,179</u>	<u>2,266,633</u>
Training		
Salaries	19,575	21,496
Contractual Services	42,625	38,257
Commodities	36,125	12,951
	<u>98,325</u>	<u>72,704</u>
E-911 System		
Contractual Services	<u>10,000</u>	<u>6,000</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Public Service Officers		
Salaries	\$ 194,752	\$ 175,836
Contractual Services	50,990	44,349
Supplies	9,090	2,123
	<u>254,832</u>	<u>222,308</u>
General and Criminal Records		
Salaries	185,069	217,341
Contractual Services	112,590	106,169
Supplies	19,460	24,934
	<u>317,119</u>	<u>348,444</u>
Identification Records		
Contractual Services	-	4,801
Communication System		
Salaries	355,043	361,003
Contractual Services	120,700	161,469
Supplies	64,100	53,831
Equipment	250,000	
	<u>789,843</u>	<u>576,303</u>
Detention and Custody of Prisoners		
Contractual Services	1,000	167
Supplies	1,500	353
	<u>2,500</u>	<u>520</u>
Investigation		
Salaries	295,182	274,104
Contractual Services	35,200	24,513
Supplies	13,670	6,511
	<u>344,052</u>	<u>305,128</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012**

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Uniform Patrol		
Salaries	\$ 1,768,373	\$ 1,850,837
Contractual Services	5,400	2,767
Supplies	72,950	49,769
	<u>1,846,723</u>	<u>1,903,373</u>
School Crossing Protection		
Supplies	<u>500</u>	<u>-</u>
Emergency Management		
Contractual Services	9,600	8,680
Supplies	3,000	3,347
	<u>12,600</u>	<u>12,027</u>
Patrol Vehicles		
Contractual Services	3,000	2,604
Supplies	4,500	2,376
Vehicle Expense	235,167	194,788
	<u>242,667</u>	<u>199,768</u>
Social Work		
Contractual Services	<u>42,000</u>	<u>46,775</u>
Station Maintenance		
Contractual Services	130,154	109,083
Supplies	6,000	890
Equipment	75,000	-
	<u>211,154</u>	<u>109,973</u>
Safety		
Contractual Services	7,020	6,611
Supplies	5,500	3,496
	<u>12,520</u>	<u>10,107</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Community Services		
Salaries	\$ -	\$ (30,115)
Total Police Department	<u>6,538,014</u>	<u>6,054,749</u>
Fire Department		
Administration		
Salaries	345,323	349,432
Personnel Costs	57,053	62,579
Contractual Services	80,652	39,559
Supplies	22,900	16,162
Vehicle Expense	700	22
	<u>506,628</u>	<u>467,754</u>
Training		
Salaries	37,600	21,694
Contractual Services	22,900	22,763
Supplies	5,500	2,549
	<u>66,000</u>	<u>47,006</u>
Communications		
Contractual Services	153,400	148,367
Supplies	4,500	37,106
	<u>157,900</u>	<u>185,473</u>
Emergency Management		
Salaries	500	-
Contractual Services	1,500	-
Supplies	3,000	186
	<u>5,000</u>	<u>186</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Fire Station Maintenance		
Contractual Services	\$ 100,700	\$ 69,699
Supplies	8,350	12,253
	<u>109,050</u>	<u>81,952</u>
Community Services		
Salaries	3,000	(590)
Contractual Services	500	25
Supplies	450	-
	<u>3,950</u>	<u>(565)</u>
Life Safety		
Salaries	43,300	27,281
Contractual Services	1,600	-
Supplies	6,970	5,161
	<u>51,870</u>	<u>32,442</u>
Firefighting Force		
Salaries	1,722,414	1,681,199
Personnel Costs	1,258,406	1,262,315
Contractual Services	60,845	28,645
Supplies	46,400	31,783
Vehicle Expense	60,617	74,531
Equipment	60,000	50,587
	<u>3,208,682</u>	<u>3,129,060</u>
Ambulance Service		
Salaries	305,976	303,957
Personnel Costs	37,224	37,224
Contractual Services	40,630	19,402
Supplies	11,500	3,434
Vehicle Expense	1,000	792
	<u>396,330</u>	<u>364,809</u>
Total Fire Department	<u>4,505,410</u>	<u>4,308,117</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Public Safety - Continued		
Foreign Fire Insurance	\$ 60,000	\$ 70,250
Total Public Safety	<u>11,103,424</u>	<u>10,433,116</u>
Community Development		
Community Development Department		
Salaries	838,500	813,255
Personnel Costs	316,980	310,518
Contractual Services	393,800	376,071
Supplies	10,060	7,791
Vehicle Expense	1,600	1,416
Total Community Development	<u>1,560,940</u>	<u>1,509,051</u>
Public Works		
Public Works Department		
Administration		
Salaries	366,794	324,198
Personnel Costs	676,479	666,634
Contractual Services	98,000	94,228
Supplies	15,000	9,939
Total	<u>1,156,273</u>	<u>1,094,999</u>
Training		
Contractual Services	11,000	8,554
Supplies	14,000	8,518
Total	<u>25,000</u>	<u>17,072</u>
Engineering		
Salaries	187,230	212,007
Contractual Services	75,000	66,089
Supplies	2,000	695
Total	<u>264,230</u>	<u>278,791</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Service Yards		
Salaries	\$ -	\$ 338
Contractual Services	79,000	83,749
Supplies	12,000	11,944
	91,000	96,031
Street Maintenance		
Salaries	680,512	583,585
Contractual Services	96,000	110,253
Supplies	83,000	68,597
Vehicle Expense	223,440	223,440
Equipment	60,000	-
	1,142,952	985,875
Pavement Reconstruction		
Equipment/Reconstruction	1,100,000	1,297,111
Drainage		
Salaries	133,718	227,033
Contractual Services	58,500	76,879
Supplies	32,000	23,741
Equipment	750,000	79,506
	974,218	407,159
Snow Removal and Ice Control		
Salaries	45,000	86,465
Contractual Services	7,000	6,299
Supplies	106,250	105,582
Equipment	35,000	-
	193,250	198,346

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2012

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Public Property		
Salaries	\$ 500	\$ 338
Contractual Services	283,500	224,439
Supplies	30,000	9,150
Equipment	110,000	113,755
	<u>424,000</u>	<u>347,682</u>
Forestry		
Salaries	162,991	141,208
Contractual Services	337,000	259,824
Supplies	4,000	2,938
Equipment	-	(10,120)
	<u>503,991</u>	<u>393,850</u>
Street Sweeping - Mechanical		
Contractual Services	<u>1,000</u>	<u>514</u>
Total Public Works	<u>5,875,914</u>	<u>5,117,430</u>
Total Expenditures	<u>\$ 21,531,776</u>	<u>\$ 19,798,031</u>

VILLAGE OF WINNETKA, ILLINOIS

Village Facilities - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 10,000	\$ 22,690
Expenditures		
Capital Outlay	2,600,000	2,421,207
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,590,000)	(2,398,517)
Other Financing Sources		
Transfers In	500,000	500,000
Net Change in Fund Balance	<u>\$ (2,090,000)</u>	(1,898,517)
Fund Balance - Beginning		<u>2,127,009</u>
Fund Balance - Ending		<u>\$ 228,492</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
Year Ended March 31, 2012**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
March 31, 2012

	<u>Special Revenue</u> <u>Motor Fuel Tax</u>
ASSETS	
Cash and Investments	\$ 1,713,795
Receivables - Net of Allowances	
Taxes	-
Accounts	-
Accrued Interest	-
Due from Other Governments	<u>24,435</u>
Total Assets	<u>\$ 1,738,230</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Due to Other Funds	\$ -
Unearned/Deferred Revenues	<u>-</u>
Total Liabilities	<u>-</u>
Fund Balances	
Restricted	1,738,230
Assigned	-
Unassigned	<u>-</u>
Total Fund Balances	<u>1,738,230</u>
Total Liabilities and Fund Balances	<u>\$ 1,738,230</u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ 374,863	\$ 462,569	\$ 36,028	\$ 2,587,255
67,726	-	-	67,726
-	9,920	-	9,920
5,925	-	10	5,935
-	-	-	24,435
<u>\$ 448,514</u>	<u>\$ 472,489</u>	<u>\$ 36,038</u>	<u>\$ 2,695,271</u>
\$ -	\$ -	\$ 255,000	\$ 255,000
65,048	-	-	65,048
65,048	-	255,000	320,048
383,466	-	-	2,121,696
-	472,489	-	472,489
-	-	(218,962)	(218,962)
383,466	472,489	(218,962)	2,375,223
<u>\$ 448,514</u>	<u>\$ 472,489</u>	<u>\$ 36,038</u>	<u>\$ 2,695,271</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended March 31, 2012

