

VILLAGE OF WINNETKA, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE NINE MONTHS ENDED
DECEMBER 31, 2013**

VILLAGE OF WINNETKA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE NINE MONTHS ENDED
DECEMBER 31, 2013

Prepared by:
Finance Department

VILLAGE OF WINNETKA, ILLINOIS

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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
December 31, 2013**

LEGISLATIVE

E. Gene Greable, Village President

Joseph Adams, Trustee

Arthur Braun, Trustee

Jack Buck, Trustee

Patrick Corrigan, Trustee

Richard Kates, Trustee

Stuart McCrary, Trustee

ADMINISTRATIVE

Robert M. Bahan, Village Manager

Edward F. McKee, Jr., Finance Director

Steven Saunders, Director of Public Works

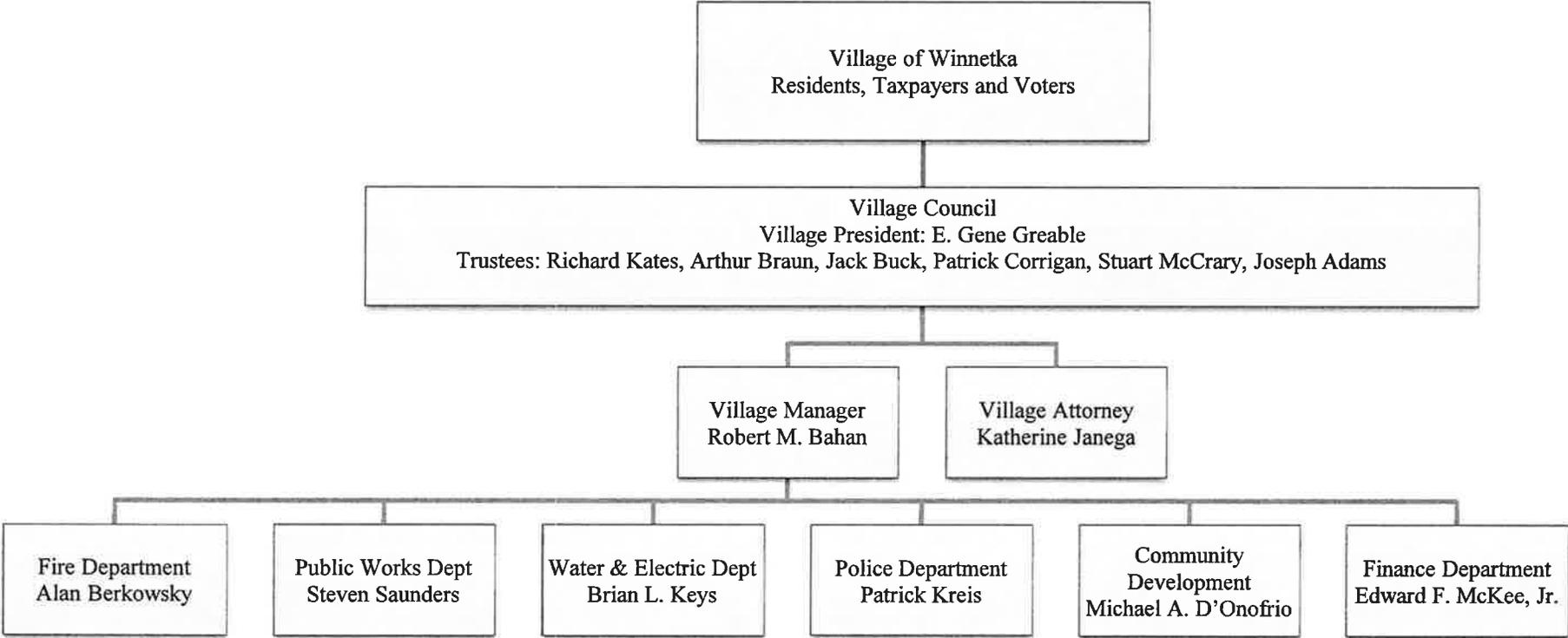
Brian L. Keys, Director of Water & Electric

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

May 12, 2014

**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 December 31, 2013 is hereby submitted, as required by State of Illinois Statutes. This report covers a nine month fiscal year, as the Village has transitioned to a calendar fiscal year. 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.

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

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

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 a 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 November 2013 when \$9,000,000 of bonds were issued to finance Stormwater sewer capital projects.

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 47% of General Fund revenues for the nine months ending December 2013. The three business/commercial areas have good occupancy rates but had experienced some weakness in past years related to the overall economy. Intergovernmental revenues have increased in the current year. Sales tax revenues for this fiscal year totaled \$1,190,192, a 13.6% or \$142,293 increase from the same period last year. Income tax revenue has increased in the current year by 7.9% compared to the same nine months last year. Lower interest rates have decreased the investment income in the current year. The Village does maintain sufficient cash balances to buffer unexpected items.

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 some large projects such as Village facilities and downtown redevelopment, the Village has used cash reserves. The Village has issued \$9,000,000 in General Obligation Bonds to fund a large Stormwater project.

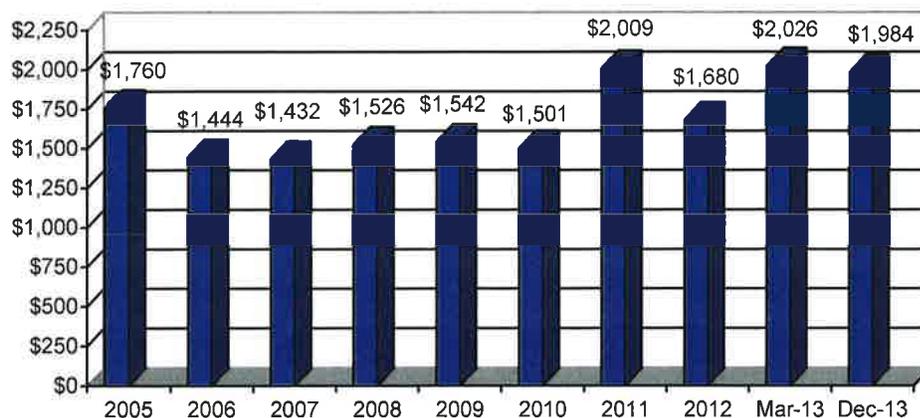
The Village continues to carefully evaluate productivity and changes in service levels to maintain or lower the tax burden on the residents of the Village. The Village, although home rule, continues to operate within non-home rule tax caps. The Village has decreased the number of full time employees over the last several years to control personnel costs. Expenses the Village has limited control over include pensions, health and worker's compensations costs. The Village did not budget the use of fund balance to pay for any current operating expenses.

The Village property taxes account for only 12.3% of the total property tax burden for a 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. Overall permit revenue remained strong. Below is a summary of permit revenues by year, including receipts for the nine months ended December 2013 of \$1,983,506 which is 97.9% of the prior twelve month fiscal 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 had increased in the last few years. In the fiscal year ended March 2013, \$2,200,000 was transferred to the Storm Sewer Fund and \$700,000 was transferred to the Facilities Fund. In fiscal Year December 2013 an additional \$6,000,000 was transferred to the Storm Sewer Fund. Revenues held up well and expenditures were lower than projected primarily because a few discretionary capital projects were deferred.

General Fund Balances (in millions of dollars)			
Year	Unassigned Fund Balance	Budgeted Expenditures	Unassigned Fund Balance as a Percentage of Budgeted Expenditures
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%
Mar 2013	\$25.30	\$22.33	113.4%
Dec 2013*	\$16.85	\$22.28	75.6%

*Fund Balance for the nine months ended December 2013 as a percent of the twelve month Budgeted Expenditures

Enterprise Funds

The Village maintains enterprise operations for electric, water, sewer, refuse and storm sewer 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 rates were decreased 2% in the current year to offset removal of the credit for purchased power recovery adjustment, which was zero in the current year.

The retail water rate was increased 6%, primarily to fund capital improvements at the water plant on Lake Michigan. Sewer rates were increased 10%.

The Village's refuse fund obtains \$1.1 million dollars of non-operating revenue from property taxes and an additional \$412,500 (\$550,000 in a twelve month year) 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 four of the utilities for the nine months ended December 31, 2013 and the nine months ended December 31, 2012 are presented below. The Budget amounts are for a full twelve month period. The electric rates shown are an average of summer and winter rates.

Utility Operating Results in Thousands of Dollars For December 2013 and 2012				
	2013 Budget	2013 Actual	% Change	2012 Actual
Electric				
Rate Per Kwh	\$0.12	\$0.12	0.0%	\$0.12
Operating Revenues	\$14,671	\$11,031	-4.3%	\$11,531
Operating Expenses	\$14,408	\$11,663	11.6%	\$10,453
Operating Income	\$263	(\$632)		\$1,078
Water				
Rate Per 1,000 Cft.	\$31.57	\$31.57	6.0%	\$29.78
Operating Revenues	\$3,740	\$3,100	-12.9%	\$3,561
Operating Expenses	\$3,166	\$2,392	7.5%	\$2,225
Operating Income	\$574	\$708		\$1,336
Refuse				
Operating Revenues	\$535	\$395	-0.8%	\$398
Operating Expenses	\$2,416	\$1,838	3.4%	\$1,778
Operating (loss)	(\$1,881)	(1,443)		(1,380)
Sewer				
Rate Per 1,000 Cft.	\$11.42	\$11.42	10.0%	\$10.38
Operating Revenues	\$941	\$776	-3.8%	\$807
Operating Expenses	\$944	\$646	2.1%	\$633
Operating Income	(\$3)	\$130		\$174

Electric operating expenses for December 2013 increased 11.6% primarily due to higher expense for purchased power. Total operating expenses were 80.9% of budget, slightly higher than would be expected.

Water revenue decreased 12.9% from the comparable nine month sales. Unit sales decreased 14.2% and the rate increased 6% for residential customers. Expenses increased 7.5% from the prior year due to several water main breaks. Revenues were 82.9% of the twelve month budget while expenses were 75.6%.

Refuse revenues and expenditures were largely in line with 75% of the twelve month budget that would be expected. There are no noteworthy variances.

Sewer revenues are generated by a charge assessed from water use. Sewer revenues decreased 3.8% from the prior year because of the decrease in water sales and a 10% increase in the sewer charge. Sewer fund revenues were 82.5% and expenses were 68.4% of the twelve month budget.

Pension Trust Funds

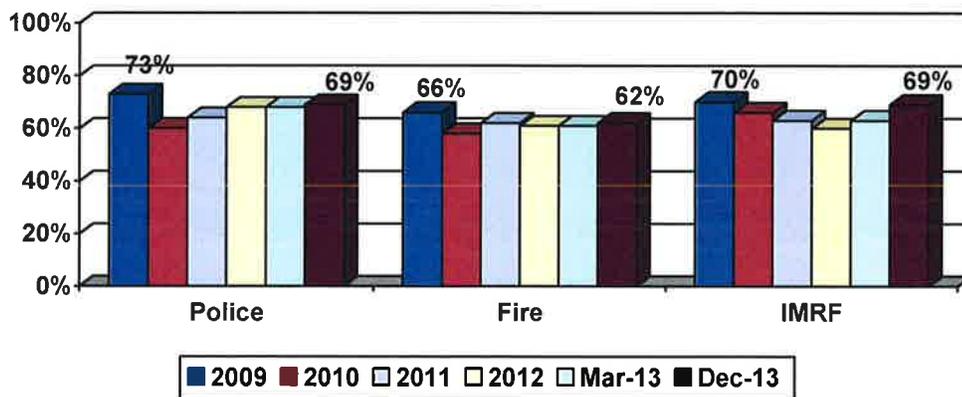
While the Village has strived through the budget process to limit increases in operating expenses, one expense the Village has limited ability to control is the funding amounts required by the pensions. The funding ratio (actuarial value of plan assets divided by the actuarial accrued liability) for all pension plans has declined significantly from 2004 to 2011. While the Village contributes 100% of the actuarially determined amount, investment returns have lagged the assumed rate of return over long periods of time resulting 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.

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 pension 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 March 2009 to December 2013 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 2013. 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 preparing 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



Government Finance Officers Association

**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, 2013

Executive Director/CEO

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

May 12, 2014

The Honorable Village President
Members of the Board of Trustees and Village Manager
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 nine months ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the nine months then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Winnetka, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S
DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

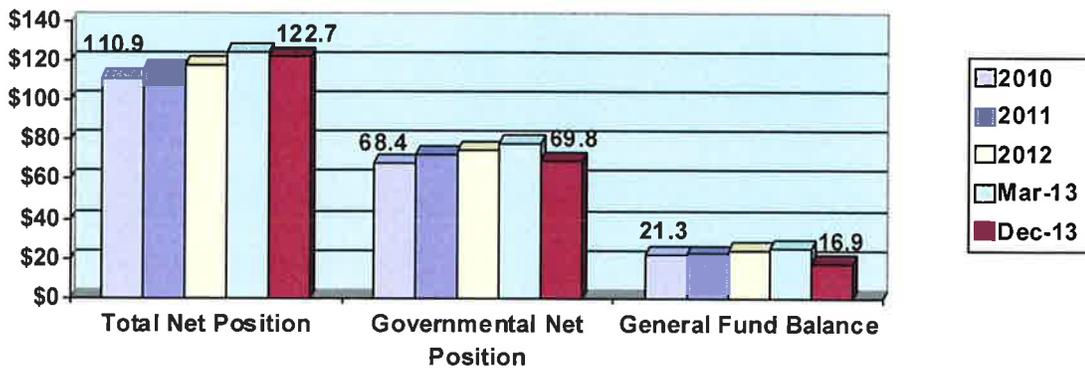
The Village of Winnetka implemented Governmental Accounting Standards Board (GASB) Statements 43 and 45 in fiscal 2007. These Statements require that post employment benefit costs be captured and reported in the financial statements, much like the pension obligations. While the Village does not pay any 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 an implicit subsidy 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 are 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 vii of this report.

FINANCIAL HIGHLIGHTS

The Village changed to a calendar fiscal year in the current year. To transition to the calendar year the current year is a nine month period ending December 31, 2013. Below is a graph showing the growth of the Village's total net position, governmental net position, and unassigned 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 position decreased \$2.2 million dollars from \$124.9 million to \$122.7 million in the nine month fiscal period ended December 2013. Some revenues, such as property tax, were more affected by the short fiscal year due to the timing of their receipts. The Village received a little more than half of the amount of property tax it would in a twelve month fiscal year. The Village issued \$9,000,000 in General Obligation Bonds during the year for stormwater capital projects. The general fund \$16.6 million unassigned fund balance is 75.6% of twelve month budgeted annual expenses.