	Special Revenue Motor Fuel Tax
Revenues	
Taxes	\$ -
Intergovernmental	357,680
Investment Income	941
Total Revenues	<u>358,621</u>
Expenditures	
Community Development	-
Public Works	62,451
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>62,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	296,170
Other Financing Sources	
Transfers In	<u>-</u>
Net Change in Fund Balances	296,170
Fund Balances - Beginning	<u>1,442,060</u>
Fund Balances - Ending	<u>\$ 1,738,230</u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ 139,597	\$ -	\$ -	\$ 139,597
-	-	3,146	360,826
3,962	5,516	3,350	13,769
143,559	5,516	6,496	514,192
-	33,045	-	33,045
-	-	-	62,451
-	-	480,458	480,458
410,000	-	-	410,000
57,380	-	-	57,380
467,380	33,045	480,458	1,043,334
(323,821)	(27,529)	(473,962)	(529,142)
334,760	-	255,000	589,760
10,939	(27,529)	(218,962)	60,618
372,527	500,018	-	2,314,605
\$ 383,466	\$ 472,489	\$ (218,962)	\$ 2,375,223

VILLAGE OF WINNETKA, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 310,000	\$ 303,748
Grants	-	53,932
Investment Income	15,000	941
Total Revenues	<u>325,000</u>	<u>358,621</u>
Expenditures		
Public Works		
Street - Traffic Signal Maintenance and Improvement	575,000	27,451
Administration Charges	35,000	35,000
Total Expenditures	<u>610,000</u>	<u>62,451</u>
Net Change in Fund Balance	<u>\$ (285,000)</u>	296,170
Fund Balance - Beginning		<u>1,442,060</u>
Fund Balance - Ending		<u>\$ 1,738,230</u>

VILLAGE OF WINNETKA, ILLINOIS

General Obligation - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 139,000	\$ 139,597
Investment Income	3,000	3,962
Total Revenues	<u>142,000</u>	<u>143,559</u>
Expenditures		
Debt Service		
Principal Retirement	441,000	410,000
Interest and Fiscal Charges	59,397	57,380
Total Expenditures	<u>500,397</u>	<u>467,380</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(358,397)	(323,821)
Other Financing Sources		
Transfers In	<u>334,760</u>	<u>334,760</u>
Net Change in Fund Balance	<u>\$ (23,637)</u>	10,939
Fund Balance - Beginning		<u>372,527</u>
Fund Balance - Ending		<u>\$ 383,466</u>

VILLAGE OF WINNETKA, ILLINOIS

Downtown Redevelopment - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2012**

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 3,000	\$ 5,516
Expenditures		
Community Development		
Miscellaneous	350,000	33,045
Net Change in Fund Balance	<u>\$ (347,000)</u>	(27,529)
Fund Balance - Beginning		<u>500,018</u>
Fund Balance - Ending		<u>\$ 472,489</u>

VILLAGE OF WINNETKA, ILLINOIS

Special Service Areas - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Special Assessments	\$ -	\$ 3,146
Investment Income	-	3,350
Total Revenues	<u>-</u>	<u>6,496</u>
Expenditures		
Capital Outlay		
Construction	<u>510,000</u>	<u>480,458</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(510,000)	(473,962)
Other Financing Sources		
Transfers In	<u>510,000</u>	<u>255,000</u>
Net Change in Fund Balance	<u>\$ -</u>	(218,962)
Fund Balance - Beginning		<u>-</u>
Fund Balance - Ending		<u>\$ (218,962)</u>

VILLAGE OF WINNETKA, ILLINOIS

Electric - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 15,530,000	\$ 14,551,618
Miscellaneous	125,000	19,126
Total Operating Revenues	<u>15,655,000</u>	<u>14,570,744</u>
Operating Expenses		
Administration		
General and Administrative	2,743,242	2,509,601
Operations		
Generation	8,489,450	7,949,994
Distribution	1,525,350	1,371,384
Depreciation	1,500,000	1,547,968
Total Operating Expenses	<u>14,258,042</u>	<u>13,378,947</u>
Operating Income	<u>1,396,958</u>	<u>1,191,797</u>
Nonoperating Revenues (Expenses)		
Investment Income	40,000	60,104
Rental Income	189,200	106,624
Merchandise Sales and Jobbing - Net	67,000	314,252
Disposal of Capital Assets	1,000	(21,791)
	<u>297,200</u>	<u>459,189</u>
Income Before Transfers	1,694,158	1,650,986
Transfers Out	<u>(965,400)</u>	<u>(965,400)</u>
Change in Net Assets	<u>\$ 728,758</u>	685,586
Net Assets - Beginning		<u>27,562,338</u>
Net Assets - Ending		<u>\$ 28,247,924</u>

VILLAGE OF WINNETKA, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 3,449,000	\$ 3,112,401
Miscellaneous	15,500	38,339
Total Operating Revenues	<u>3,464,500</u>	<u>3,150,740</u>
Operating Expenses		
Administration		
General and Administrative	1,176,472	1,173,580
Operations		
Pumping	137,000	105,681
Filtration	836,700	753,426
Distribution	487,300	447,498
Depreciation	400,000	460,846
Total Operating Expenses	<u>3,037,472</u>	<u>2,941,031</u>
Operating Income	<u>427,028</u>	<u>209,709</u>
Nonoperating Revenues (Expenses)		
Investment Income	1,000	(1,546)
Merchandise Sales and Jobbing - Net	19,500	33,651
Disposal of Capital Assets	-	(18,706)
	<u>20,500</u>	<u>13,399</u>
Income Before Transfers	447,528	223,108
Transfers In	300,000	-
Transfers Out	<u>(225,600)</u>	<u>(225,600)</u>
Change in Net Assets	<u>\$ 521,928</u>	(2,492)
Net Assets - Beginning		<u>10,538,343</u>
Net Assets - Ending		<u>\$ 10,535,851</u>

VILLAGE OF WINNETKA, ILLINOIS

Refuse - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 530,000	\$ 525,780
Miscellaneous	13,000	89,612
Total Operating Revenues	<u>543,000</u>	<u>615,392</u>
Operating Expenses		
Administration		
General and Administrative	127,080	127,080
Operations		
Collection	1,194,800	1,243,017
Disposal	415,080	331,608
Recycling	331,000	337,535
Landfill Monitoring	120,500	74,719
Depreciation	135,000	125,143
Total Operating Expenses	<u>2,323,460</u>	<u>2,239,102</u>
Operating Income (Loss)	<u>(1,780,460)</u>	<u>(1,623,710)</u>
Nonoperating Revenues		
Property Taxes	1,100,000	1,086,582
Investment Income	13,000	11,814
	<u>1,113,000</u>	<u>1,098,396</u>
Income (Loss) Before Transfers	(667,460)	(525,314)
Transfers In	550,000	550,000
Transfers Out	<u>(42,000)</u>	<u>(42,000)</u>
Change in Net Assets	<u>\$ (159,460)</u>	(17,314)
Net Assets - Beginning		<u>1,668,063</u>
Net Assets - Ending		<u>\$ 1,650,749</u>

VILLAGE OF WINNETKA, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 815,500	\$ 731,083
Operating Expenses		
Administration		
General and Administrative	140,040	140,040
Operations	711,322	560,096
Depreciation	70,000	85,632
Total Operating Expenses	<u>921,362</u>	<u>785,768</u>
Operating Income (Loss)	(105,862)	(54,685)
Nonoperating Revenues		
Investment Income	<u>14,000</u>	<u>13,900</u>
Income (Loss) Before Transfers	(91,862)	(40,785)
Transfers Out	<u>(57,600)</u>	<u>(57,600)</u>
Change in Net Assets	<u>\$ (149,462)</u>	(98,385)
Net Assets - Beginning		<u>3,000,972</u>
Net Assets - Ending		<u>\$ 2,902,587</u>

VILLAGE OF WINNETKA, ILLINOIS

Combining Statement of Net Assets

Internal Service Funds

March 31, 2012

	<u>Data Processing</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 814,141
Receivables - Net of Allowances	
Accounts	-
Accrued Interest	14,850
Inventories	-
Total Current Assets	<u>828,991</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>828,991</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	3,148
Accrued Payroll	4,889
Claims Payable	-
Total Current Liabilities	<u>8,037</u>
Noncurrent Liabilities	
Claims Payable	<u>-</u>
Total Liabilities	<u>8,037</u>
NET ASSETS	
Invested in Capital Assets	-
Unrestricted	<u>820,954</u>
Total Net Assets	<u>\$ 820,954</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 1,729,711	\$ 2,491,566	\$ 2,539,700	\$ 182,251	\$ 7,757,369
-	12,284	-	7,857	20,141
29,826	47,103	43,020	2,333	137,132
-	-	-	17,998	17,998
1,759,537	2,550,953	2,582,720	210,439	7,932,640
-	-	-	13,590	313,188
-	-	-	(9,513)	(309,111)
-	-	-	4,077	4,077
1,759,537	2,550,953	2,582,720	214,516	7,936,717
329	11,949	-	6,743	22,169
-	-	-	9,636	14,525
508,969	465,000	45,275	-	1,019,244
509,298	476,949	45,275	16,379	1,055,938
508,969	-	45,275	-	554,244
1,018,267	476,949	90,550	16,379	1,610,182
-	-	-	4,077	4,077
741,270	2,074,004	2,492,170	194,060	6,322,458
\$ 741,270	\$ 2,074,004	\$ 2,492,170	\$ 198,137	\$ 6,326,535

VILLAGE OF WINNETKA, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Assets

Internal Service Funds
Year Ended March 31, 2012

	<u>Data Processing</u>
Operating Revenues	
Interfund Services	<u>\$ 331,832</u>
Operating Expenses	
Administration	43,440
Operations	315,705
Depreciation	-
Total Operating Expenses	<u>359,145</u>
Operating Income (Loss)	(27,313)
Nonoperating Revenues	
Investment Income	<u>9,850</u>
Change in Net Assets	(17,463)
Net Assets - Beginning	<u>838,417</u>
Net Assets - Ending	<u>\$ 820,954</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 528,500	\$ 2,802,255	\$ 184,008	\$ 862,473	\$ 4,709,068
-	33,462	38,759	43,440	159,101
680,130	3,393,408	13,279	831,500	5,234,022
-	-	-	1,359	1,359
680,130	3,426,870	52,038	876,299	5,394,482
(151,630)	(624,615)	131,970	(13,826)	(685,414)
20,164	32,304	28,500	1,905	92,723
(131,466)	(592,311)	160,470	(11,921)	(592,691)
872,736	2,666,315	2,331,700	210,058	6,919,226
\$ 741,270	\$ 2,074,004	\$ 2,492,170	\$ 198,137	\$ 6,326,535

VILLAGE OF WINNETKA, ILLINOIS

Combining Statement of Cash Flows

Internal Service Funds

Year Ended March 31, 2012

	<u>Data Processing</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 331,582
Payments to Suppliers	(238,832)
Payments to Employees	(129,848)
	<u>(37,098)</u>
Cash Flows from Investing Activities	
Interest Received	<u>9,850</u>
Net Change in Cash and Cash Equivalents	(27,248)
Cash and Cash Equivalents - Beginning	<u>841,389</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 814,141</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (27,313)
Adjustments to Reconcile Operating Income to Net	
Cash Provided by (Used in) Operating Activities	
Depreciation Expense	-
(Increase) Decrease in Current Assets	(250)
Increase (Decrease) in Current Liabilities	<u>(9,535)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (37,098)</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 527,967 (609,534)	\$ 2,800,433 (3,330,155)	\$ 183,224 (76,988)	\$ 872,834 (641,599)	\$ 4,716,040 (4,897,108)
-	-	-	(237,966)	(367,814)
(81,567)	(529,722)	106,236	(6,731)	(548,882)
20,164	32,304	28,500	1,905	92,723
(61,403)	(497,418)	134,736	(4,826)	(456,159)
1,791,114	2,988,984	2,404,964	187,077	8,213,528
\$ 1,729,711	\$ 2,491,566	\$ 2,539,700	\$ 182,251	\$ 7,757,369
\$ (151,630)	\$ (624,615)	\$ 131,970	\$ (13,826)	\$ (685,414)
-	-	-	1,359	1,359
(533)	(1,822)	(784)	10,361	6,972
70,596	96,715	(24,950)	(4,625)	128,201
\$ (81,567)	\$ (529,722)	\$ 106,236	\$ (6,731)	\$ (548,882)

VILLAGE OF WINNETKA, ILLINOIS

Data Processing - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 334,500	\$ 331,832
Operating Expenses		
Administration	43,440	43,440
Operations	370,140	315,705
Depreciation	35,000	-
Total Operating Expenses	448,580	359,145
Operating Income (Loss)	(114,080)	(27,313)
Nonoperating Revenues		
Investment Income	7,000	9,850
Change in Net Assets	<u>\$ (107,080)</u>	(17,463)
Net Assets - Beginning		<u>838,417</u>
Net Assets - Ending		<u>\$ 820,954</u>

VILLAGE OF WINNETKA, ILLINOIS

Workers' Compensation Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	<u>\$ 528,492</u>	<u>\$ 528,500</u>
Operating Expenses		
Administration	3,500	-
Operations	<u>642,000</u>	<u>680,130</u>
Total Operating Expenses	<u>645,500</u>	<u>680,130</u>
Operating Income (Loss)	(117,008)	(151,630)
Nonoperating Revenues		
Investment Income	<u>13,000</u>	<u>20,164</u>
Change in Net Assets	<u>\$ (104,008)</u>	(131,466)
Net Assets - Beginning		<u>872,736</u>
Net Assets - Ending		<u>\$ 741,270</u>

VILLAGE OF WINNETKA, ILLINOIS

Health Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 2,731,950	\$ 2,802,255
Operating Expenses		
Administration	515,000	33,462
Operations	2,782,600	3,393,408
Total Operating Expenses	3,297,600	3,426,870
Operating Income (Loss)	(565,650)	(624,615)
Nonoperating Revenues		
Investment Income	15,000	32,304
Change in Net Assets	\$ (550,650)	(592,311)
Net Assets - Beginning		2,666,315
Net Assets - Ending		\$ 2,074,004

VILLAGE OF WINNETKA, ILLINOIS

Liability Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 184,008	\$ 184,008
Operating Expenses		
Administration	150,000	38,759
Operations	150,000	13,279
Total Operating Expenses	300,000	52,038
Operating Income (Loss)	(115,992)	131,970
Nonoperating Revenues		
Investment Income	20,000	28,500
Change in Net Assets	\$ (95,992)	160,470
Net Assets - Beginning		2,331,700
Net Assets - Ending		\$ 2,492,170

VILLAGE OF WINNETKA, ILLINOIS

Fleet - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 857,000	\$ 862,473
Operating Expenses		
Administration	43,440	43,440
Operations	805,940	831,500
Depreciation	-	1,359
Total Operating Expenses	849,380	876,299
Operating Income (Loss)	7,620	(13,826)
Nonoperating Revenues		
Investment Income	1,500	1,905
Change in Net Assets	\$ 9,120	(11,921)
Net Assets - Beginning		210,058
Net Assets - Ending		\$ 198,137

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

**Combining Statement of Net Plan Assets
March 31, 2012**

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash and Cash Equivalents	\$ 1,185,099	\$ 1,085,454	\$ 2,270,553
Investments			
U.S. Government and Agency Obligations	7,358,447	6,922,223	14,280,670
Equity Securities	6,841,511	6,270,358	13,111,869
Mutual Funds	5,996,249	5,170,592	11,166,841
Receivables			
Accrued Interest	60,790	57,172	117,962
Total Assets	21,442,096	19,505,799	40,947,895
Liabilities			
Due to Other Funds	120,393	58,504	178,897
Net Assets			
Held in Trust for Pension Benefits	<u>\$ 21,321,703</u>	<u>\$ 19,447,295</u>	<u>\$ 40,768,998</u>