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 Position* that presents information about all of the Village's assets and liabilities/deferred inflows, with the difference reported as *net position*. Over a multi-year period, an increase or decrease in net position 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 position 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, community development, public works, and internal service funds. Business-type activities include electric, water, sewer and storm 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 schedules 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, sewer and storm 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 Village Hall funded from cash balances, have increased capital assets without incurring debt.

STATEMENT OF NET POSITION
(in millions of dollars)

	Dec-13		Mar-13		Dec-13	Mar-13
	Govern- mental Activities	Business Type Activities	Govern- mental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
Current & Other Assets	\$44.1	\$29.7	\$45.7	\$14.4	\$73.8	\$60.1
Capital Assets	47.7	35.3	47.2	35.2	83.0	82.4
Total Assets	91.8	65.0	92.9	49.6	156.8	142.5
Current Liabilities/Deferred Inflows	17.7	1.8	10.6	1.2	19.5	11.8
Long-Term Liabilities	4.3	10.4	4.5	1.4	14.7	5.9
Total Liabilities/Deferred Inflows	22.0	12.2	15.1	2.6	34.2	17.7
<u>Net Position</u>						
Investment in Capital						
Assets, Net of Debt	47.3	35.3	46.3	35.2	82.6	81.5
Restricted	2.0		2.7		2.0	2.7
Unrestricted	20.5	17.5	28.9	11.8	38.0	40.7
Total Net Position	\$69.8	\$52.8	\$77.9	\$47.0	\$122.6	\$124.9

Government-wide net position decreased due to less revenue being recognized due to the shorter fiscal year. 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 less than budgeted. Several capital projects in the General Fund were deferred or only partially completed in 2013. The Storm Sewer Fund was created for the construction of major drainage projects which will be funded by bond issues and a utility fee. In the Electric Fund, capital spending was deferred on the Northfield Substation that allowed cash to build up, as electric rates are set to fund annual operating and capital needs.

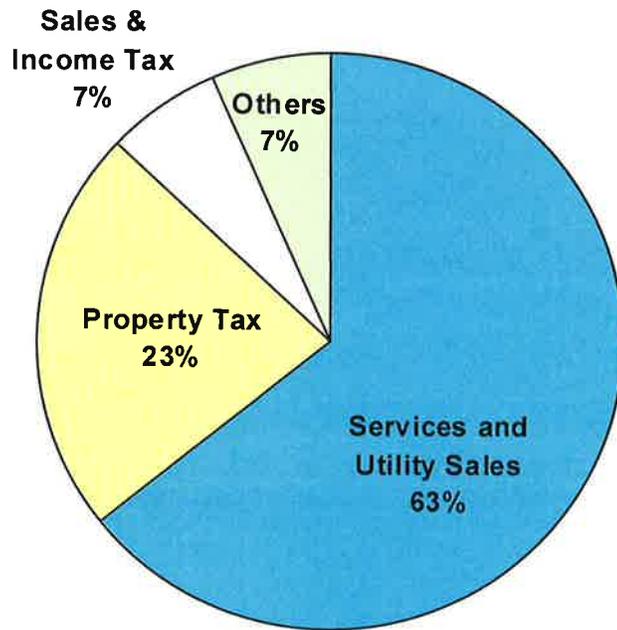
The following table provides a summary of the Village's changes in net position:

STATEMENT OF ACTIVITIES
(in millions of dollars)

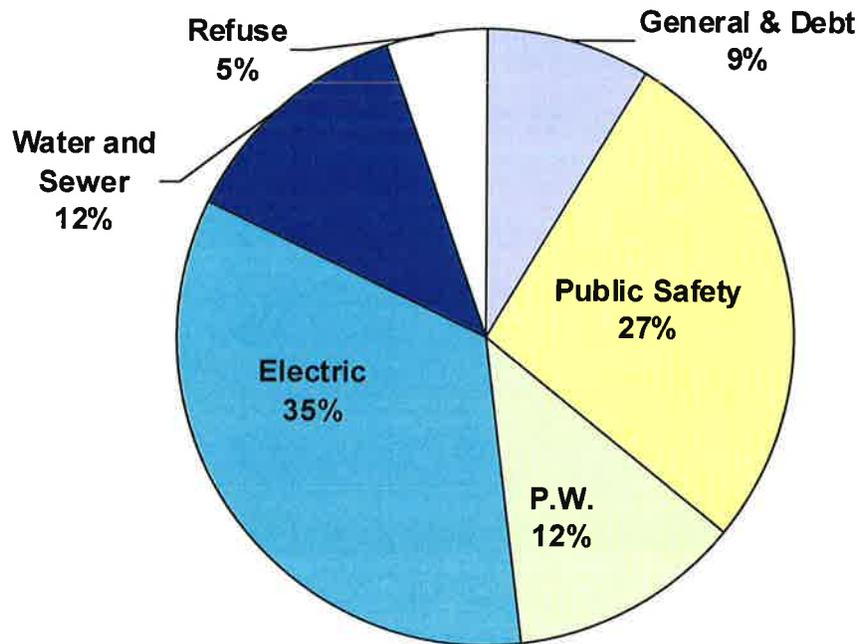
	Dec-13		Mar-13		Dec-13	Mar-13
	Govern- mental Activities	Business Type Activities	Govern- mental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
Revenue:						
Program Revenues:						
Charges for Services	\$5.1	\$15.3	\$6.2	\$20.6	\$20.4	\$26.8
Operating Grants	0.1		0.1			
Capital Grants	0.1		0.6		0.1	0.6
General Revenues:						
Property Taxes	6.1	1.1	12.3	1.1	7.2	13.4
Sales Taxes	1.2		1.4		1.2	1.4
Investment Income	0.1	0.1	0.3	0.1	0.2	0.4
Others	2.1	0.6	3.5	0.5	2.7	4.0
Total Revenues	14.8	17.1	24.4	22.3	31.9	46.7
Expenses:						
General Government	2.9		3.3		2.9	3.3
Public Safety	9.2		11.3		9.2	11.3
Community Development	1.3		2.9		1.3	2.9
Public Works	4.1		2.6		4.1	2.6
Electricity		11.6		13.8	11.6	11.6
Water		2.4		3.0	2.4	2.4
Sewer		0.7		0.8	0.7	0.7
Refuse		1.8		2.3	1.8	1.8
Storm Sewer		0.1		0.0	0.1	0.1
Total Expense	17.5	16.6	20.1	19.9	34.1	40.0
Increase in net position before transfers	-2.7	0.5	4.3	2.4	-2.2	6.7
Transfers	-5.4	5.4	-1.3	1.3	0.0	0.0
Increase in net position	-8.1	5.9	3.0	3.7	-2.2	6.7
Net Position – Beginning	77.9	47.0	74.9	43.3	124.9	118.2
Net Position – Ending	\$69.8	\$52.9	\$77.9	\$47.0	\$122.7	\$124.9

Revenues of \$31.9 million were less than expenses of \$34.1 million, reducing net position by \$2.2 million. 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

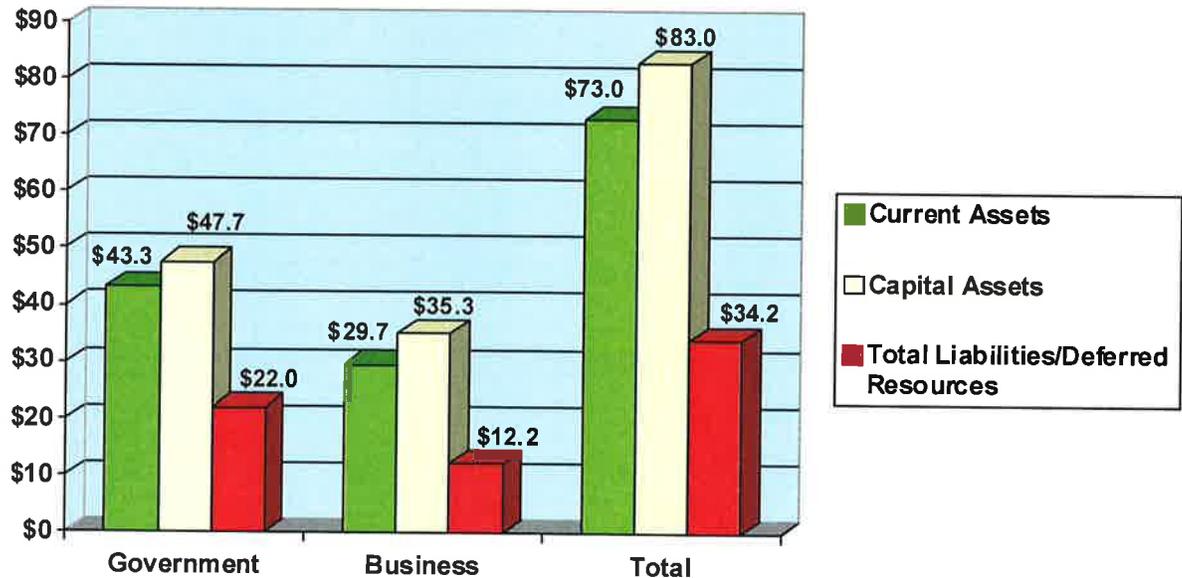


Government-Wide Expenses by Type



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 \$19.5 million, down \$8.5 million from the prior year. Due to the change in fiscal year the Village collected a little more than half of the usual property tax revenue, \$7.2 million, compared to \$13.4 million in the prior year. The General Fund also transferred \$6 million dollars to the Stormwater Sewer Fund.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund decreased \$8.5 million from \$25.3 million to \$16.9 million. This decrease is the result of the short nine month fiscal year, which resulted in the General Fund receiving about half of the property tax levy, a decrease of \$6.2 million. Other revenues except investment income were at or above the expected amounts for a nine month period. Operating expenditures were also at the expected levels for a nine month period. The General Fund transferred \$6 million dollars to the Stormwater Sewer Fund.

The General fund cash balance of \$17.7 million remains above the minimum policy amount 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 expenses are encountered because of this conservative philosophy. Permit and fee revenue is a function of the economy and redevelopment in the community, which remained strong.

General Fund expenditures were 75% of the budget which was expected with the shortened nine month fiscal year. Looking just at operating expenditures, the General Fund spent 76.7% of the dollars budgeted, in line with what was expected.

The Motor Fuel Tax Fund has a restricted fund balance of \$2.1 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, Sanitary Sewer, Refuse, and Storm Sewer Funds. The Storm Sewer Fund was created in the current year to operate a new Storm Sewer utility. A 2% rate decrease for electric and a 6% water rate increase (to finance water system improvements) were approved effective April 1, 2013. The Village also eliminated the electric purchased power adjustment based on prior year costs.

Internal Service Funds

The Village's combined internal service funds' net position were \$6.1 million as of December 31, 2013, with \$5.2 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 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 December 31, 2013 was \$47.7 million, up \$0.6 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 December 31, 2013 was \$35.3 million, up \$0.1 million from the prior year.

Additional information about the Village's capital assets, including beginning balances, current year additions and retirements, and outstanding balances as year end, can be found in the financial statement notes, Note 3, pages 34-35.

Long-term Debt

At the end of the fiscal year, the Village had total bonded debt outstanding of \$9.5 million. Of this amount, \$9.1 million are General Obligation Bonds usually funded from property taxes. It is anticipated that the \$9 million in bonds issued in 2013 for the Storm Sewer project will be abated and these bonds will be repaid from charges for service in the Stormwater fund. 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 37-38.

Bond Ratings

The Village's general obligation bonds are rated Aaa by Moody's Investor Rating Service. The Aaa rating was last confirmed in November 2013 when refinancing bonds were issued.

Economic Factors

The local Village economy has remained steady. Occupancy rates remain high. 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 Position
December 31, 2013**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position
December 31, 2013

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 28,532,018	\$ 25,368,361	\$ 53,900,379
Receivables - Net of Allowances			
Taxes	13,190,174	1,105,665	14,295,839
Accounts	557,269	2,284,370	2,841,639
Accrued Interest	10,667	7,587	18,254
Notes	250,000	-	250,000
Prepays/Inventories	32,351	981,854	1,014,205
Due from Other Governments	750,005	-	750,005
Total Current Assets	<u>43,322,484</u>	<u>29,747,837</u>	<u>73,070,321</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	13,700,000	164,008	13,864,008
Depreciable	53,005,999	84,880,033	137,886,032
Accumulated Depreciation	(18,995,456)	(49,704,765)	(68,700,221)
	<u>47,710,543</u>	<u>35,339,276</u>	<u>83,049,819</u>
Other Assets			
Net Pension Assets	812,198	-	812,198
Total Noncurrent Assets	<u>48,522,741</u>	<u>35,339,276</u>	<u>83,862,017</u>
Total Assets	<u>91,845,225</u>	<u>65,087,113</u>	<u>156,932,338</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	816,048	1,149,648	1,965,696
Accrued Payroll	345,180	135,131	480,311
Accrued Interest Payable	3,101	14,808	17,909
Deposits Payable	1,671,990	201,708	1,873,698
Claims Payable	997,666	-	997,666
Other Payables	-	190,000	190,000
Current Portion of Long-Term Liabilities	795,481	129,821	925,302
Total Current Liabilities	4,629,466	1,821,116	6,450,582
Noncurrent Liabilities			
Claims Payable	742,666	-	742,666
Compensated Absences	1,341,922	479,284	1,821,206
Landfill Post-Closure Costs	-	928,259	928,259
General Obligation Bonds	-	9,000,000	9,000,000
Net Other Post-Employment Benefit Obligation	2,206,357	-	2,206,357
Total Noncurrent Liabilities	4,290,945	10,407,543	14,698,488
Total Liabilities	8,920,411	12,228,659	21,149,070
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	13,122,477	-	13,122,477
Total Liabilities and Deferred Inflows of Resources	22,042,888	12,228,659	34,271,547
NET POSITION			
Net Investment in Capital Assets	47,250,543	35,339,276	82,589,819
Restricted - Highways and Streets	1,687,264	-	1,687,264
Restricted - Debt Service	342,761	-	342,761
Restricted - Awards	716	-	716
Restricted - Tax Escrow	63,297	-	63,297
Unrestricted	20,457,756	17,519,178	37,976,934
Total Net Position	\$ 69,802,337	\$ 52,858,454	\$ 122,660,791