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets
Year Ended March 31, 2012

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 964,387	\$ 945,074	\$ 1,909,461
Contributions - Plan Members	235,543	198,414	433,957
Total Contributions	1,199,930	1,143,488	2,343,418
Investment Income			
Interest Earned	323,189	358,036	681,225
Net Change in Fair Value	1,004,978	885,643	1,890,621
	1,328,167	1,243,679	2,571,846
Less Investment Expenses	(51,032)	(44,927)	(95,959)
Net Investment Income	1,277,135	1,198,752	2,475,887
Total Additions	2,477,065	2,342,240	4,819,305
Deductions			
Administration	35,706	33,528	69,234
Benefits and Refunds	1,497,171	1,683,454	3,180,625
Total Deductions	1,532,877	1,716,982	3,249,859
Change in Net Assets	944,188	625,258	1,569,446
Net Assets - Beginning	20,377,515	18,822,037	39,199,552
Net Assets - Ending	\$ 21,321,703	\$ 19,447,295	\$ 40,768,998

VILLAGE OF WINNETKA, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 964,387	\$ 964,387
Contributions - Plan Members	230,000	235,543
Total Contributions	<u>1,194,387</u>	<u>1,199,930</u>
Investment Income		
Interest Earned	1,181,000	323,189
Net Change in Fair Value	-	1,004,978
	<u>1,181,000</u>	<u>1,328,167</u>
Less Investment Expenses	(109,800)	(51,032)
Net Investment Income	<u>1,071,200</u>	<u>1,277,135</u>
Total Additions	<u>2,265,587</u>	<u>2,477,065</u>
Deductions		
Administration	21,550	35,706
Benefits and Refunds	1,550,000	1,497,171
Total Deductions	<u>1,571,550</u>	<u>1,532,877</u>
Change in Net Assets	<u>\$ 694,037</u>	944,188
Net Assets - Beginning		<u>20,377,515</u>
Net Assets - Ending		<u>\$ 21,321,703</u>

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended March 31, 2012

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,007,134	\$ 945,074
Contributions - Plan Members	200,000	198,414
Total Contributions	<u>1,207,134</u>	<u>1,143,488</u>
Investment Income		
Interest Earned	1,112,000	358,036
Net Change in Fair Value	-	885,643
	<u>1,112,000</u>	<u>1,243,679</u>
Less Investment Expenses	(105,000)	(44,927)
Net Investment Income	<u>1,007,000</u>	<u>1,198,752</u>
Total Additions	<u>2,214,134</u>	<u>2,342,240</u>
Deductions		
Administration	16,500	33,528
Benefits and Refunds	1,820,000	1,683,454
Total Deductions	<u>1,836,500</u>	<u>1,716,982</u>
Change in Net Assets	<u>\$ 377,634</u>	625,258
Net Assets - Beginning		<u>18,822,037</u>
Net Assets - Ending		<u>\$ 19,447,295</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Bonds of 1999
March 31, 2012**

Date of Issue	August 1, 1999
Date of Maturity	December 1, 2014
Authorized Issue	\$1,380,000
Denomination of Bonds	\$5,000
Interest Rates	4.35% to 4.85%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2011	\$ 115,000	\$ 17,284	\$ 132,284	2012	\$ 8,642	2012	\$ 8,642
2012	120,000	11,822	131,822	2013	5,911	2013	5,911
2013	125,000	6,062	131,062	2014	3,031	2014	3,031
	<u>\$ 360,000</u>	<u>\$ 35,168</u>	<u>\$ 395,168</u>		<u>\$ 17,584</u>		<u>\$ 17,584</u>

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue) Refunding Bonds of 2003
March 31, 2012**

Date of Issue	February 19, 2003
Date of Maturity	October 1, 2014
Authorized Issue	\$3,190,000
Denomination of Bonds	\$5,000
Interest Rates	2.65% to 3.10%
Interest Dates	April 1 and October 1
Principal Maturity Date	October 1
Payable at	Amalgamated Bank of Chicago

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Apr. 1	Amount	Oct. 1	Amount
2011	\$ 305,000	\$ 29,760	\$ 334,760	2012	\$ 14,880	2012	\$ 14,880
2012	320,000	20,304	340,304	2013	10,152	2013	10,152
2013	335,000	10,386	345,386	2014	5,193	2014	5,193
	<u>\$ 960,000</u>	<u>\$ 60,450</u>	<u>\$ 1,020,450</u>		<u>\$ 30,225</u>		<u>\$ 30,225</u>

STATISTICAL SECTION

(Unaudited)

This part of the 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 says about the Village's overall financial health.

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.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

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.

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.

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.

VILLAGE OF WINNETKA, ILLINOIS

**Net Assets by Component - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Net Assets by Component - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

	2003	2004	2005	2006
Governmental Activities				
Invested in Capital Assets -				
Net of Related Debt	\$ 33,683,463	\$ 37,373,058	\$ 38,504,123	\$ 34,813,126
Restricted	461,065	521,709	2,170,632	1,977,229
Unrestricted	14,559,499	13,772,899	17,980,847	20,963,384
Total Governmental Activities Net Assets	48,704,027	51,667,666	58,655,602	57,753,739
Business-Type Activities				
Invested in Capital Assets -				
Net of Related Debt	29,465,301	29,481,194	34,163,800	33,187,015
Restricted	-	-	-	-
Unrestricted	11,377,318	11,751,565	7,472,680	8,063,645
Total Business-Type Activities Net Assets	40,842,619	41,232,759	41,636,480	41,250,660
Primary Government				
Invested in Capital Assets -				
Net of Related Debt	63,148,764	66,854,252	72,667,923	68,000,141
Restricted	461,065	521,709	2,170,632	1,977,229
Unrestricted	25,936,817	25,524,464	25,453,527	29,027,029
Total Primary Government Net Assets	\$ 89,546,646	\$ 92,900,425	\$ 100,292,082	\$ 99,004,399

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2003.

	2007	2008	2009	2010	2011	2012
\$	32,660,041	\$ 37,684,272	\$ 38,745,341	\$ 39,588,465	\$ 41,272,890	\$ 44,214,136
	2,299,340	1,802,873	1,761,144	1,707,794	1,860,244	2,185,900
	25,799,819	25,152,367	25,891,579	27,129,301	29,281,207	28,439,596
	60,759,200	64,639,512	66,398,064	68,425,560	72,414,341	74,839,632
	33,993,299	33,747,238	33,408,142	33,579,099	34,387,040	34,871,969
	-	-	-	-	-	-
	8,603,229	9,867,811	10,347,029	8,957,472	8,391,927	8,465,142
	42,596,528	43,615,049	43,755,171	42,536,571	42,778,967	43,337,111
	66,653,340	71,431,510	72,153,483	73,167,564	75,659,930	79,086,105
	2,299,340	1,802,873	1,761,144	1,707,794	1,860,244	2,185,900
	34,403,048	35,020,178	36,238,608	36,086,773	37,673,134	36,904,738
\$	103,355,728	\$ 108,254,561	\$ 110,153,235	\$ 110,962,131	\$ 115,193,308	\$ 118,176,743