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Activities
For the Nine Months Ended December 31, 2013

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 2,923,374	\$ 2,077,704	\$ -	\$ -
Public Safety	9,148,320	1,040,252	64,841	-
Community Development	1,267,068	1,831,135	-	-
Public Works	4,133,796	152,371	-	53,932
Interest on Long-Term Debt	21,135	-	-	-
Total Governmental Activities	17,493,693	5,101,462	64,841	53,932
Business-Type Activities				
Electric	11,635,540	11,030,696	-	-
Water	2,398,945	3,099,689	-	-
Refuse	1,837,660	394,792	-	-
Sewer	645,870	776,137	-	-
Storm Sewer	132,250	-	-	-
Total Business-Type Activities	16,650,265	15,301,314	-	-
Total Primary Government	\$ 34,143,958	\$ 20,402,776	\$ 64,841	\$ 53,932

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

- Change in Net Position
- Net Position - Beginning
- Net Position - Ending

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

Primary Government		
Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Totals
\$ (845,670)	\$ -	\$ (845,670)
(8,043,227)	-	(8,043,227)
564,067	-	564,067
(3,927,493)	-	(3,927,493)
(21,135)	-	(21,135)
<u>(12,273,458)</u>	<u>-</u>	<u>(12,273,458)</u>
-	(604,844)	(604,844)
-	700,744	700,744
-	(1,442,868)	(1,442,868)
-	130,267	130,267
-	(132,250)	(132,250)
<u>-</u>	<u>(1,348,951)</u>	<u>(1,348,951)</u>
<u>\$ (12,273,458)</u>	<u>\$ (1,348,951)</u>	<u>\$ (13,622,409)</u>
\$ 6,128,244	\$ 1,068,036	\$ 7,196,280
460,092	-	460,092
303,383	-	303,383
1,190,192	-	1,190,192
882,789	-	882,789
134,784	-	134,784
305,705	-	305,705
95,607	55,458	151,065
110,640	693,625	804,265
(5,393,583)	5,393,583	-
<u>4,217,853</u>	<u>7,210,702</u>	<u>11,428,555</u>
(8,055,605)	5,861,751	(2,193,854)
<u>77,857,942</u>	<u>46,996,703</u>	<u>124,854,645</u>
<u>\$ 69,802,337</u>	<u>\$ 52,858,454</u>	<u>\$ 122,660,791</u>

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

VILLAGE OF WINNETKA, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2013

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 17,681,591	\$ 515,527	\$ 2,548,779	\$ 20,745,897
Receivables - Net of Allowances				
Taxes	13,051,858	-	138,316	13,190,174
Accounts	105,013	-	-	105,013
Accrued Interest	7,104	166	613	7,883
Notes	250,000	-	-	250,000
Due from Other Governments	719,509	-	30,496	750,005
Due from Other Funds	614,817	-	-	614,817
Inventory	2,597	-	-	2,597
Total Assets	<u>\$ 32,432,489</u>	<u>\$ 515,693</u>	<u>\$ 2,718,204</u>	<u>\$ 35,666,386</u>
LIABILITIES				
Accounts Payable	\$ 579,983	\$ -	\$ 213,768	\$ 793,751
Accrued Payroll	345,180	-	-	345,180
Deposits Payable	1,671,990	-	-	1,671,990
Due to Other Funds	-	-	188,386	188,386
Total Liabilities	<u>2,597,153</u>	<u>-</u>	<u>402,154</u>	<u>2,999,307</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	12,984,861	-	137,616	13,122,477
Total Liabilities and Deferred Inflows of Resources	<u>15,582,014</u>	<u>-</u>	<u>539,770</u>	<u>16,121,784</u>
FUND BALANCES				
Nonspendable	2,597	-	-	2,597
Restricted	235,815	-	2,033,126	2,268,941
Assigned	-	515,693	316,561	832,254
Unassigned	16,612,063	-	(171,253)	16,440,810
Total Fund Balances	<u>16,850,475</u>	<u>515,693</u>	<u>2,178,434</u>	<u>19,544,602</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,432,489</u>	<u>\$ 515,693</u>	<u>\$ 2,718,204</u>	<u>\$ 35,666,386</u>

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 Position - Governmental Activities**

December 31, 2013

Total Governmental Fund Balances **\$ 19,544,602**

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 47,708,844

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 Position. 6,083,554

The net pension assets of the pension funds are included in the governmental
activities in the Statement of Net Position. 812,198

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

Compensated Absences Payable	(1,677,403)
General Obligation Bonds Payable	(125,000)
Alternate Revenue Bonds Payable	(335,000)
Net Other Post-Employment Benefit Obligation Payable	(2,206,357)
Accrued Interest Payable	<u>(3,101)</u>

Net Position of Governmental Activities **\$ 69,802,337**

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
For the Nine Months Ended December 31, 2013

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	\$ 6,801,935	\$ -	\$ 89,784	\$ 6,891,719
Licenses and Permits	2,245,978	-	-	2,245,978
Intergovernmental	2,350,033	-	282,210	2,632,243
Charges for Services	2,711,133	-	-	2,711,133
Fines and Forfeits	144,351	-	-	144,351
Investment Income	75,397	2,006	2,994	80,397
Miscellaneous	110,640	-	-	110,640
Total Revenues	14,439,467	2,006	374,988	14,816,461
Expenditures				
Current				
General Government	2,464,557	-	-	2,464,557
Public Safety	8,753,436	-	-	8,753,436
Community Development	1,243,673	-	13,286	1,256,959
Public Works	4,189,807	-	763,691	4,953,498
Capital Outlay	-	52,671	-	52,671
Debt Service				
Principal Retirement	-	-	440,000	440,000
Interest and Fiscal Charges	-	-	21,975	21,975
Total Expenditures	16,651,473	52,671	1,238,952	17,943,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,212,006)	(50,665)	(863,964)	(3,126,635)
Other Financing Sources (Uses)				
Transfers In	1,018,917	500,000	345,385	1,864,302
Transfers Out	(7,257,885)	-	-	(7,257,885)
	(6,238,968)	500,000	345,385	(5,393,583)
Net Change in Fund Balances	(8,450,974)	449,335	(518,579)	(8,520,218)
Fund Balances - Beginning	25,301,449	66,358	2,697,013	28,064,820
Fund Balances - Ending	\$ 16,850,475	\$ 515,693	\$ 2,178,434	\$ 19,544,602

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

For the Nine Months Ended December 31, 2013

Net Change in Fund Balances - Total Governmental Funds \$ (8,520,218)

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	2,219,509
Depreciation Expense	(1,688,732)

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

Disposals - Cost	(154,249)
Disposals - Accumulated Depreciation	154,249

Decrease in the net pension asset is shown as an increase in expenses
in the Statement of Activities

(16,036)

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	83,449
Additions to Net Other Post-Employment Benefit Obligation Payable	(324,836)
Retirement of General Obligation Bonds Payable	120,000
Retirement of Alternate Revenue Bonds Payable	320,000

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.

840

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.

(249,581)

Changes in Net Position of Governmental Activities

\$ (8,055,605)

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2013

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Electric	Water	Refuse	Storm Sewer	Nonmajor		Internal
					Sanitary Sewer		
ASSETS							
Current Assets							
Cash and Investments	\$ 5,932,293	\$ 1,265,271	\$ 773,132	\$ 16,528,113	\$ 869,552	\$ 25,368,361	\$ 7,786,121
Receivables - Net of Allowances							
Taxes	-	-	1,105,665	-	-	1,105,665	-
Accounts - Billed	961,300	241,837	32,884	-	49,530	1,285,551	25,825
Accounts - Unbilled	726,072	139,451	18,530	-	49,170	933,223	-
Accounts - Other	61,111	-	4,485	-	-	65,596	-
Accrued Interest	2,080	462	369	4,374	302	7,587	2,784
Inventories/Prepays	980,125	-	-	1,729	-	981,854	29,754
Total Current Assets	8,662,981	1,647,021	1,935,065	16,534,216	968,554	29,747,837	7,844,484
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	69,003	95,005	-	-	-	164,008	-
Depreciable Capital Assets	55,460,943	18,731,510	2,658,160	909,105	7,120,315	84,880,033	313,188
	55,529,946	18,826,515	2,658,160	909,105	7,120,315	85,044,041	313,188
Accumulated Depreciation	(34,464,226)	(8,297,038)	(2,044,982)	(16,573)	(4,881,946)	(49,704,765)	(311,489)
Total Noncurrent Assets	21,065,720	10,529,477	613,178	892,532	2,238,369	35,339,276	1,699
Total Assets	29,728,701	12,176,498	2,548,243	17,426,748	3,206,923	65,087,113	7,846,183

	Business-Type Activities					Totals	Governmental
	Electric	Water	Refuse	Storm Sewer	Nonmajor Sanitary Sewer		Internal Service
LIABILITIES							
Current Liabilities							
Accounts Payable	\$ 957,159	\$ 39,256	\$ 33,530	\$ 61,953	57,750	\$ 1,149,648	\$ 22,297
Accrued Payroll	79,699	29,213	20,033	-	6,186	135,131	-
Accrued Interest Payable	-	-	-	14,808	-	14,808	-
Deposits Payable	201,708	-	-	-	-	201,708	-
Claims Payable	-	-	-	-	-	-	997,666
Other Payable	-	-	-	190,000	-	190,000	-
Compensated Absences	58,219	29,145	19,086	-	13,371	119,821	-
Landfill Post-Closure Costs	-	-	10,000	-	-	10,000	-
Total Current Liabilities	1,296,785	97,614	82,649	266,761	77,307	1,821,116	1,019,963
						599,105	
Noncurrent Liabilities							
Claims Payable	-	-	-	-	-	-	742,666
Compensated Absences	232,876	116,578	76,344	-	53,486	479,284	-
General Obligation Bonds Payable	-	-	-	9,000,000	-	9,000,000	-
Landfill Post-Closure Costs	-	-	928,259	-	-	928,259	-
Total Noncurrent Liabilities	232,876	116,578	1,004,603	9,000,000	53,486	10,407,543	742,666
Total Liabilities	1,529,661	214,192	1,087,252	9,266,761	130,793	12,228,659	1,762,629
NET POSITION							
Investment in Capital Assets	21,065,720	10,529,477	613,178	892,532	2,238,369	35,339,276	1,699
Unrestricted	7,133,320	1,432,829	847,813	7,267,455	837,761	17,519,178	6,081,855
Total Net Position	\$ 28,199,040	\$ 11,962,306	\$ 1,460,991	\$ 8,159,987	3,076,130	\$ 52,858,454	\$ 6,083,554

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Nine Months Ended December 31, 2013

	Electric	Water
Operating Revenues		
Charges for Services	\$ 10,888,026	\$ 3,075,594
Interfund Services	-	-
Miscellaneous	142,670	24,095
Total Operating Revenues	<u>11,030,696</u>	<u>3,099,689</u>
Operating Expenses		
Administration	2,063,861	873,202
Operations	8,392,644	1,166,474
Depreciation	1,206,359	352,689
Total Operating Expenses	<u>11,662,864</u>	<u>2,392,365</u>
Operating Income (Loss)	<u>(632,168)</u>	<u>707,324</u>
Nonoperating Revenues (Expenses)		
Property Taxes	-	-
Investment Income	10,532	1,758
Rental Income	140,861	-
Merchandise Sales and Jobbing - Net	513,284	39,480
Interest Expense	-	-
Disposal of Capital Assets	27,324	(6,580)
	<u>692,001</u>	<u>34,658</u>
Income (Loss) Before Transfers	<u>59,833</u>	<u>741,982</u>
Transfers In	-	-
Transfers Out	(749,097)	(189,063)
	<u>(749,097)</u>	<u>(189,063)</u>
Change in Net Position	(689,264)	552,919
Net Position - Beginning	<u>28,888,304</u>	<u>11,409,387</u>
Net Position - Ending	<u>\$ 28,199,040</u>	<u>\$ 11,962,306</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
\$ 374,877	\$ -	\$ 776,137	\$ 15,114,634	\$ -
-	-	-	-	3,492,582
19,915	-	-	186,680	-
394,792	-	776,137	15,301,314	3,492,582
95,310	-	105,030	3,137,403	131,091
1,638,993	-	456,746	11,654,857	3,625,263
103,357	11,577	84,094	1,758,076	1,019
1,837,660	11,577	645,870	16,550,336	3,757,373
(1,442,868)	(11,577)	130,267	(1,249,022)	(264,791)
1,068,036	-	-	1,068,036	-
1,439	40,364	1,365	55,458	15,210
-	-	-	140,861	-
-	-	-	552,764	-
-	(120,673)	-	(120,673)	-
-	-	-	20,744	-
1,069,475	(80,309)	1,365	1,717,190	15,210
(373,393)	(91,886)	131,632	468,168	(249,581)
412,500	6,000,000	-	6,412,500	-
(36,900)	-	(43,857)	(1,018,917)	-
375,600	6,000,000	(43,857)	5,393,583	-
2,207	5,908,114	87,775	5,861,751	(249,581)
1,458,784	2,251,873	2,988,355	46,996,703	6,333,135
\$ 1,460,991	\$ 8,159,987	3,076,130	\$ 52,858,454	\$ 6,083,554

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Nine Months Ended December 31, 2013