VILLAGE OF WINNETKA, ILLINOIS

Changes in Net Assets - Last Ten Fiscal Years
March 31, 2012 (Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental Activities										
General Government	\$ 2,081,273	\$ 3,199,786	\$ 3,473,293	\$ 2,970,398	\$ 3,345,715	\$ 3,347,607	\$ 3,492,415	\$ 2,569,120	\$ 1,628,897	\$ 3,588,121
Public Safety	7,595,469	7,512,431	8,047,184	8,558,439	9,013,668	9,235,546	10,293,738	10,957,451	10,882,264	10,732,430
Community Development	1,034,361	822,540	1,002,360	1,323,632	1,550,048	1,450,540	1,566,677	1,788,634	1,820,916	1,551,413
Public Works	3,702,425	3,504,270	3,735,971	4,100,796	4,183,995	4,664,528	5,344,087	5,395,988	4,779,063	5,205,126
Interest on Long-Term Debt	232,658	373,168	151,242	129,991	115,817	104,650	91,789	79,805	65,255	51,007
Total Governmental Activities Expenses	14,646,186	15,412,195	16,410,050	17,083,256	18,209,243	18,802,871	20,788,706	20,790,998	19,176,395	21,128,097
Business-Type Activities										
Electric	9,182,196	9,295,746	9,430,634	11,965,426	10,910,399	11,288,590	12,158,948	12,608,750	13,856,192	13,400,738
Water	1,898,426	1,740,165	1,790,463	2,398,154	2,646,584	2,615,963	2,887,512	2,842,671	2,912,047	2,959,737
Refuse	424,529	2,125,045	2,161,337	1,801,904	2,522,347	2,611,727	2,627,642	2,808,053	2,350,183	2,239,102
Sewer	2,170,308	420,146	446,114	729,114	798,850	754,435	833,035	769,672	730,361	785,768
Total Business-Type Activities Expenses	13,675,459	13,581,102	13,828,548	16,894,598	16,878,180	17,270,715	18,507,137	19,029,146	19,848,783	19,385,345
Total Primary Government Expenses	28,321,645	28,993,297	30,238,598	33,977,854	35,087,423	36,073,586	39,295,843	39,820,144	39,025,178	40,513,442
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	-	-	-	2,547,859	2,361,310	2,536,157	2,546,969	2,786,378	2,833,013	2,833,541
Public Safety	1,073,071	243,488	305,418	945,676	1,122,764	1,196,848	1,353,519	1,365,208	1,360,861	1,361,370
Community Development	1,000,245	1,179,305	1,096,653	1,314,929	1,292,643	1,406,431	1,447,418	1,403,968	1,847,844	1,510,667
Public Works	178,233	1,338,462	1,760,371	129,000	139,062	119,763	94,228	97,384	160,764	168,891
Capital Grants/Contributions	-	-	-	-	-	-	-	-	175,318	111,043
Operating Grants/Contributions	-	355,327	4,610,228	437,278	163,391	524,571	155,482	107,452	71,115	53,932
Total Governmental Activities Program Revenues	2,251,549	3,116,582	7,772,670	5,374,742	5,079,170	5,783,770	5,597,616	5,760,390	6,448,915	6,039,444
Business-Type Activities										
Charges for Services										
Electric	10,459,989	10,251,095	10,649,294	11,893,269	12,034,279	12,483,985	12,999,754	12,836,384	14,998,198	14,570,744
Water	2,906,433	2,708,870	2,592,954	3,215,721	2,615,988	2,892,582	2,790,065	2,818,964	3,164,372	3,150,740
Refuse	581,168	537,757	542,440	518,024	516,321	575,813	555,826	522,719	564,064	615,392
Sewer	529,862	608,198	649,763	861,145	728,179	826,343	770,888	720,332	778,004	731,083
Total Business-Type Activities Program Revenues	14,477,452	14,105,920	14,434,451	16,488,159	15,894,767	16,778,723	17,116,533	16,898,399	19,504,638	19,067,959
Total Primary Government Program Revenues	\$ 16,729,001	\$ 17,222,502	\$ 22,207,121	\$ 21,862,901	\$ 20,973,937	\$ 22,562,493	\$ 22,714,149	\$ 22,658,789	\$ 25,953,553	\$ 25,107,403

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense) Revenue										
Governmental Activities	\$ (12,394,637)	\$ (12,295,613)	\$ (8,637,380)	\$ (11,708,514)	\$ (13,130,073)	\$ (13,019,101)	\$ (15,191,090)	\$ (15,030,608)	\$ (12,727,480)	\$ (15,088,653)
Business-Type Activities	801,993	524,818	605,903	(406,439)	(983,413)	(491,992)	(1,390,604)	(2,130,747)	(344,145)	(317,386)
Total Primary Government Net Revenue (I)	(11,592,644)	(11,770,795)	(8,031,477)	(12,114,953)	(14,113,486)	(13,511,093)	(16,581,694)	(17,161,355)	(13,071,625)	(15,406,039)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Taxes										
Property	8,909,373	9,288,471	8,801,437	9,690,954	9,977,130	10,137,924	10,830,205	11,838,012	11,398,782	12,437,894
Telecommunications	540,254	1,029,157	845,007	747,739	663,966	733,223	725,308	724,186	666,106	638,596
Natural Gas	-	226,887	487,218	706,484	639,526	619,871	698,905	462,104	442,334	458,790
Other	171,387	47,846	51,081	59,694	-	-	-	-	-	-
Intergovernmental										
Sales Tax	1,251,759	1,326,910	1,382,644	1,450,993	1,543,234	1,503,118	1,300,836	1,183,995	1,231,060	1,321,062
Income Tax	816,093	751,594	929,945	943,102	1,034,891	1,142,155	1,175,044	991,336	935,697	979,922
Personal Property Replacement Tax	68,066	77,303	127,326	77,906	129,078	156,986	139,324	129,632	137,053	124,253
Other	-	-	-	-	417,142	413,140	390,133	377,086	433,162	369,074
Investment Income	975,701	380,512	303,678	631,314	1,210,078	1,397,692	973,020	652,287	464,175	364,513
Miscellaneous	746,423	356,214	810,700	426,979	97,109	102,673	194,107	67,305	140,572	79,240
Transfers	1,878,583	1,774,358	1,886,280	492,000	423,380	617,260	522,760	632,160	867,320	740,600
Total Governmental Activities	15,357,639	15,259,252	15,625,316	15,227,165	16,135,534	16,824,042	16,949,642	17,058,103	16,716,261	17,513,944
Business-Type Activities										
Property Taxes	1,156,273	1,179,283	1,245,044	1,252,966	1,205,671	1,245,497	1,325,471	1,070,059	1,096,342	1,086,582
Investment Income	287,344	106,463	86,399	263,461	336,565	411,787	281,010	176,909	113,179	84,272
Miscellaneous	241,509	353,934	352,653	(127,037)	546,051	470,489	447,005	297,339	244,340	454,527
Transfers	(1,878,583)	(1,774,358)	(1,886,278)	(492,000)	(423,380)	(617,260)	(522,760)	(632,160)	(867,320)	(740,600)
Total Business-Type Activities	(193,457)	(134,678)	(202,182)	897,390	1,664,907	1,510,513	1,530,726	912,147	586,541	884,781
Total Primary Government	15,164,182	15,124,574	15,423,134	16,124,555	17,800,441	18,334,555	18,480,368	17,970,250	17,302,802	18,398,725
Changes in Net Assets										
Governmental Activities	2,963,002	2,963,639	6,987,936	3,518,651	3,005,461	3,804,941	1,758,552	2,027,495	3,988,781	2,425,291
Business-Type Activities	608,536	390,140	403,721	490,951	681,494	1,018,521	140,122	(1,218,600)	242,396	567,395
Total Primary Government	\$ 3,571,538	\$ 3,353,779	\$ 7,391,657	\$ 4,009,602	\$ 3,686,955	\$ 4,823,462	\$ 1,898,674	\$ 808,895	\$ 4,231,177	\$ 2,992,686

Data Source: Village Records
The Village implemented GASB 34 in Fiscal Year 2003.

VILLAGE OF WINNETKA, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years
March 31, 2012 (Unaudited)

	2003	2004	2005	2006
General Fund				
Reserved	\$ 169,279	\$ 203,176	\$ 163,295	\$ 65,468
Unreserved	10,143,369	12,211,446	14,478,744	16,745,798
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	10,312,648	12,414,622	14,642,039	16,811,266
All Other Governmental Funds				
Reserved	291,786	318,533	293,736	1,976,513
Unreserved, Reported in:				
Special Revenues Funds	1,480,574	(1,518,315)	1,723,600	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	206,175	-	515,462	1,035,625
Restricted	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	1,978,535	(1,199,782)	2,532,798	3,012,138
Total Governmental Funds	\$ 12,291,183	\$ 11,214,840	\$ 17,174,837	\$ 19,823,404

Data Source: Village Records

Note: The Village implemented GASB Statement No. 54 for the year ended March 31, 2011.