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 11,767,947	\$ 3,054,864
Receipts from Interfund Services	-	-
Payments to Suppliers	(8,615,127)	(1,408,953)
Payments to Employees	(1,484,108)	(672,927)
	<u>1,668,712</u>	<u>972,984</u>
Cash Flows from Noncapital Financing Activities		
Property Taxes	-	-
Transfers In	-	-
Transfers Out	(749,097)	(189,063)
	<u>(749,097)</u>	<u>(189,063)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(872,851)	(448,175)
Disposal of Capital Assets	54,601	-
Debt Issuance	-	-
Interest Payments	-	-
	<u>(818,250)</u>	<u>(448,175)</u>
Cash Flows from Investing Activities		
Interest Received	10,532	1,758
Net Change in Cash and Cash Equivalents	111,897	337,504
Cash and Cash Equivalents - Beginning	5,820,396	927,767
Cash and Cash Equivalents - Ending	<u>\$ 5,932,293</u>	<u>\$ 1,265,271</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (632,168)	\$ 707,324
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	1,206,359	352,689
Other Income	654,145	39,480
(Increase) Decrease in Current Assets	83,106	(84,305)
Increase (Decrease) in Current Liabilities	357,270	(42,204)
Net Cash Provided by Operating Activities	<u>\$ 1,668,712</u>	<u>\$ 972,984</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
\$ (145,855)	\$ 263	\$ 749,907	\$ 15,427,126	\$ -
-	-	-	-	3,509,903
(1,272,313)	221,607	(344,251)	(11,419,037)	(3,665,702)
(457,846)	-	(174,020)	(2,788,901)	(286,489)
(1,876,014)	221,870	231,636	1,219,188	(442,288)
1,068,036	-	-	1,068,036	-
412,500	6,000,000	-	6,412,500	-
(36,900)	-	(43,857)	(1,018,917)	-
1,443,636	6,000,000	(43,857)	6,461,619	-
(64,460)	(411,844)	(121,274)	(1,918,604)	-
-	-	-	54,601	-
-	9,000,000	-	9,000,000	-
-	(120,673)	-	(120,673)	-
(64,460)	8,467,483	(121,274)	7,015,324	-
1,439	40,364	1,365	55,458	15,210
(495,399)	14,729,717	67,870	14,751,589	(427,078)
1,268,531	1,798,396	801,682	10,616,772	8,213,199
\$ 773,132	\$ 16,528,113	869,552	\$ 25,368,361	\$ 7,786,121
\$ (1,442,868)	\$ (11,577)	130,267	\$ (1,249,022)	\$ (264,791)
103,357	11,577	84,094	1,758,076	1,019
-	-	-	693,625	-
(540,647)	263	(26,230)	(567,813)	17,321
4,144	221,607	43,505	584,322	(195,837)
\$ (1,876,014)	\$ 221,870	231,636	\$ 1,219,188	\$ (442,288)

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position - Fiduciary Funds
December 31, 2013

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,305,442
Investments	
U.S. Government and Agency Obligations	9,807,892
Municipal Bonds	25,365
Common Stock	19,015,554
Corporate Bonds	6,890,450
Mutual Funds	8,333,902
Illinois Funds	54,529
Receivables	
Accrued Interest	<u>95,604</u>
Total Assets	47,528,738
LIABILITIES	
Due to Other Funds	<u>426,431</u>
NET POSITION	
Held in Trust for Pension Benefits	<u><u>\$ 47,102,307</u></u>

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Changes in Net Position - Fiduciary Funds
For the Nine Months Ended December 31, 2013

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,638,993
Contributions - Plan Members	<u>371,743</u>
Total Contributions	<u>2,010,736</u>
Investment Income	
Interest Earned	909,413
Net Change in Fair Value	<u>3,657,153</u>
	4,566,566
Less Investment Expenses	<u>(146,774)</u>
Net Investment Income	<u>4,419,792</u>
Total Additions	<u>6,430,528</u>
Deductions	
Administration	59,427
Benefits and Refunds	<u>2,604,336</u>
Total Deductions	<u>2,663,763</u>
Change in Net Position	3,766,765
Net Position - Beginning	<u>43,335,542</u>
Net Position - Ending	<u>\$ 47,102,307</u>

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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). 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. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," 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. 61, 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 fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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 fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

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, and sanitary sewer services are classified as business-type activities.

In the government-wide Statement of Net Position, 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/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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 directly 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 position 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/deferred outflows, liabilities/deferred inflows, 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 December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, 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 December 31, 2013

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 position, 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 four major enterprise funds. The Electric Fund accounts for the provision of electric utility services to the residents of the Village. The Water 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 Storm Sewer Fund accounts for the provision of storm sewer services to residents of the Village. The Village maintains one non-major enterprise funds, the Sanitary 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 December 31, 2013

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 position and changes in net position 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 Position 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/deferred outflows and liabilities/deferred inflows 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 December 31, 2013

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 position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting

In the government-wide Statement of Net Position 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/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows 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 December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

For the purpose of the Statement of Net Position, 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 December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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 December 31, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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 Position. Bond premiums and discounts 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 expenses at the time of issuance.

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.

Net Position

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

Net investment in capital assets – 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.

Restricted – Consists of net position 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.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Net Position – Continued

Unrestricted – All other net position balance that do not meet the definition of “restricted” or “net investment in capital assets.”

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.

DEFICIT FUND EQUITY

The following funds had deficit fund equity at year end:

<u>Fund</u>	<u>Deficit</u>
Special Service Areas	\$ 171,253

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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 position.

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 \$49,292,545 and the bank balances totaled \$50,231,808. In addition, the Village has \$4,607,834 invested in the Illinois Funds at year-end.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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. The Village's investment in the Illinois Funds has an average maturity of less than one year.

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 December 31, 2013 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
December 31, 2013

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 \$1,667,161 and the bank balances totaled \$1,667,161.

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 December 31, 2013, 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	\$ 5,359,068	\$ 124,307	\$ 1,299,419	\$ 976,054	\$ 2,959,288
Equity Securities	9,375,467	9,375,467	-	-	-
Municipal Bonds	15,219	-	15,219	-	-
Corporate Bonds	3,572,173	128,249	2,122,645	1,321,279	-
Illinois Funds	25,628	25,628	-	-	-
	<u>\$ 18,347,555</u>	<u>\$ 9,653,651</u>	<u>\$ 3,437,283</u>	<u>\$ 2,297,333</u>	<u>\$ 2,959,288</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
December 31, 2013

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 \$1,638,281 and the bank balances totaled \$1,638,281.

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 December 31, 2013, 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	\$ 4,448,824	\$ -	\$ 974,374	\$ 922,043	\$ 2,552,407
Municipal Bonds	10,146	10,146	-	-	-
Equity Securities	13,381,223	13,381,223	-	-	-
Corporate Bonds	3,318,277	128,419	1,819,911	1,369,947	-
Illinois Funds	28,901	28,901	-	-	-
	<u>\$ 21,187,371</u>	<u>\$ 13,548,689</u>	<u>\$ 2,794,285</u>	<u>\$ 2,291,990</u>	<u>\$ 2,552,407</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
December 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2013 attach as an enforceable lien on January 1, 2013, 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, 2014 and August 1, 2014, and are payable in two installments, on or about March 1, 2014, and September 1, 2014. The County collects such taxes and remits them periodically. As the 2013 tax levy is intended to fund expenditures for the 2014 fiscal year, these taxes are deferred as of December 31, 2013.

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	4,112,722	-	4,112,722	-
	<u>17,812,722</u>	<u>-</u>	<u>4,112,722</u>	<u>13,700,000</u>
Depreciable Capital Assets				
Buildings and Improvements	10,841,675	4,017,874	-	14,859,549
Machinery and Equipment	9,137,809	249,393	154,249	9,232,953
Furniture and Fixtures	818,114	147,518	-	965,632
Infrastructure	26,030,419	1,917,446	-	27,947,865
	<u>46,828,017</u>	<u>6,332,231</u>	<u>154,249</u>	<u>53,005,999</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,198,674	162,972	-	3,361,646
Machinery and Equipment	6,232,790	538,580	154,249	6,617,121
Furniture and Fixtures	818,114	-	-	818,114
Infrastructure	7,210,376	988,199	-	8,198,575
	<u>17,459,954</u>	<u>1,689,751</u>	<u>154,249</u>	<u>18,995,456</u>
Total Net Depreciable Capital Assets	<u>29,368,063</u>	<u>4,642,480</u>	<u>-</u>	<u>34,010,543</u>
Total Net Capital Assets	<u>\$ 47,180,785</u>	<u>\$ 4,642,480</u>	<u>\$ 4,112,722</u>	<u>\$ 47,710,543</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 113,220
Public Safety	250,319
Public Works	1,315,084
Community Development	10,109
Internal Service	1,019
	<u>\$ 1,689,751</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2013

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	12,336,604	-	178,260	12,158,344
Plants and Equipment	14,271,997	136,498	-	14,408,495
Distribution System	40,078,786	1,184,528	58,159	41,205,155
Sanitary Sewer System	5,699,748	533,118	-	6,232,866
Other Equipment	10,810,713	64,460	-	10,875,173
	<u>83,197,848</u>	<u>1,918,604</u>	<u>236,419</u>	<u>84,880,033</u>
Less Accumulated Depreciation				
Buildings	4,266,463	156,604	178,260	4,244,807
Plants and Equipment	10,095,348	215,652	-	10,311,000
Distribution System	21,366,523	1,027,725	24,302	22,369,946
Sanitary Sewer System	3,729,518	48,770	-	3,778,288
Other Equipment	8,691,399	309,325	-	9,000,724
	<u>48,149,251</u>	<u>1,758,076</u>	<u>202,562</u>	<u>49,704,765</u>
Total Net Depreciable Capital Assets	<u>35,048,597</u>	<u>160,528</u>	<u>33,857</u>	<u>35,175,268</u>
Total Net Capital Assets	<u>\$ 35,212,605</u>	<u>\$ 160,528</u>	<u>\$ 33,857</u>	<u>\$ 35,339,276</u>

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

Electric	\$ 1,206,359
Water	352,689
Refuse	103,357
Storm Sewer	11,577
Sanitary Sewer	<u>84,094</u>
	<u>\$ 1,758,076</u>

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

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
General Fund	Nonmajor Governmental	\$ 188,386
General Fund	Police Pension	213,153
General Fund	Firefighters' Pension	<u>213,278</u>
		<u>\$ 614,817</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	\$ 749,097
General	Water	189,063
General	Refuse	36,900
General	Sewer	43,857
Village Facilities	General	500,000
Nonmajor Governmental	General	345,385
Refuse	General	412,500
Storm Sewer	General	<u>6,000,000</u>
		<u>\$ 8,276,802</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
December 31, 2013**

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	\$ 245,000	\$ -	\$ 120,000	\$ 125,000
\$9,000,000 General Obligation Bonds of 2013, due in annual installments of \$675,000 to \$5,560,000 through December 31, 2046 plus interest at 2.00% to 4.375%.	Storm Sewer	-	9,000,000	-	9,000,000
		\$ 245,000	\$ 9,000,000	\$ 120,000	\$ 9,125,000

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	\$ 655,000	\$ -	\$ 320,000	\$ 335,000

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2013

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	\$ 1,760,852	\$ 83,449	\$ 166,898	\$ 1,677,403	\$ 335,481
General Obligation Bonds	245,000	-	120,000	125,000	125,000
Alternate Revenue Bonds	655,000	-	320,000	335,000	335,000
Net Other Post-Employment Benefit Obligation	1,881,521	324,836	-	2,206,357	-
	<u>\$ 4,542,373</u>	<u>\$ 408,285</u>	<u>\$ 606,898</u>	<u>\$ 4,343,760</u>	<u>\$ 795,481</u>
Business-Type Activities					
Compensated Absences	\$ 622,173	\$ 23,068	\$ 46,136	\$ 599,105	\$ 119,821
General Obligation Bonds	-	9,000,000	-	9,000,000	-
Landfill Post-Closure Costs	938,259	-	-	938,259	10,000
	<u>\$ 1,560,432</u>	<u>\$ 9,023,068</u>	<u>\$ 46,136</u>	<u>\$ 10,537,364</u>	<u>\$ 129,821</u>

For the governmental activities, the 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 the business-type activities, compensated absences are liquidated by the Electric, Water, Refuse and Sewer Funds and the general obligation bonds are liquidated by the Storm Sewer Fund.

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
December 31, 2013

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 December 31	Governmental Activities				Business-Type Activities	
	General Obligation Bonds		Alternate Revenue Source Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 125,000	\$ 6,062	\$ 335,000	\$ 5,193	\$ -	\$ 333,720
2015	-	-	-	-	675,000	312,050
2016	-	-	-	-	680,000	298,550
2017	-	-	-	-	685,000	284,950
2018	-	-	-	-	695,000	271,250
2019	-	-	-	-	705,000	257,350
2020	-	-	-	-	-	243,250
2021	-	-	-	-	-	243,250
2022	-	-	-	-	-	243,250
2023	-	-	-	-	-	243,250
2024	-	-	-	-	-	243,250
2025	-	-	-	-	-	243,250
2026	-	-	-	-	-	243,250
2027	-	-	-	-	-	243,250
2028	-	-	-	-	-	243,250
2029	-	-	-	-	-	243,250
2030	-	-	-	-	-	243,250
2031	-	-	-	-	-	243,250
2032	-	-	-	-	-	243,250
2033	-	-	-	-	-	243,250
2034	-	-	-	-	-	243,250
2035	-	-	-	-	-	243,250
2036	-	-	-	-	-	243,250
2037	-	-	-	-	-	243,250
2038 - 42	-	-	-	-	-	1,216,250
2043 - 46	-	-	-	-	5,560,000	736,532
Total	\$ 125,000	\$ 6,062	\$ 335,000	\$ 5,193	\$ 9,000,000	\$ 8,089,152

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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 POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of December 31, 2013:

Governmental Activities

Capital Assets - Net of Accumulated Depreciation	\$ 47,710,543
Less Capital Related Debt:	
General Obligation Limited Bonds of 1999	(125,000)
General Obligation (Alternate Revenue) Refunding Bonds of 2003	<u>(335,000)</u>
Net Investment in Capital Assets	<u>\$ 47,250,543</u>

Business-Type Activities

Capital Assets - Net of Accumulated Depreciation	\$ 35,339,276
Less Capital Related Debt:	
General Obligation Bonds of 2013	(9,000,000)
Plus Unspent Bond Proceeds	<u>9,000,000</u>
Net Investment in Capital Assets	<u>\$ 35,339,276</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/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				
Inventory	\$ 2,597	\$ -	\$ -	\$ 2,597
Restricted				
Tax Escrow	63,297	-	-	63,297
Awards	716	-	-	716
Foreign Fire	171,802	-	-	171,802
Road Improvements	-	-	1,687,264	1,687,264
Debt Service Reserves	-	-	345,862	345,862
	<u>235,815</u>	<u>-</u>	<u>2,033,126</u>	<u>2,268,941</u>
Assigned				
Infrastructure Improvement Projects	-	515,693	-	515,693
Downtown Redevelopment	-	-	316,561	316,561
	<u>-</u>	<u>515,693</u>	<u>316,561</u>	<u>832,254</u>
Unassigned	<u>16,612,063</u>	<u>-</u>	<u>(171,253)</u>	<u>16,440,810</u>
Total Fund Balances	<u>\$ 16,850,475</u>	<u>\$ 515,693</u>	<u>\$ 2,178,434</u>	<u>\$ 19,544,602</u>

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

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 Administrator, under authorization of the Board per the fund balance policy, has assigned the funds in these two funds to future infrastructure improvement projects and downtown redevelopment based on Board approved expenditures as determined through the annual budget process.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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 2013 from the coverage amounts in effect for 2012. 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 2013 and 2012.

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

	Workers' Compensation	Health	Liability	Total
Claims Payable - March 31, 2012	\$ 1,017,938	\$ 465,000	\$ 90,550	\$ 1,573,488
Incurred Claims	516,426	2,483,938	2,256	3,002,620
Claims Paid	(214,714)	(2,410,756)	(10,806)	(2,636,276)
Claims Payable - March 31, 2013	1,319,650	538,182	82,000	1,939,832
Incurred Claims	316,435	2,033,545	44,996	2,394,976
Claims Paid	(275,753)	(2,316,727)	(1,996)	(2,594,476)
Claims Payable - December 31, 2013	<u>\$ 1,360,332</u>	<u>\$ 255,000</u>	<u>\$ 125,000</u>	<u>\$ 1,740,332</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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 13 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 \$13,000,000 per occurrence and aggregate of each member, with a self-insured retention of \$2,000,000 per member. The POOL retains \$4,000,000 per occurrence for claims and purchases \$9,000,000 excess insurance for claims above this level.

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 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 December 31, 2013

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), an 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 December 31, 2013

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 33 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 December 31, 2013

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 \$1,210 million of long-term debt outstanding and \$35 million due in the current fiscal year ending April 30, 2013. 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 \$42 million for debt principal outstanding through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2013.

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

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

Summary of Operating Revenues, Operating Expenses and Changes in Net Position for the year ended April 30, 2013, in millions of dollars:

Operating Revenues	\$ 304.5
Operating Expenses	<u>242.6</u>
Net Operating Income	61.9
Other Nonoperating Expenses (Net)	<u>(46.4)</u>
Change in Net Position	<u>\$ 15.5</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 December 31, 2013

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

IMRF provides two tiers of pension benefits. Tier 1 employees represent participating employees hired prior to January 1, 2011. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 and 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Tier 2 employees represent participating employees hired after January 1, 2011. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 and 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. 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 2013 was 15.94 percent.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2013

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:

Police	
Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	30
Current Employees	
Vested	15
Nonvested	<u>11</u>
	<u>56</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
December 31, 2013

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	30
Current Employees	
Vested	12
Nonvested	<u>12</u>
	<u>54</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 December 31, 2013

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% or more of plan net position 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
December 31, 2013**

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	15.94%	41.46%	50.95%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2013	12/31/2013	12/31/2013
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	20 Years	20 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
December 31, 2013**

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	\$ 756,864	\$ 893,273	\$ 1,650,137
Interest on the NPO/(NPA)	(19,334)	(19,407)	(38,741)
Adjustment to the ARC	16,786	16,847	33,633
Annual Pension Cost	754,316	890,713	1,645,029
Actual Contribution	735,448	893,545	1,628,993
Increase in the NPO/(NPA)	18,868	(2,832)	16,036
NPO/(NPA) - Beginning of Year	(413,334)	(414,900)	(828,234)
NPO/(NPA) - End of Year	\$ (394,466)	\$ (417,732)	\$ (812,198)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2013

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)	2012	\$ 1,362,001	\$ 953,674	\$ 933,584
	2013	1,369,449	986,974	1,104,217
	2013*	1,500,974	754,316	890,713
Actual Contributions	2012	\$ 1,362,001	\$ 964,387	\$ 945,074
	2013	1,369,449	997,534	1,113,794
	2013*	1,500,974	735,448	893,545
Percentage of APC Contributed	2012	100.00%	101.12%	101.23%
	2013	100.00%	101.07%	100.87%
	2013*	100.00%	97.50%	100.32%
Net Pension Obligation	2012	\$ -	\$ (402,774)	\$ (405,323)
	2013	-	(413,334)	(414,900)
	2013*	-	(394,466)	(417,732)

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

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	12/31/13	12/31/13	12/31/13
Percent Funded	68.50%	68.94%	61.67%
Actuarial Accrued Liability for Benefits	\$33,809,226	\$32,771,168	\$33,634,153
Actuarial Value of Assets	\$23,158,341	\$22,592,558	\$20,742,984
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$10,650,885)	(\$10,178,610)	(\$12,891,169)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$9,416,399	\$2,405,882	\$2,185,912
Ratio of UAAL to Covered Payroll	113.11%	423.07%	589.74%

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
December 31, 2013**

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 December 31, 2013, retirees contributed \$317,689. Active employees do not contribute to the plan until retirement.

At December 31, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	45
Active Employees	<u>144</u>
Total	<u>189</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2013

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2013 was calculated as follows:

Annual Required Contribution	\$ 593,132
Interest on the NOPEBO	56,445
Adjustment to the ARC	<u>(47,038)</u>
Annual OPEB Cost	602,539
Actual Contribution	<u>277,703</u>
Increase in the NOPEBO	324,836
NOPEBO - Beginning of Year	<u>1,881,521</u>
NOPEBO - End of Year	<u>\$ 2,206,357</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
2012	\$ 493,683	\$ 278,400	56.39%	\$ 1,785,461
2013	466,331	370,271	79.40%	1,881,521
2013*	602,539	277,703	46.09%	2,206,357

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2013

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, 2013, the date of the most recent actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 10,445,501
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 10,445,501
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	\$ 14,020,233
UAAL as a Percentage of Covered Payroll	74.50%

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, 2013 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 4.0% investment rate of return (net of administrative expenses and including a 3.0% inflation assumption) and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. 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

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2013**

NOTE 4 – OTHER INFORMATION – Continued

SUBSEQUENT EVENT

On January 7, 2014, the Village issued \$7,500,000 of General Obligation Bonds, Series 2014, due in annual installments of \$720,000 to \$4,510,000, plus interest at 2.10% to 4.75% through December 15, 2043.

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:

- Schedules 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
 December 31, 2013

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)
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%
2012	20,220,827	32,259,991	62.68%	12,039,164	9,009,532	133.63%
2013	23,158,341	33,809,226	68.50%	10,650,885	9,416,399	113.11%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
3/31/09	\$ 1,047,798	\$ 1,047,798	100.00%
3/31/10	1,081,479	1,081,479	100.00%
3/31/11	1,299,891	1,299,891	100.00%
3/31/12	1,362,001	1,362,001	100.00%
3/31/13	1,369,449	1,369,449	100.00%
12/31/13 *	1,500,974	1,500,974	100.00%

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2013**

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
3/31/08	\$ 18,205,126	\$ 25,066,992	72.63%	\$ 6,861,866	\$ 2,271,818	302.04%
3/31/09	16,048,696	26,890,362	59.68%	10,841,666	2,316,542	468.01%
3/31/10	18,904,231	29,630,253	63.80%	10,726,022	2,338,042	458.76%
3/31/11	20,377,515	30,118,976	67.66%	9,741,461	2,292,457	424.94%
3/31/12	21,321,703	31,240,020	68.25%	9,918,317	2,277,911	435.41%
12/31/13	22,592,558	32,771,168	68.94%	10,178,610	2,405,882	423.07%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
3/31/09	\$ 682,000	\$ 644,614	105.80%
3/31/10	736,000	672,538	109.44%
3/31/11	1,011,480	1,006,480	100.50%
3/31/12	964,387	958,022	100.66%
3/31/13	997,534	992,534	100.50%
12/31/13 *	735,448	756,864	97.17%

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
3/31/08	\$ 17,004,652	\$ 25,914,437	65.62%	\$ 8,909,785	\$ 1,859,725	479.09%
3/31/09	15,131,866	26,287,160	57.56%	11,155,294	2,004,317	556.56%
3/31/10	17,798,993	28,882,320	61.63%	11,083,327	2,086,790	531.12%
3/31/11	18,822,037	30,960,065	60.79%	12,138,028	1,785,796	679.70%
3/31/12	19,447,295	31,767,269	61.22%	12,319,974	2,042,804	603.09%
12/31/13	20,742,984	33,634,153	61.67%	12,891,169	2,185,912	589.74%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
3/31/09	\$ 737,000	\$ 727,176	101.35%
3/31/10	840,000	795,495	105.59%
3/31/11	941,668	936,668	100.53%
3/31/12	945,074	938,956	100.65%
3/31/13	1,113,794	1,108,794	100.45%
12/31/13 *	893,545	893,273	100.03%

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2013

Schedule of Funding Progress

Actuarial Valuation Date	(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 Liability as a Percentage of Covered Payroll (4) ÷ (5)
3/31/09	\$ -	\$ 7,853,132	0.00%	\$ 7,853,132	\$ 13,507,306	58.14%
3/31/10	N/A	N/A	N/A	N/A	N/A	N/A
3/31/11	-	7,853,132	0.00%	7,853,132	14,172,302	55.41%
3/31/12	N/A	N/A	N/A	N/A	N/A	N/A
3/31/13	-	10,445,501	0.00%	10,445,501	14,020,233	74.50%
12/31/13 *	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
3/31/09	\$ 278,400	\$ 681,332	40.86%
3/31/10	278,400	454,427	61.26%
3/31/11	278,400	454,427	61.26%
3/31/12	278,400	454,428	61.26%
3/31/13	370,271	454,427	81.48%
12/31/13 *	277,703	593,132	46.82%

The Village implemented GASB Statement No. 45 for the fiscal year ended March 31, 2007 and had subsequent actuarial valuations performed for the fiscal years ended March 31, 2009, 2011 and 2013. The Village is required to have an actuarial valuation performed biennially.

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Nine Months Ended December 31, 2013

	December 31, 2013		
	Original and Final Budget	Actual	March 31, 2013 Actual
Revenues			
Taxes	\$ 13,517,173	\$ 6,801,935	\$ 13,887,211
Licenses and Permits	1,609,000	2,245,978	2,378,429
Intergovernmental	2,525,000	2,350,033	2,766,817
Charges for Services	3,690,050	2,711,133	3,652,741
Fines and Forfeits	200,000	144,351	215,280
Investment Income	80,000	75,397	249,725
Miscellaneous	63,000	110,640	64,442
Total Revenues	21,684,223	14,439,467	23,214,645
Expenditures			
General Government	3,274,339	2,464,557	3,001,449
Public Safety	11,687,946	8,722,403	11,024,520
Community Development	1,595,740	1,243,673	1,443,413
Public Works	5,726,792	4,220,840	4,446,311
Total Expenditures	22,284,817	16,651,473	19,915,693
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600,594)	(2,212,006)	3,298,952
Other Financing Sources (Uses)			
Transfers In	1,358,556	1,018,917	1,407,528
Transfers Out	(7,395,385)	(7,257,885)	(3,790,305)
	(6,036,829)	(6,238,968)	(2,382,777)
Net Change in Fund Balance	\$ (6,637,423)	(8,450,974)	916,175
Fund Balance - Beginning		25,301,449	24,385,274
Fund Balance - Ending		\$ 16,850,475	\$ 25,301,449

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
 - Storm Sewer – Major Enterprise Fund
 - Sanitary Sewer – Nonmajor Enterprise Fund

- Internal Service Funds
 - Combining Statement of Net Assets
 - Combining Statement of Revenues, Expenses, and Changes in Net Position
 - 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 Position
 - Combining Statement of Changes in Net Position
 - 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 FUND

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 FUND

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.

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.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS – Continued

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.

Storm Sewer Fund

The Storm Sewer Fund is used to account for the provision of storm 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.

Sanitary Sewer Fund

The Sanitary Sewer Fund is used to account for the provision of sanitary 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
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 12,637,173	\$ 6,038,460
Natural Gas	250,000	303,383
Telecommunications Tax	630,000	460,092
	13,517,173	6,801,935
Licenses and Permits		
Licenses		
Vehicle	295,000	250,475
Dog	10,000	7,878
Liquor	11,000	470
Other	3,000	3,649
Permits		
Building	1,200,000	1,235,336
Plumbing	-	52,195
Electrical	-	158,293
Sewer, Sidewalks, and Miscellaneous	90,000	152,371
Compliance Fees	-	385,311
	1,609,000	2,245,978
Intergovernmental		
General Sales Tax	1,350,000	1,190,192
Illinois State Income Tax	950,000	882,789
Corporate Property Replacement Tax	100,000	134,784
Grants	60,000	64,841
Foreign Fire Insurance	65,000	77,427
	2,525,000	2,350,033

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Charges for Services		
Administrative Charges	\$ 1,772,400	\$ 1,329,300
Franchise Fees	220,000	222,957
Public Safety Services	978,204	647,369
Ambulance Fees	140,000	90,063
False Alarm Charges	12,500	11,925
Parking	154,900	146,544
Property Rental	362,046	223,148
State Route Maintenance	50,000	39,827
	<u>3,690,050</u>	<u>2,711,133</u>
Fines and Forfeits		
Justice Fines and Costs	<u>200,000</u>	<u>144,351</u>
Investment Income	<u>80,000</u>	<u>75,397</u>
Miscellaneous		
Proceeds from Sale of Personal Property	20,000	36,416
Pole Rental	36,000	62,284
Miscellaneous	7,000	11,940
	<u>63,000</u>	<u>110,640</u>
Total Revenues	<u>\$ 21,684,223</u>	<u>\$ 14,439,467</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 514,490	\$ 156,254
General Administration	2,759,849	2,308,303
Total General Government	3,274,339	2,464,557
Public Safety		
Police Department		
Administration	2,439,458	1,826,953
Training	102,939	77,368
E-911 System	10,000	4,500
Public Service Officers	270,566	170,744
General and Criminal Records	295,287	207,633
Communication System	587,775	441,704
Detention and Custody of Prisoners	8,000	14,667
Investigation	366,511	215,800
Uniform Patrol	1,998,591	1,613,038
School Crossing Protection	500	-
Emergency Management	13,600	120
Patrol Vehicles	260,371	190,612
Social Work	42,000	36,049
Station Maintenance	403,154	184,333
Safety	11,700	4,343
Community Services	-	57,217
Total Police Department	6,810,452	5,045,081
Fire Department		
Administration	461,539	353,155
Training	69,734	25,431
Communications	152,400	121,943
Emergency Management	-	15,318
Fire Station Maintenance	91,400	60,266
Community Services	3,950	-