2007	2008	2009	2010	2011	2012
\$ 71,098	\$ 77,816	\$ 86,844	\$ 74,129	\$ -	\$ -
18,612,927	16,530,669	17,908,679	21,251,060	-	-
-	-	-	-	-	1,979
-	-	-	-	72,672	84,846
-	-	-	-	22,276,610	24,298,449
18,684,025	16,608,485	17,995,523	21,325,189	22,349,282	24,385,274
2,278,055	14,769,479	1,713,163	1,666,725	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,029,541	5,351,498	5,561,377	3,191,571	-	-
-	-	-	-	1,814,587	2,121,696
-	-	-	-	2,627,027	482,019
3,307,596	20,120,977	7,274,540	4,858,296	4,441,614	2,603,715
\$ 21,991,621	\$ 36,729,462	\$ 25,270,063	\$ 26,183,485	\$ 26,790,896	\$ 26,988,989

VILLAGE OF WINNETKA, ILLINOIS

**General Governmental Revenues by Source - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Source	2003	2004	2005	2006
Taxes	\$ 8,909,373	\$ 9,515,358	\$ 9,632,355	\$ 11,145,177
Licenses and Permits	1,178,478	1,581,950	2,065,789	1,748,642
Intergovernmental	2,573,246	2,240,156	2,541,299	2,942,358
Operating Grants	*	355,327	360,228	*
Charges for Services	852,479	948,507	905,492	3,029,324
Fines and Forfeits	220,592	230,798	191,161	186,113
Investment Income	770,444	340,805	238,630	631,314
Miscellaneous	890,851	1,348,868	1,262,064	426,979
Total	<u>\$ 15,395,463</u>	<u>\$ 16,561,769</u>	<u>\$ 17,197,018</u>	<u>\$ 20,109,907</u>

Note: Includes General, Special Revenue, Debt Service and Capital Project Funds.

* Included in Public Safety Function

Data Source: Village Records

2007	2008	2009	2010	2011	2012
\$ 11,280,622	\$ 11,491,018	\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280
1,731,017	1,815,270	1,829,281	1,815,124	2,329,913	2,003,172
3,287,736	3,739,970	3,160,819	2,789,501	2,983,405	2,959,286
*	*	*	*	*	*
3,002,103	3,234,434	3,352,175	3,559,413	3,660,154	3,656,488
182,659	209,495	260,678	278,401	212,415	214,809
979,504	1,079,292	766,214	498,515	326,643	271,790
97,109	102,673	194,107	67,305	140,572	79,240
<u>\$ 20,560,750</u>	<u>\$ 21,672,152</u>	<u>\$ 21,817,692</u>	<u>\$ 22,032,561</u>	<u>\$ 22,160,324</u>	<u>\$ 22,720,065</u>

VILLAGE OF WINNETKA, ILLINOIS

**General Governmental Expenditures by Function - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Function	2003	2004	2005	2006
General Government	\$ 2,502,253	\$ 2,700,572	\$ 2,642,304	\$ 2,607,429
Public Safety	7,523,281	7,715,496	8,014,207	8,495,269
Community Development	883,345	965,314	1,024,430	1,360,348
Public Works	4,510,720	4,264,381	4,460,149	4,775,555
Capital Outlay	4,496,335	3,258,539	750,209	26,212
Debt Service				
Principal	330,000	200,000	400,000	340,000
Interest and Fiscal Charges	232,658	373,168	151,242	135,140
Total Expenditures	\$ 20,478,592	\$ 19,477,470	\$ 17,442,541	\$ 17,739,953

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data Source: Village Records

2007	2008	2009	2010	2011	2012
\$ 2,445,123	\$ 3,133,590	\$ 2,724,881	\$ 2,935,744	\$ 3,160,342	\$ 2,738,434
9,564,301	9,592,638	10,031,367	10,512,961	11,073,179	10,433,116
1,543,856	1,441,721	1,557,858	1,779,641	1,813,451	1,542,096
4,734,072	5,914,084	5,954,959	5,863,861	4,973,356	5,179,881
57,140	4,497	68,438	193,484	788,605	2,901,665
350,000	355,000	365,000	380,000	390,000	410,000
121,421	110,041	97,348	85,608	71,300	57,380
<u>\$ 18,815,913</u>	<u>\$ 20,551,571</u>	<u>\$ 20,799,851</u>	<u>\$ 21,751,299</u>	<u>\$ 22,270,233</u>	<u>\$ 23,262,572</u>

VILLAGE OF WINNETKA, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
 March 31, 2012 (Unaudited)

	2003	2004	2005	2006
Revenues				
Taxes	\$ 8,909,373	\$ 9,515,358	\$ 9,632,355	\$ 11,145,177
Licenses and Permits	1,178,478	1,581,950	2,065,789	1,748,642
Intergovernmental	2,573,246	2,240,156	2,541,299	2,942,358
Operating Grants	*	355,327	360,228	*
Charges for Services and Fees	852,479	948,507	905,492	3,029,324
Fines and Forfeits	220,592	230,798	191,161	186,113
Investment Income	770,444	340,805	238,630	631,314
Miscellaneous	890,851	1,348,868	1,262,064	426,979
Total Revenues	15,395,463	16,561,769	17,197,018	20,109,907
Expenditures				
General Government	2,502,253	2,700,572	2,642,304	2,607,429
Public Safety	7,523,281	7,715,496	8,014,207	8,495,269
Community Development	883,345	965,314	1,024,430	1,360,348
Public Works	4,510,720	4,264,381	4,460,149	4,775,555
Capital Outlay	4,496,335	3,258,539	750,209	26,212
Debt Service				
Principal	330,000	200,000	400,000	340,000
Interest and Fiscal Charges	232,658	373,168	151,242	135,140
Total Expenditures	20,478,592	19,477,470	17,442,541	17,739,953
Excess of Revenues Over (Under) Expenditures	(5,083,129)	(2,915,701)	(245,523)	2,369,954
Other Financing Sources (Uses)				
Proceeds from Bonds	3,190,000	-	-	-
Capital Contribution	-	-	4,250,000	-
Payment to Escrow Agent	(3,135,115)	-	-	-
Transfers In	1,696,583	1,964,358	2,080,880	1,687,800
Transfers Out	(125,000)	(125,000)	(125,000)	(1,195,800)
Total Other Financing Sources (Uses)	1,626,468	1,839,358	6,205,880	492,000
Net Change in Fund Balances	\$ (3,456,661)	\$ (1,076,343)	\$ 5,960,357	\$ 2,861,954
Debt Service as a Percentage of Noncapital Expenditures	3.52%	3.53%	3.30%	2.68%

* Included in Public Safety Function

Data Source: Village Records

2007	2008	2009	2010	2011	2012
\$ 11,280,622	\$ 11,491,018	\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280
1,731,017	1,815,270	1,829,281	1,815,124	2,329,913	2,003,172
3,287,736	3,739,970	3,160,819	2,789,501	2,983,405	2,959,286
*	*	*	*	*	*
3,002,103	3,234,434	3,352,175	3,559,413	3,660,154	3,656,488
182,659	209,495	260,678	278,401	212,415	214,809
979,504	1,079,292	766,214	498,515	326,643	271,790
97,109	102,673	194,107	67,305	140,572	79,240
20,560,750	21,672,152	21,817,692	22,032,561	22,160,324	22,720,065
2,445,123	3,133,590	2,724,881	2,935,744	3,160,342	2,738,434
9,564,301	9,592,638	10,031,367	10,512,961	11,073,179	10,433,116
1,543,856	1,441,721	1,557,858	1,779,641	1,813,451	1,542,096
4,734,072	5,914,084	5,954,959	5,863,861	4,973,356	5,179,881
57,140	4,497	68,438	193,484	788,605	2,901,665
350,000	355,000	365,000	380,000	390,000	410,000
121,421	110,041	97,348	85,608	71,300	57,380
18,815,913	20,551,571	20,799,851	21,751,299	22,270,233	23,262,572
1,744,837	1,120,581	1,017,841	281,262	(109,909)	(542,507)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,922,605	5,751,960	1,759,160	3,778,842	2,081,380	2,380,360
(1,499,225)	(5,134,700)	(1,236,400)	(3,146,682)	(1,364,060)	(1,639,760)
423,380	617,260	522,760	632,160	717,320	740,600
\$ 2,168,217	\$ 1,737,841	\$ 1,540,601	\$ 913,422	\$ 607,411	\$ 198,093
2.85%	2.63%	2.50%	2.36%	2.37%	2.44%