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Life Safety	\$ 57,050	\$ 41,613
Firefighting Force	3,577,588	2,695,188
Ambulance Service	388,833	289,291
	<hr/>	<hr/>
Total Fire Department	4,802,494	3,602,205
	<hr/>	<hr/>
Foreign Fire Insurance	75,000	75,117
	<hr/>	<hr/>
Total Public Safety	11,687,946	8,722,403
	<hr/>	<hr/>
Community Development		
Community Development Department	1,595,740	1,243,673
	<hr/>	<hr/>
Public Works		
Public Works Department	5,726,792	4,220,840
	<hr/>	<hr/>
Total Expenditures	<u>\$ 22,284,817</u>	<u>\$ 16,651,473</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
General Government		
Public Affairs		
Public Improvements		
Capital	\$ 250,000	\$ -
Legal		
Contractual Services	44,000	36,063
Surety Bonds and Insurance		
Contractual Services	46,000	35,538
Sundry		
Commodities	16,490	19,802
Contractual Services	158,000	64,851
	174,490	84,653
Total Public Affairs	514,490	156,254
General Administration		
Office of the Manager and Clerk		
Salaries	354,800	278,614
Contractual Services	73,300	109,589
Commodities	29,740	36,082
	457,840	424,285
Legal Expense		
Salaries	270,400	212,489
Personnel Costs	87,676	66,594
Contractual Services	(232,420)	(174,824)
Commodities	-	14,204
	125,656	118,463
Tuition Reimbursement		
Contractual Services	20,000	8,880

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
General Government - Continued		
General Administration - Continued		
Financial Administration		
Salaries	\$ 1,164,700	\$ 884,071
Personnel Costs	563,417	506,388
Contractual Services	181,864	164,204
Commodities	27,700	37,018
Vehicle Expense	4,272	3,204
Training	5,200	4,826
Equipment	209,200	156,964
	<u>2,156,353</u>	<u>1,756,675</u>
Total General Administration	<u>2,759,849</u>	<u>2,308,303</u>
Total General Government	<u>3,274,339</u>	<u>2,464,557</u>
Public Safety		
Police Department		
Administration		
Salaries	608,102	471,663
Personnel Costs	1,769,751	1,310,069
Contractual Services	50,250	40,684
Supplies	11,355	4,537
	<u>2,439,458</u>	<u>1,826,953</u>
Training		
Salaries	24,675	31,286
Contractual Services	42,139	24,268
Commodities	36,125	21,814
	<u>102,939</u>	<u>77,368</u>
E-911 System		
Contractual Services	10,000	4,500

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Public Service Officers		
Salaries	\$ 210,396	\$ 137,308
Contractual Services	50,990	33,436
Supplies	9,180	-
	<u>270,566</u>	<u>170,744</u>
General and Criminal Records		
Salaries	164,007	119,554
Contractual Services	112,140	76,255
Supplies	19,140	11,824
	<u>295,287</u>	<u>207,633</u>
Communication System		
Salaries	348,995	292,027
Contractual Services	121,700	149,677
Supplies	57,080	-
Equipment	60,000	-
	<u>587,775</u>	<u>441,704</u>
Detention and Custody of Prisoners		
Contractual Services	1,000	1,328
Supplies	7,000	13,339
	<u>8,000</u>	<u>14,667</u>
Investigation		
Salaries	320,051	188,676
Contractual Services	32,700	22,926
Supplies	13,760	4,198
	<u>366,511</u>	<u>215,800</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Uniform Patrol		
Salaries	\$ 1,896,341	\$ 1,555,854
Contractual Services	5,400	1,652
Supplies	96,850	55,532
	<u>1,998,591</u>	<u>1,613,038</u>
School Crossing Protection		
Supplies	<u>500</u>	<u>-</u>
Emergency Management		
Contractual Services	9,600	120
Supplies	4,000	-
	<u>13,600</u>	<u>120</u>
Patrol Vehicles		
Contractual Services	-	14,500
Supplies	4,500	4,213
Vehicle Expense	255,871	171,899
	<u>260,371</u>	<u>190,612</u>
Social Work		
Contractual Services	<u>42,000</u>	<u>36,049</u>
Station Maintenance		
Contractual Services	172,154	179,881
Supplies	6,000	4,452
Equipment	225,000	-
	<u>403,154</u>	<u>184,333</u>
Safety		
Contractual Services	6,200	1,286
Supplies	5,500	3,057
	<u>11,700</u>	<u>4,343</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Community Services		
Salaries	\$ -	\$ 57,217
Total Police Department	6,810,452	5,045,081
Fire Department		
Administration		
Salaries	334,572	281,303
Personnel Costs	45,035	33,498
Contractual Services	64,232	30,582
Supplies	17,000	7,772
Vehicle Expense	700	-
	461,539	353,155
Training		
Salaries	34,000	14,492
Contractual Services	30,234	9,998
Supplies	5,500	941
	69,734	25,431
Communications		
Contractual Services	147,300	119,873
Supplies	5,100	2,070
	152,400	121,943
Emergency Management		
Salaries	-	15,318

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Fire Station Maintenance		
Contractual Services	\$ 83,300	\$ 50,787
Supplies	8,100	9,479
	<u>91,400</u>	<u>60,266</u>
Community Services		
Salaries	3,000	-
Contractual Services	500	-
Supplies	450	-
	<u>3,950</u>	<u>-</u>
Life Safety		
Salaries	48,400	34,136
Contractual Services	1,700	1,701
Supplies	6,950	5,776
	<u>57,050</u>	<u>41,613</u>
Firefighting Force		
Salaries	1,881,653	1,425,826
Personnel Costs	1,534,781	1,172,486
Contractual Services	46,845	27,629
Supplies	53,350	24,510
Vehicle Expense	60,959	44,737
	<u>3,577,588</u>	<u>2,695,188</u>
Ambulance Service		
Salaries	299,213	229,140
Personnel Costs	53,040	38,134
Contractual Services	24,630	1,196
Supplies	10,950	5,294
Vehicle Expense	1,000	632
Equipment	-	14,895
	<u>388,833</u>	<u>289,291</u>
Total Fire Department	<u>4,802,494</u>	<u>3,602,205</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Foreign Fire Insurance	\$ 75,000	\$ 75,117
Total Public Safety	<u>11,687,946</u>	<u>8,722,403</u>
Community Development		
Community Development Department		
Salaries	854,170	595,974
Personnel Costs	340,620	231,134
Contractual Services	387,700	411,544
Supplies	11,100	3,521
Vehicle Expense	2,150	1,500
Total Community Development	<u>1,595,740</u>	<u>1,243,673</u>
Public Works		
Public Works Department		
Administration		
Salaries	364,047	258,523
Personnel Costs	700,201	537,476
Contractual Services	81,500	58,492
Supplies	14,000	3,136
Total Public Works Department	<u>1,159,748</u>	<u>857,627</u>
Training		
Contractual Services	11,000	5,278
Supplies	12,000	7,532
Total Training	<u>23,000</u>	<u>12,810</u>
Engineering		
Salaries	194,335	172,035
Contractual Services	44,000	25,357
Supplies	2,000	794
Total Engineering	<u>240,335</u>	<u>198,186</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Service Yards		
Salaries	\$ -	\$ 213
Contractual Services	86,000	57,724
Supplies	11,000	6,186
	97,000	64,123
Street Maintenance		
Salaries	730,186	535,393
Contractual Services	114,000	92,598
Supplies	80,500	51,008
Vehicle Expense	225,204	168,903
Equipment	175,000	77,534
	1,324,890	925,436
Pavement Reconstruction		
Equipment/Reconstruction	1,200,000	1,008,890
Drainage		
Salaries	128,602	128,131
Contractual Services	90,500	48,684
Supplies	31,000	14,534
	250,102	191,349
Snow Removal and Ice Control		
Salaries	80,000	23,310
Contractual Services	6,000	-
Supplies	123,520	54,805
	209,520	78,115

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Public Property		
Contractual Services	\$ 285,500	\$ 278,949
Supplies	20,000	74,360
Equipment	400,000	131,579
	<u>705,500</u>	<u>484,888</u>
Forestry		
Salaries	173,697	97,849
Contractual Services	268,000	259,124
Supplies	42,000	31,960
Equipment	-	(7,300)
	<u>483,697</u>	<u>381,633</u>
Street Sweeping - Mechanical		
Contractual Services	<u>33,000</u>	<u>17,783</u>
Total Public Works	<u>5,726,792</u>	<u>4,220,840</u>
Total Expenditures	<u>\$ 22,284,817</u>	<u>\$ 16,651,473</u>

VILLAGE OF WINNETKA, ILLINOIS

Village Facilities - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 1,000	\$ 2,006
Expenditures		
Capital Outlay	330,000	52,671
Excess (Deficiency) of Revenues Over (Under) Expenditures	(329,000)	(50,665)
Other Financing Sources		
Transfers In	500,000	500,000
Net Change in Fund Balance	<u>\$ 171,000</u>	449,335
Fund Balance - Beginning		<u>66,358</u>
Fund Balance - Ending		<u>\$ 515,693</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2013**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2013**

	<u>Special Revenue Motor Fuel Tax</u>
ASSETS	
Cash and Investments	\$ 1,870,536
Receivables - Net of Allowances	
Taxes	-
Accrued Interest	-
Due from Other Governments	<u>30,496</u>
Total Assets	<u><u>1,901,032</u></u>
LIABILITIES	
Accounts Payable	213,768
Due to Other Funds	-
Total Liabilities	<u>213,768</u>
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	-
Total Liabilities and Deferred Inflows of Resources	<u>213,768</u>
FUND BALANCES	
Restricted	1,687,264
Assigned	-
Unassigned	-
Total Fund Balances	<u>1,687,264</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 1,901,032</u></u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ 344,731	\$ 316,407	\$ 17,105	\$ 2,548,779
138,316	-	-	138,316
431	154	28	613
-	-	-	30,496
<u>483,478</u>	<u>316,561</u>	<u>17,133</u>	<u>2,718,204</u>
-	-	-	213,768
-	-	188,386	188,386
-	-	188,386	402,154
137,616	-	-	137,616
137,616	-	188,386	539,770
345,862	-	-	2,033,126
-	316,561	-	316,561
-	-	(171,253)	(171,253)
345,862	316,561	(171,253)	2,178,434
<u>\$ 483,478</u>	<u>\$ 316,561</u>	<u>\$ 17,133</u>	<u>\$ 2,718,204</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Nine Months Ended December 31, 2013

	Special Revenue Motor Fuel Tax
Revenues	
Taxes	\$ -
Intergovernmental	282,210
Investment Income	349
Total Revenues	<u>282,559</u>
Expenditures	
Community Development	-
Public Works	763,691
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>763,691</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(481,132)
Other Financing Sources	
Transfers In	<u>-</u>
Net Change in Fund Balances	(481,132)
Fund Balances - Beginning	<u>2,168,396</u>
Fund Balances - Ending	<u>\$ 1,687,264</u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ 67,825	\$ -	\$ 21,959	\$ 89,784
-	-	-	282,210
1,048	1,542	55	2,994
<u>68,873</u>	<u>1,542</u>	<u>22,014</u>	<u>374,988</u>
-	13,286	-	13,286
-	-	-	763,691
440,000	-	-	440,000
21,975	-	-	21,975
<u>461,975</u>	<u>13,286</u>	<u>-</u>	<u>1,238,952</u>
(393,102)	(11,744)	22,014	(863,964)
<u>345,385</u>	<u>-</u>	<u>-</u>	<u>345,385</u>
(47,717)	(11,744)	22,014	(518,579)
<u>393,579</u>	<u>328,305</u>	<u>(193,267)</u>	<u>2,697,013</u>
<u>\$ 345,862</u>	<u>\$ 316,561</u>	<u>\$ (171,253)</u>	<u>\$ 2,178,434</u>

VILLAGE OF WINNETKA, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 310,000	\$ 228,278
Grants	-	53,932
Investment Income	500	349
Total Revenues	<u>310,500</u>	<u>282,559</u>
Expenditures		
Public Works		
Street - Traffic Signal Maintenance and Improvement	<u>835,000</u>	<u>763,691</u>
Net Change in Fund Balance	<u>\$ (524,500)</u>	(481,132)
Fund Balance - Beginning		<u>2,168,396</u>
Fund Balance - Ending		<u>\$ 1,687,264</u>

VILLAGE OF WINNETKA, ILLINOIS

General Obligation - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 138,414	\$ 67,825
Investment Income	500	1,048
Total Revenues	<u>138,914</u>	<u>68,873</u>
Expenditures		
Debt Service		
Principal Retirement	483,000	440,000
Interest and Fiscal Charges	31,944	21,975
Total Expenditures	<u>514,944</u>	<u>461,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(376,030)	(393,102)
Other Financing Sources		
Transfers In	<u>345,385</u>	<u>345,385</u>
Net Change in Fund Balance	<u>\$ (30,645)</u>	(47,717)
Fund Balance - Beginning		<u>393,579</u>
Fund Balance - Ending		<u>\$ 345,862</u>

VILLAGE OF WINNETKA, ILLINOIS

Downtown Redevelopment - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 500	\$ 1,542
Expenditures		
Community Development		
Miscellaneous	150,000	13,286
Net Change in Fund Balance	<u>\$ (149,500)</u>	(11,744)
Fund Balance - Beginning		<u>328,305</u>
Fund Balance - Ending		<u>\$ 316,561</u>

VILLAGE OF WINNETKA, ILLINOIS

Special Service Areas - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 43,602	\$ 21,959
Investment Income	4,159	55
Total Revenues	<u>47,761</u>	<u>22,014</u>
Expenditures		
Capital Outlay		
Construction	<u>43,602</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 4,159</u>	22,014
Fund Balance - Beginning		<u>(193,267)</u>
Fund Balance - Ending		<u>\$ (171,253)</u>