VILLAGE OF WINNETKA, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
March 31, 2012 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property
2002	\$ 807,773,130	\$ 52,991,138
2003	803,489,644	51,549,777
2004	1,056,937,074	59,857,051
2005	1,127,591,329	63,669,610
2006	1,136,516,914	61,840,702
2007	1,593,445,073	74,717,663
2008	1,687,972,130	75,156,391
2009	1,794,991,734	72,103,545
2010	1,527,772,751	71,278,854
2011	N/A	N/A

N/A - Currently Not Available

Data Source: Cook County Clerk

	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$	4,724,218	\$ 865,488,486	\$ 189,804	\$ 865,678,290	1.539
	5,061,267	860,100,688	189,482	860,290,170	1.600
	5,419,548	1,122,213,673	213,166	1,122,426,839	0.936
	4,516,514	1,195,777,463	201,024	1,195,978,487	0.918
	4,476,177	1,202,833,793	200,414	1,203,034,207	0.951
	4,157,725	1,672,320,461	219,708	1,672,540,169	0.716
	4,351,536	1,767,480,057	239,890	1,767,719,947	0.710
	4,415,767	1,871,511,046	288,245	1,871,799,291	0.682
	6,179,959	1,605,231,564	359,555	1,605,591,119	0.817
	N/A	1,439,872,235	381,855	1,440,254,090	0.586

VILLAGE OF WINNETKA, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
March 31, 2012 (Unaudited)**

	2002	2003	2004	2005
Village of Winnetka				
General Corporate Rate	1.120	1.168	0.936	0.918
Special Service Area #1	0.419	0.432	-	-
Special Service Area #2	-	-	-	-
Total Direct Tax Rate	1.539	1.600	0.936	0.918
Overlapping Rates				
Cook County	0.534	0.489	0.471	0.421
Elections	-	0.030	-	0.014
Cook County Hospital	0.156	0.141	0.122	0.112
Forest Preserve	0.061	0.059	0.060	0.060
TB Sanitarium	0.006	0.004	0.001	0.005
Metropolitan Water Reclamation District	0.371	0.361	0.347	0.315
Mosquito Abatement District	0.009	0.009	0.008	0.008
New Trier Township	0.045	0.048	0.039	0.039
New Trier High School	1.935	1.799	1.621	1.577
Community College 535	0.179	0.186	0.161	0.158
Winnetka School District (36)	2.512	3.184	2.534	2.356
Winnetka Public Library	0.157	0.160	0.131	0.129
Winnetka Park District	0.310	0.371	0.307	0.302
Total Direct and Overlapping Tax Rates	7.814	8.441	6.738	6.414

Data Source: Cook County Clerk

2006	2007	2008	2009	2010	2011
0.951	0.716	0.710	0.682	0.817	0.586
-	-	-	-	-	-
-	-	-	-	-	-
0.951	0.716	0.710	0.682	0.817	0.586
0.397	0.446	0.415	0.394	0.423	0.462
-	0.012	-	0.021	-	0.025
0.103	-	-	-	-	-
0.057	0.053	0.051	0.049	0.051	0.058
0.005	-	-	-	-	-
0.284	0.263	0.252	0.261	0.274	0.320
0.009	0.008	0.008	0.008	0.009	0.010
0.042	0.034	0.034	0.033	0.037	0.042
1.662	1.299	1.290	1.237	1.474	1.674
0.166	0.141	0.140	0.140	0.160	0.196
2.608	2.083	2.083	1.985	2.432	2.782
0.132	0.101	0.120	0.139	0.164	0.187
0.316	0.239	0.239	0.228	0.271	0.310
6.732	5.395	5.342	5.177	6.112	6.652

VILLAGE OF WINNETKA, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago
 March 31, 2012 (Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Individual	\$ 3,929,973	1	0.245%			
Individual	3,782,935	2	0.236%			
319 Sheridan LLC	3,592,215	3	0.224%			
Winnetka I & II, LLC	3,526,925	4	0.220%			
Individual	3,301,102	5	0.206%			
Individual	3,201,000	6	0.199%			
Hulsizer & Makowiec	2,691,817	7	0.168%			
Individual	2,650,811	8	0.165%			
AH2 Signal Hill LTD	2,603,334	9	0.162%			
Trust Number 80023573	2,563,262	10	0.160%			
McDonald's Corp.				\$ 1,249,636	1	0.260%
First Chicago 2115				1,097,113	2	0.230%
Robert B. Latousek				1,561,445	3	0.330%
Lars Nilsson				1,268,912	4	0.270%
SBC Ameritech				917,805	5	0.190%
Private Residence				814,458	6	0.170%
Hillco Realty Co.				761,069	7	0.160%
Harris Bank				684,444	8	0.140%
Winnetka Post Office				682,293	9	0.140%
Vincent Graham				647,807	10	0.140%
	<u>\$ 31,843,374</u>		<u>1.983%</u>	<u>\$ 9,684,982</u>		<u>2.030%</u>

Data Source: Cook County Tax Extension Office

Note: Based on the 2010 EAV of \$1,605,591,119

VILLAGE OF WINNETKA, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Fiscal Year Ended March 31	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2002	\$ 9,695,597	\$ 9,476,091	97.74%	\$ 45,489	\$ 9,521,580	98.21%
2004	2003	10,048,189	10,030,697	99.83%	(11,289)	10,019,408	99.71%
2005	2004	10,505,915	10,337,145	98.39%	23,886	10,361,031	98.62%
2006	2005	10,969,000	10,936,819	99.71%	N/A	10,936,819	99.71%
2007	2006	11,435,181	11,301,039	98.83%	N/A	11,301,039	98.83%
2008	2007	11,966,028	11,910,130	99.53%	N/A	11,910,130	99.53%
2009	2008	12,535,304	12,046,185	96.10%	N/A	12,046,185	96.10%
2010	2009	12,748,404	12,570,984	98.61%	N/A	12,570,984	98.61%
2011	2010	13,105,359	12,932,664	98.68%	N/A	12,932,664	98.68%
2012	2011	13,465,786	6,784,468	50.38%	N/A	6,784,468	50.38%

Note: Levy year 2011 collections represent the first installment (partial) only.

N/A - Currently Not Available

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Fiscal Year Ended March 31	Governmental Activities <u>General</u> Obligation Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2003	\$ 4,375,000	\$ 4,375,000	2.61%	\$ 352.28
2004	3,910,000	3,910,000	2.33%	314.84
2005	3,910,000	3,910,000	2.33%	314.84
2006	3,570,000	3,570,000	2.13%	287.46
2007	3,220,000	3,220,000	1.92%	259.28
2008	2,865,000	2,865,000	1.71%	230.69
2009	2,500,000	2,500,000	1.49%	201.30
2010	2,120,000	2,120,000	1.27%	170.71
2011	1,730,000	1,730,000	1.03%	139.30
2012	1,320,000	1,320,000	0.63%	106.29

N/A - Currently Not Available

Data Source: Village's Records

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Fiscal Year Ended March 31	Gross General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Equalized Assessed Value	Per Capita (1)
2003	\$ 4,375,000	\$ 156,947	\$ 4,218,053	0.49%	\$ 339.65
2004	3,910,000	202,082	3,707,918	0.43%	298.57
2005	3,910,000	230,347	3,679,653	0.33%	296.29
2006	3,570,000	240,652	3,329,348	0.28%	268.09
2007	3,220,000	273,130	2,946,870	0.24%	237.29
2008	2,865,000	285,790	2,579,210	0.15%	207.68
2009	2,500,000	308,315	2,191,685	0.12%	176.48
2010	2,120,000	330,709	1,789,291	0.10%	144.08
2011	1,730,000	345,512	1,384,488	0.09%	111.48
2012	1,320,000	362,824	957,176	0.07%	77.07

N/A - Currently Not Available

Data Source: Village Records

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

VILLAGE OF WINNETKA, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
March 31, 2012 (Unaudited)

Governmental Unit	(1) Gross Debt	(2) Percentage to Debt Applicable to Village	(3) Village's Share of Debt
Village of Winnetka	\$ 1,320,000	100.00%	\$ 1,320,000
School Districts:			
New Trier High School	20,560,854	26.52%	5,452,738
School District No. 36 (Winnetka)	53,507,565	97.93%	52,399,958
School District No. 37 (Avoca)	2,390,804	6.91%	165,205
School District No. 38 (Kenilworth)	10,640,000	9.38%	998,032
Total School Districts	87,099,223		59,015,933
Other Agencies:			
Cook County	3,709,260,000	0.94%	34,867,044
Forest Preserve District	94,885,000	0.94%	891,919
Metropolitan Water Reclamation	2,300,335,115	0.96%	22,083,217
Glencoe Park District	11,085,000	0.82%	90,897
Winnetka Park District	1,975,000	93.79%	1,852,353
Total Other Agencies	6,117,540,115		59,785,430
Total Overlapping Debt	6,204,639,338		118,801,363
Total Direct and Overlapping Debt	\$ 6,205,959,338		\$ 120,121,363

(1) The 2011 information is not available as of the date of this report. 2010 data shown.