VILLAGE OF WINNETKA, ILLINOIS

Electric - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 14,571,000	\$ 10,888,026
Miscellaneous	100,000	142,670
Total Operating Revenues	<u>14,671,000</u>	<u>11,030,696</u>
Operating Expenses		
Administration		
General and Administrative	2,773,962	2,063,861
Operations		
Generation	8,816,000	7,451,633
Distribution	1,218,077	941,011
Depreciation	1,600,000	1,206,359
Total Operating Expenses	<u>14,408,039</u>	<u>11,662,864</u>
Operating Income (Loss)	<u>262,961</u>	<u>(632,168)</u>
Nonoperating Revenues (Expenses)		
Investment Income	20,000	10,532
Rental Income	231,388	140,861
Merchandise Sales and Jobbing - Net	405,000	513,284
Disposal of Capital Assets	5,000	27,324
	<u>661,388</u>	<u>692,001</u>
Income (Loss) Before Transfers	924,349	59,833
Transfers Out	<u>(998,796)</u>	<u>(749,097)</u>
Change in Net Position	<u>\$ (74,447)</u>	<u>(689,264)</u>
Net Position - Beginning		<u>28,888,304</u>
Net Position - Ending		<u>\$ 28,199,040</u>

VILLAGE OF WINNETKA, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 3,722,000	\$ 3,075,594
Miscellaneous	18,000	24,095
Total Operating Revenues	<u>3,740,000</u>	<u>3,099,689</u>
Operating Expenses		
Administration		
General and Administrative	1,257,388	873,202
Operations		
Pumping	97,000	132,874
Filtration	854,100	605,928
Distribution	517,173	427,672
Depreciation	440,000	352,689
Total Operating Expenses	<u>3,165,661</u>	<u>2,392,365</u>
Operating Income (Loss)	<u>574,339</u>	<u>707,324</u>
Nonoperating Revenues (Expenses)		
Investment Income	1,500	1,758
Merchandise Sales and Jobbing - Net	22,000	39,480
Disposal of Capital Assets	-	(6,580)
	<u>23,500</u>	<u>34,658</u>
Income (Loss) Before Transfers	597,839	741,982
Transfers Out	<u>(252,084)</u>	<u>(189,063)</u>
Change in Net Position	<u>\$ 345,755</u>	552,919
Net Position - Beginning		<u>11,409,387</u>
Net Position - Ending		<u>\$ 11,962,306</u>

VILLAGE OF WINNETKA, ILLINOIS

Refuse - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 520,000	\$ 374,877
Miscellaneous	15,000	19,915
Total Operating Revenues	<u>535,000</u>	<u>394,792</u>
Operating Expenses		
Administration		
General and Administrative	127,080	95,310
Operations		
Collection	1,263,387	976,056
Disposal	376,448	283,886
Recycling	349,000	272,117
Landfill Monitoring	100,000	106,934
Depreciation	135,000	103,357
Total Operating Expenses	<u>2,350,915</u>	<u>1,837,660</u>
Operating Income (Loss)	<u>(1,815,915)</u>	<u>(1,442,868)</u>
Nonoperating Revenues		
Property Taxes	1,100,000	1,068,036
Investment Income	6,500	1,439
	<u>1,106,500</u>	<u>1,069,475</u>
Income (Loss) Before Transfers	(709,415)	(373,393)
Transfers In	550,000	412,500
Transfers Out	<u>(49,200)</u>	<u>(36,900)</u>
Change in Net Position	<u>\$ (208,615)</u>	2,207
Net Position - Beginning		<u>1,458,784</u>
Net Position - Ending		<u>\$ 1,460,991</u>

VILLAGE OF WINNETKA, ILLINOIS

Storm Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ -	\$ -
Operating Expenses		
Operations	-	-
Depreciation	-	11,577
Total Operating Expenses	-	11,577
Operating Income (Loss)	-	(11,577)
Nonoperating Revenues (Expenses)		
Investment Income	10,000	40,364
Interest Expense	-	(120,673)
	10,000	(80,309)
Income (Loss) Before Transfers	10,000	(91,886)
Transfers In	6,000,000	6,000,000
Change in Net Position	<u>\$ 6,010,000</u>	5,908,114
Net Position - Beginning		<u>2,251,873</u>
Net Position - Ending		<u>\$ 8,159,987</u>

VILLAGE OF WINNETKA, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 940,500	\$ 776,137
Operating Expenses		
Administration		
General and Administrative	140,040	105,030
Operations	724,348	456,746
Depreciation	80,000	84,094
Total Operating Expenses	944,388	645,870
Operating Income (Loss)	(3,888)	130,267
Nonoperating Revenues		
Investment Income	3,500	1,365
Income (Loss) Before Transfers	(388)	131,632
Transfers Out	(58,476)	(43,857)
Change in Net Position	<u>\$ (58,864)</u>	87,775
Net Position - Beginning		<u>2,988,355</u>
Net Position - Ending		<u>\$ 3,076,130</u>

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

**Combining Statement of Net Position
December 31, 2013**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

December 31, 2013

	<u>Data Processing</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 818,594
Receivables - Net of Allowances	
Accounts	-
Accrued Interest	298
Inventories	-
Total Current Assets	<u>818,892</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>818,892</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	1,183
Claims Payable	-
Total Current Liabilities	<u>1,183</u>
Noncurrent Liabilities	
Claims Payable	<u>-</u>
Total Liabilities	<u>1,183</u>
NET POSITION	
Investment in Capital Assets	-
Unrestricted	<u>817,709</u>
Total Net Position	<u>\$ 817,709</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 2,116,850	\$ 2,248,456	\$ 2,524,580	\$ 77,641	\$ 7,786,121
-	13,605	-	12,220	25,825
795	762	929	-	2,784
-	-	-	29,754	29,754
2,117,645	2,262,823	2,525,509	119,615	7,844,484
-	-	-	13,590	313,188
-	-	-	(11,891)	(311,489)
-	-	-	1,699	1,699
2,117,645	2,262,823	2,525,509	121,314	7,846,183
-	-	1,000	20,114	22,297
680,166	255,000	62,500	-	997,666
680,166	255,000	63,500	20,114	1,019,963
680,166	-	62,500	-	742,666
1,360,332	255,000	126,000	20,114	1,762,629
-	-	-	1,699	1,699
757,313	2,007,823	2,399,509	99,501	6,081,855
\$ 757,313	\$ 2,007,823	\$ 2,399,509	\$ 101,200	\$ 6,083,554

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Nine Months Ended December 31, 2013

	<u>Data Processing</u>
Operating Revenues	
Interfund Services	<u>\$ 249,664</u>
Operating Expenses	
Administration	32,580
Operations	221,821
Depreciation	-
Total Operating Expenses	<u>254,401</u>
Operating Income (Loss)	(4,737)
Nonoperating Revenues	
Investment Income	<u>1,703</u>
Change in Net Position	(3,034)
Net Position - Beginning	<u>820,743</u>
Net Position - Ending	<u>\$ 817,709</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 396,375	\$ 2,167,872	\$ -	\$ 678,671	\$ 3,492,582
-	27,012	38,919	32,580	131,091
377,109	2,283,214	46,308	696,811	3,625,263
-	-	-	1,019	1,019
377,109	2,310,226	85,227	730,410	3,757,373
19,266	(142,354)	(85,227)	(51,739)	(264,791)
4,676	3,461	5,106	264	15,210
23,942	(138,893)	(80,121)	(51,475)	(249,581)
733,371	2,146,716	2,479,630	152,675	6,333,135
\$ 757,313	\$ 2,007,823	\$ 2,399,509	\$ 101,200	\$ 6,083,554

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows
For the Nine Months Ended December 31, 2013

	<u>Data Processing</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 252,459
Payments to Suppliers	(154,926)
Payments to Employees	(103,200)
	<u>(5,667)</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,703</u>
Net Change in Cash and Cash Equivalents	(3,964)
Cash and Cash Equivalents - Beginning	<u>822,558</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 818,594</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (4,737)
Adjustments to Reconcile Operating Income to Net	
Cash Provided by (Used in) Operating Activities	
Depreciation Expense	-
(Increase) Decrease in Current Assets	2,795
Increase (Decrease) in Current Liabilities	<u>(3,725)</u>
Net Cash Provided by Operating Activities	<u><u>\$ (5,667)</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 402,819 (336,958)	\$ 2,175,863 (2,593,408)	\$ 8,244 (41,953)	\$ 670,518 (538,457)	\$ 3,509,903 (3,665,702)
-	-	-	(183,289)	(286,489)
65,861	(417,545)	(33,709)	(51,228)	(442,288)
4,676	3,461	5,106	264	15,210
70,537	(414,084)	(28,603)	(50,964)	(427,078)
2,046,313	2,662,540	2,553,183	128,605	8,213,199
\$ 2,116,850	\$ 2,248,456	\$ 2,524,580	\$ 77,641	\$ 7,786,121
\$ 19,266	\$ (142,354)	\$ (85,227)	\$ (51,739)	\$ (264,791)
-	-	-	1,019	1,019
6,444	7,991	8,244	(8,153)	17,321
40,151	(283,182)	43,274	7,645	(195,837)
\$ 65,861	\$ (417,545)	\$ (33,709)	\$ (51,228)	\$ (442,288)

VILLAGE OF WINNETKA, ILLINOIS

Data Processing - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 328,200	\$ 249,664
Operating Expenses		
Administration	43,440	32,580
Operations	391,210	221,821
Depreciation	35,000	-
Total Operating Expenses	469,650	254,401
Operating Income (Loss)	(141,450)	(4,737)
Nonoperating Revenues		
Investment Income	3,100	1,703
Change in Net Position	<u>\$ (138,350)</u>	(3,034)
Net Position - Beginning		<u>820,743</u>
Net Position - Ending		<u>\$ 817,709</u>

VILLAGE OF WINNETKA, ILLINOIS

Workers' Compensation Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 528,492	\$ 396,375
Operating Expenses		
Operations	<u>797,000</u>	<u>377,109</u>
Operating Income (Loss)	(268,508)	19,266
Nonoperating Revenues		
Investment Income	<u>8,000</u>	<u>4,676</u>
Change in Net Position	<u>\$ (260,508)</u>	23,942
Net Position - Beginning		<u>733,371</u>
Net Position - Ending		<u>\$ 757,313</u>

VILLAGE OF WINNETKA, ILLINOIS

Health Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 3,072,720	\$ 2,167,872
Operating Expenses		
Administration	541,000	27,012
Operations	2,919,100	2,283,214
Total Operating Expenses	<u>3,460,100</u>	<u>2,310,226</u>
Operating Income (Loss)	(387,380)	(142,354)
Nonoperating Revenues		
Investment Income	<u>15,000</u>	<u>3,461</u>
Change in Net Position	<u>\$ (372,380)</u>	(138,893)
Net Position - Beginning		<u>2,146,716</u>
Net Position - Ending		<u>\$ 2,007,823</u>

VILLAGE OF WINNETKA, ILLINOIS

Liability Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ -	\$ -
Operating Expenses		
Administration	70,000	38,919
Operations	230,000	46,308
Total Operating Expenses	<u>300,000</u>	<u>85,227</u>
Operating Income (Loss)	(300,000)	(85,227)
Nonoperating Revenues		
Investment Income	<u>10,000</u>	<u>5,106</u>
Change in Net Position	<u>\$ (290,000)</u>	(80,121)
Net Position - Beginning		<u>2,479,630</u>
Net Position - Ending		<u>\$ 2,399,509</u>

VILLAGE OF WINNETKA, ILLINOIS

Fleet - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 904,576	\$ 678,671
Operating Expenses		
Administration	43,440	32,580
Operations	822,934	696,811
Depreciation	-	1,019
Total Operating Expenses	866,374	730,410
Operating Income (Loss)	38,202	(51,739)
Nonoperating Revenues		
Investment Income	1,000	264
Change in Net Position	\$ 39,202	(51,475)
Net Position - Beginning		152,675
Net Position - Ending		\$ 101,200

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

**Combining Statement of Net Position
December 31, 2013**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,667,161	\$ 1,638,281	\$ 3,305,442
Investments			
U.S. Government and Agency Obligations	5,359,068	4,448,824	9,807,892
Municipal Bonds	15,219	10,146	25,365
Common Stock	9,375,467	9,640,087	19,015,554
Corporate Bonds	3,572,173	3,318,277	6,890,450
Mutual Funds	4,592,766	3,741,136	8,333,902
Illinois Funds	25,628	28,901	54,529
Receivables			
Accrued Interest	51,353	44,251	95,604
Total Assets	24,658,835	22,869,903	47,528,738
LIABILITIES			
Due to Other Funds	213,153	213,278	426,431
NET POSITION			
Held in Trust for Pension Benefits	\$ 24,445,682	\$ 22,656,625	\$ 47,102,307

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Position
For the Nine Months Ended December 31, 2013

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 740,448	\$ 898,545	\$ 1,638,993
Contributions - Plan Members	214,145	157,598	371,743
Total Contributions	954,593	1,056,143	2,010,736
Investment Income			
Interest Earned	459,538	449,875	909,413
Net Change in Fair Value	1,850,662	1,806,491	3,657,153
	2,310,200	2,256,366	4,566,566
Less Investment Expenses	(68,692)	(78,082)	(146,774)
Net Investment Income	2,241,508	2,178,284	4,419,792
Total Additions	3,196,101	3,234,427	6,430,528
Deductions			
Administration	40,225	19,202	59,427
Benefits and Refunds	1,302,752	1,301,584	2,604,336
Total Deductions	1,342,977	1,320,786	2,663,763
Change in Net Position	1,853,124	1,913,641	3,766,765
Net Position - Beginning	22,592,558	20,742,984	43,335,542
Net Position - Ending	\$ 24,445,682	\$ 22,656,625	\$ 47,102,307

VILLAGE OF WINNETKA, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,014,152	\$ 740,448
Contributions - Plan Members	250,000	214,145
Total Contributions	<u>1,264,152</u>	<u>954,593</u>
Investment Income		
Interest Earned	1,368,000	459,538
Net Change in Fair Value	-	1,850,662
	<u>1,368,000</u>	<u>2,310,200</u>
Less Investment Expenses	-	(68,692)
Net Investment Income	<u>1,368,000</u>	<u>2,241,508</u>
Total Additions	<u>2,632,152</u>	<u>3,196,101</u>
Deductions		
Administration	147,550	40,225
Benefits and Refunds	1,650,000	1,302,752
Total Deductions	<u>1,797,550</u>	<u>1,342,977</u>
Change in Net Position	<u>\$ 834,602</u>	1,853,124
Net Position - Beginning		<u>22,592,558</u>
Net Position - Ending		<u>\$ 24,445,682</u>