(2) Determined by ratio of equalized assessed value of property subject to taxation in overlapping unit to value of property subject to taxation in the Village.

(3) Amount in column (2) multiplied by amount in column (1).

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

Schedule of Legal Debt Margin March 31, 2012 (Unaudited)

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois constitution governs computation of legal debt margin.

The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by some home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts.

To date the General Assembly has set no limits for home rule municipalities.

VILLAGE OF WINNETKA, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Fiscal Year Ended March 31	Property and Sales Tax Revenues	Principal	Interest	Coverage
2003	\$ 11,385,471	\$ 330,000	\$ 168,815	22.83
2004	11,871,967	200,000	373,168	20.71
2005	11,556,451	400,000	148,370	21.07
2006	12,472,819	340,000	134,104	26.31
2007	12,855,113	350,000	121,421	27.27
2008	13,043,525	355,000	110,041	28.05
2009	13,595,836	365,000	97,348	29.41
2010	14,221,698	380,000	85,608	30.54
2011	13,863,237	390,000	71,300	30.05
2012	14,969,791	410,000	57,380	32.03

Data Source: Village Records

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

VILLAGE OF WINNETKA, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Fiscal Year Ended March 31	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
2003	12,419	\$ 167,458	\$ 84,134	39.8	4,527	0.8%
2004	12,419	167,458	84,134	39.8	4,527	0.8%
2005	12,419	167,458	84,134	39.8	4,527	0.8%
2006	12,419	167,458	84,134	39.8	4,527	0.8%
2007	12,419	167,458	84,134	39.8	4,527	0.8%
2008	12,419	167,458	84,134	39.8	4,527	0.8%
2009	12,419	167,458	84,134	39.8	4,527	0.8%
2010	12,419	167,458	84,134	39.8	4,527	0.8%
2011	12,419	167,458	84,134	39.8	4,527	0.8%
2012	12,419	207,955	104,440	42.8	4,453	3.5%

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Data provided by School District Administrative Offices

VILLAGE OF WINNETKA, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
March 31, 2012 (Unaudited)

Employer	2012			2003		
	Employees	Rank	Percentage of Total Village Employment*	Employees	Rank	Percentage of Total Village Employment*
New Trier High School East	483	1	9.72%	516	1	10.51%
School District 36	221	2	4.45%	221	2	4.50%
Village of Winnetka	154	3	3.10%	167	3	3.40%
Dyson, Dyson & Dunn, Inc.	150	4	3.02%			
Coldwell Banker	113	5	2.27%	72	7	1.47%
North Shore Country Day School	115	6	2.31%	115	4	2.34%
BMO Harris Bank	65	7	1.31%	80	5	1.63%
Killian Co., V.J.	45	8	0.91%	45	8	0.92%
Sacred Heart School	45	9	0.91%	43	9	0.88%
Faith, Hope, & Charity School	43	10	0.87%	41	10	0.84%
United States Post Office				76	6	1.55%
	<u>1,434</u>		<u>28.87%</u>	<u>1,376</u>		<u>17.53%</u>

Data Sources: 2012 Illinois Manufacturers Directory, 2012 Illinois Services Directory and a selective telephone survey.

*Note: Total employment was determined by staff estimation.

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Function	2003	2004	2005	2006
General Government				
Administration	5	5	5	5
Finance	16	16	16	16
Public Works	23	22	22	22
Police	39	38	38	37
Fire	25	25	24	24
Community Development	9	9	10	10
Water	8	8	7	7
Sewer	4	4	4	4
Electric	31	32	29	29
Refuse	11	9	9	9
Total	171	168	164	163

Data Source: Village Records

2007	2008	2009	2010	2011	2012
5	5	5	5.0	5.0	5.0
15	15	15	15.0	14.0	14.0
22	22	20	19.5	18.5	18.0
37	37	37	37.0	36.0	36.0
25	25	25	25.0	25.0	25.0
10	10	10	10.0	10.0	10.0
7	7	7	7.0	7.0	7.0
4	4	4	4.0	4.0	3.5
27	27	27	26.5	26.5	26.3
10	10	10	10.0	7.0	7.0
162	162	160	159.0	153.0	151.8

VILLAGE OF WINNETKA, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
March 31, 2012 (Unaudited)**

Function/Program	2003	2004	2005	2006
Public Works				
Forestry				
Number of Parkway Trees Planted	190	265	298	145
Fleet Services				
Number of Vehicles Maintained	136	136	136	136
Preventative Maintenance Services	480	400	406	420
Public Safety				
Fire				
Calls for Service	2,735	2,327	2,397	2,354
Number of Training Hours	6,850	8,253	6,143	7,289
ISO Rating	4	4	4	4
Police				
Part I Crime	175	188	160	136
Part II Crime	494	523	543	417
Calls for Service	11,506	10,926	11,458	10,224
State Tickets Issued	2,822	3,054	3,234	4,849
Compliance Tickets Issued	536	404	127	364
Community Development				
Number of Building Permits Issued	1,316	1,329	1,496	1,473
Number of Building Inspections	6,046	7,088	5,077	4,072
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	36,000	13,850	26,500	17,500
Annual Resurfacing Program (\$)	1,166,294	717,587	609,228	787,905
Water and Sewer				
Water Meters Read	37,500	37,500	37,500	37,500
Total Distribution Pumpage (1,000 Gallons)	1,108,742	1,279,473	1,166,409	1,326,804
Sanitary Sewer Repairs	10	10	15	12

N/A - Currently Not Available

Data Source: Village Records

Note: Indicators are not available for the general government function.

2007	2008	2009	2010	2011	2012
363	375	500	252	315	300
136	136	136	136	136	136
264	340	N/A	N/A	N/A	N/A
2,565	2,521	2,500	2,230	2,200	2,250
7,324	6,930	7,300	7,009	6,500	7,000
4	4	4	4	4	4
124	127	172	158	N/A	N/A
225	143	139	174	N/A	N/A
10,452	8,824	8,326	8,393	N/A	N/A
3,579	3,551	3,653	3,468	N/A	N/A
463	466	428	356	N/A	N/A
1,364	895	777	936	N/A	N/A
3,910	2,975	2,225	2,450	N/A	N/A
17,500	17,650	20,410	33,299	25,000	25,000
950,565	1,004,945	950,000	1,000,000	1,100,000	1,150,000
37,500	37,500	37,500	37,500	37,500	37,500
1,162,627	1,284,583	1,253,601	1,286,670	1,279,192	1,113,878
20	5	12	24	14	14

VILLAGE OF WINNETKA, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
March 31, 2012 (Unaudited)

Function/Program	2003	2004	2005	2006
Police				
Stations	1	1	1	1
Patrol Units	14	14	14	14
Fire Stations	1	1	1	1
Public Works				
Streets (Miles)	52	52	52	52
Sidewalks (Miles)	80	80	80	80
Streetlights	867	867	867	867
Water and Sewer				
Water Mains (Miles)	67	67	67	67
Fire Hydrants	582	582	582	582
Sanitary Sewers (Miles)	47	47	47	47

Data Source: Village Records

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
14	14	14	14	14	14
1	1	1	1	1	1
52	52	52	52	52	52
80	80	80	80	80	80
867	867	867	867	867	867
67	67	67	67	67	67
582	582	582	582	582	582
47	47	47	47	47	47