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
For the Nine Months Ended December 31, 2013

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,196,031	\$ 898,545
Contributions - Plan Members	210,000	157,598
Total Contributions	<u>1,406,031</u>	<u>1,056,143</u>
Investment Income		
Interest Earned	1,244,000	449,875
Net Change in Fair Value	-	1,806,491
	<u>1,244,000</u>	<u>2,256,366</u>
Less Investment Expenses	-	(78,082)
Net Investment Income	<u>1,244,000</u>	<u>2,178,284</u>
Total Additions	<u>2,650,031</u>	<u>3,234,427</u>
Deductions		
Administration	132,000	19,202
Benefits and Refunds	1,830,000	1,301,584
Total Deductions	<u>1,962,000</u>	<u>1,320,786</u>
Change in Net Position	<u>\$ 688,031</u>	1,913,641
Net Position - Beginning		<u>20,742,984</u>
Net Position - Ending		<u>\$ 22,656,625</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Bonds of 1999
December 31, 2013**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 1	Amount	Dec. 1	Amount
2013	\$ 125,000	\$ 6,062	\$ 131,062	2014	\$ 3,031	2014	\$ 3,031

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013
December 31, 2013

Date of Issue	November 20, 2013
Date of Maturity	December 31, 2046
Authorized Issue	\$3,190,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 4.375%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Amalgamated Bank of Chicago

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2014	\$ -	\$ 333,720	\$ 333,720	2014	\$ 177,695	2014	\$ 156,025
2015	675,000	312,050	987,050	2015	156,025	2015	156,025
2016	680,000	298,550	978,550	2016	149,275	2016	149,275
2017	685,000	284,950	969,950	2017	142,475	2017	142,475
2018	695,000	271,250	966,250	2018	135,625	2018	135,625
2019	705,000	257,350	962,350	2019	128,675	2019	128,675
2020	-	243,250	243,250	2020	121,625	2020	121,625
2021	-	243,250	243,250	2021	121,625	2021	121,625
2022	-	243,250	243,250	2022	121,625	2022	121,625
2023	-	243,250	243,250	2023	121,625	2023	121,625
2024	-	243,250	243,250	2024	121,625	2024	121,625
2025	-	243,250	243,250	2025	121,625	2025	121,625
2026	-	243,250	243,250	2026	121,625	2026	121,625
2027	-	243,250	243,250	2027	121,625	2027	121,625
2028	-	243,250	243,250	2028	121,625	2028	121,625
2029	-	243,250	243,250	2029	121,625	2029	121,625
2030	-	243,250	243,250	2030	121,625	2030	121,625
2031	-	243,250	243,250	2031	121,625	2031	121,625
2032	-	243,250	243,250	2032	121,625	2032	121,625
2033	-	243,250	243,250	2033	121,625	2033	121,625
2034	-	243,250	243,250	2034	121,625	2034	121,625
2035	-	243,250	243,250	2035	121,625	2035	121,625
2036	-	243,250	243,250	2036	121,625	2036	121,625
2037	-	243,250	243,250	2037	121,625	2037	121,625
2038-42	-	1,216,250	1,216,250	2038-42	608,125	2038-42	608,125
2043-46	5,560,000	736,532	6,296,532	2043-46	368,266	2043-46	368,266
	<u>\$ 9,000,000</u>	<u>\$ 8,089,152</u>	<u>\$ 17,089,152</u>		<u>\$ 4,055,411</u>		<u>\$ 4,033,741</u>

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue) Refunding Bonds of 2003
December 31, 2013**

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 LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Apr. 1	Amount	Oct. 1	Amount
2013	\$ 335,000	\$ 5,193	\$ 340,193	2014	\$ 5,193		\$ -

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 Position by Component - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Net Position by Component - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

	2005	2006	2007	2008
Governmental Activities				
Net Investment in Capital Assets	\$ 38,504,123	\$ 34,813,126	\$ 32,660,041	\$ 37,684,272
Restricted	2,170,632	1,977,229	2,299,340	1,802,873
Unrestricted	17,980,847	20,963,384	25,799,819	25,152,367
Total Governmental Activities Net Position	58,655,602	57,753,739	60,759,200	64,639,512
Business-Type Activities				
Net Investment in Capital Assets	34,163,800	33,187,015	33,993,299	33,747,238
Restricted	-	-	-	-
Unrestricted	7,472,680	8,063,645	8,603,229	9,867,811
Total Business-Type Activities Net Position	41,636,480	41,250,660	42,596,528	43,615,049
Primary Government				
Net Investment in Capital Assets	72,667,923	68,000,141	66,653,340	71,431,510
Restricted	2,170,632	1,977,229	2,299,340	1,802,873
Unrestricted	25,453,527	29,027,029	34,403,048	35,020,178
Total Primary Government Net Position	\$ 100,292,082	\$ 99,004,399	\$ 103,355,728	\$ 108,254,561

*For the nine months ended December 31, 2013

Data Source: Village Records

	2009	2010	2011	2012	2013	2013*
\$	38,745,341	\$ 39,588,465	\$ 41,272,890	\$ 44,214,136	\$ 46,280,785	\$ 47,250,543
	1,761,144	1,707,794	1,860,244	2,185,900	2,627,694	2,094,038
	25,891,579	27,129,301	29,281,207	28,439,596	28,949,463	20,457,756
	66,398,064	68,425,560	72,414,341	74,839,632	77,857,942	69,802,337
	33,408,142	33,579,099	34,387,040	34,871,969	35,212,605	35,339,276
	-	-	-	-	-	-
	10,347,029	8,957,472	8,391,927	8,465,142	11,784,098	17,519,178
	43,755,171	42,536,571	42,778,967	43,337,111	46,996,703	52,858,454
	72,153,483	73,167,564	75,659,930	79,086,105	81,493,390	82,589,819
	1,761,144	1,707,794	1,860,244	2,185,900	2,627,694	2,094,038
	36,238,608	36,086,773	37,673,134	36,904,738	40,733,561	37,976,934
\$	110,153,235	\$ 110,962,131	\$ 115,193,308	\$ 118,176,743	\$ 124,854,645	\$ 122,660,791

VILLAGE OF WINNETKA, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2013 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013*
Expenses										
Governmental Activities										
General Government	\$ 3,473,293	\$ 2,970,398	\$ 3,345,715	\$ 3,347,607	\$ 3,492,415	\$ 2,569,120	\$ 1,628,897	\$ 3,588,121	\$ 3,305,269	\$ 2,923,374
Public Safety	8,047,184	8,558,439	9,013,668	9,235,546	10,293,738	10,957,451	10,882,264	10,732,430	11,291,203	9,179,353
Community Development	1,002,360	1,323,632	1,550,048	1,450,540	1,566,677	1,788,634	1,820,916	1,551,413	2,846,339	1,267,068
Public Works	3,735,971	4,100,796	4,183,995	4,664,528	5,344,087	5,395,988	4,779,063	5,205,126	2,631,500	4,102,763
Interest on Long-Term Debt	151,242	129,991	115,817	104,650	91,789	79,805	65,255	51,007	26,102	21,135
Total Governmental Activities Expenses	16,410,050	17,083,256	18,209,243	18,802,871	20,788,706	20,790,998	19,176,395	21,128,097	20,100,413	17,493,693
Business-Type Activities										
Electric	9,430,634	11,965,426	10,910,399	11,288,590	12,158,948	12,608,750	13,856,192	13,400,738	13,844,657	11,635,540
Water	1,790,463	2,398,154	2,646,584	2,615,963	2,887,512	2,842,671	2,912,047	2,959,737	3,042,665	2,398,945
Refuse	2,161,337	1,801,904	2,522,347	2,611,727	2,627,642	2,808,053	2,350,183	2,239,102	2,317,873	1,837,660
Sewer	446,114	729,114	798,850	754,435	833,035	769,672	730,361	785,768	810,211	645,870
Storm Sewer	-	-	-	-	-	-	-	-	4,996	132,250
Total Business-Type Activities Expenses	13,828,548	16,894,598	16,878,180	17,270,715	18,507,137	19,029,146	19,848,783	19,385,345	20,020,402	16,650,265
Total Primary Government Expenses	30,238,598	33,977,854	35,087,423	36,073,586	39,295,843	39,820,144	39,025,178	40,513,442	40,120,815	34,143,958
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	2,800,597	2,077,704
Public Safety	305,418	945,676	1,122,764	1,196,848	1,353,519	1,365,208	1,360,861	1,361,370	1,419,674	1,040,252
Community Development	1,096,653	1,314,929	1,292,643	1,406,431	1,447,418	1,403,968	1,847,844	1,510,667	1,838,889	1,831,135
Public Works	1,760,371	129,000	139,062	119,763	94,228	97,384	160,764	168,891	187,290	152,371
Capital Grants/Contributions	-	-	-	-	-	-	175,318	111,043	85,341	64,841
Operating Grants/Contributions	4,610,228	437,278	163,391	524,571	155,482	107,452	71,115	53,932	614,646	53,932
Total Governmental Activities Program Revenues	7,772,670	5,374,742	5,079,170	5,783,770	5,597,616	5,760,390	6,448,915	6,039,444	6,946,437	5,220,235
Business-Type Activities										
Charges for Services										
Electric	10,649,294	11,893,269	12,034,279	12,483,985	12,999,754	12,836,384	14,998,198	14,570,744	14,959,497	11,030,696
Water	2,592,954	3,215,721	2,615,988	2,892,582	2,790,065	2,818,964	3,164,372	3,150,740	4,138,370	3,099,689
Refuse	542,440	518,024	516,321	575,813	555,826	522,719	564,064	615,392	531,817	394,792
Sewer	649,763	861,145	728,179	826,343	770,888	720,332	778,004	731,083	954,368	776,137
Storm Sewer	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	14,434,451	16,488,159	15,894,767	16,778,723	17,116,533	16,898,399	19,504,638	19,067,959	20,584,052	15,301,314
Total Primary Government Program Revenues	\$ 22,207,121	\$ 21,862,901	\$ 20,973,937	\$ 22,562,493	\$ 22,714,149	\$ 22,658,789	\$ 25,953,553	\$ 25,107,403	\$ 27,530,489	\$ 20,521,549

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2013*
Net (Expense) Revenue										
Governmental Activities	\$ (8,637,380)	\$ (11,708,514)	\$ (13,130,073)	\$ (13,019,101)	\$ (15,191,090)	\$ (15,030,608)	\$ (12,727,480)	\$ (15,088,653)	\$ (13,153,976)	\$ (12,273,458)
Business-Type Activities	605,903	(406,439)	(983,413)	(491,992)	(1,390,604)	(2,130,747)	(344,145)	(317,386)	563,650	(1,348,951)
Total Primary Government Net Revenue	(8,031,477)	(12,114,953)	(14,113,486)	(13,511,093)	(16,581,694)	(17,161,355)	(13,071,625)	(15,406,039)	(12,590,326)	(13,622,409)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	8,801,437	9,690,954	9,977,130	10,137,924	10,830,205	11,838,012	11,398,782	12,437,894	12,318,740	6,128,244
Telecommunications	845,007	747,739	663,966	733,223	725,308	724,186	666,106	638,596	1,465,846	460,092
Natural Gas	487,218	706,484	639,526	619,871	698,905	462,104	442,334	458,790	295,395	303,383
Other	51,081	59,694	-	-	-	-	-	-	-	-
Intergovernmental										
Sales Tax	1,382,644	1,450,993	1,543,234	1,503,118	1,300,836	1,183,995	1,231,060	1,321,062	1,397,198	1,190,192
Income Tax	929,945	943,102	1,034,891	1,142,155	1,175,044	991,336	935,697	979,922	1,091,189	882,789
Personal Property Replacement Tax	127,326	77,906	129,078	156,986	139,324	129,632	137,053	124,253	122,845	134,784
Other	-	-	417,142	413,140	390,133	377,086	433,162	369,074	417,081	305,705
Investment Income	303,678	631,314	1,210,078	1,397,692	973,020	652,287	464,175	364,513	342,022	95,607
Miscellaneous	810,700	426,979	97,109	102,673	194,107	67,305	140,572	79,240	64,442	110,640
Transfers	1,886,280	492,000	423,380	617,260	522,760	632,160	867,320	740,600	(1,342,472)	(5,393,583)
Total Governmental Activities	15,625,316	15,227,165	16,135,534	16,824,042	16,949,642	17,058,103	16,716,261	17,513,944	16,172,286	4,217,853
Business-Type Activities										
Property Taxes	1,245,044	1,252,966	1,205,671	1,245,497	1,325,471	1,070,059	1,096,342	1,086,582	1,074,565	1,068,036
Investment Income	86,399	263,461	336,565	411,787	281,010	176,909	113,179	84,272	143,444	55,458
Miscellaneous	352,653	(127,037)	546,051	470,489	447,005	297,339	244,340	454,527	535,461	693,625
Transfers	(1,886,278)	(492,000)	(423,380)	(617,260)	(522,760)	(632,160)	(867,320)	(740,600)	1,342,472	5,393,583
Total Business-Type Activities	(202,182)	897,390	1,664,907	1,510,513	1,530,726	912,147	586,541	884,781	3,095,942	7,210,702
Total Primary Government	15,423,134	16,124,555	17,800,441	18,334,555	18,480,368	17,970,250	17,302,802	18,398,725	19,268,228	11,428,555
Changes in Net Position										
Governmental Activities	6,987,936	3,518,651	3,005,461	3,804,941	1,758,552	2,027,495	3,988,781	2,425,291	3,018,310	(8,055,605)
Business-Type Activities	403,721	490,951	681,494	1,018,521	140,122	(1,218,600)	242,396	567,395	3,659,592	5,861,751
Total Primary Government	\$ 7,391,657	\$ 4,009,602	\$ 3,686,955	\$ 4,823,462	\$ 1,898,674	\$ 808,895	\$ 4,231,177	\$ 2,992,686	\$ 6,677,902	\$ (2,193,854)

*For the nine months ended December 31, 2013

Data Source: Village Records

VILLAGE OF WINNETKA, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

	2005	2006	2007	2008
General Fund				
Reserved	\$ 163,295	\$ 65,468	\$ 71,098	\$ 77,816
Unreserved	14,478,744	16,745,798	18,612,927	16,530,669
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	14,642,039	16,811,266	18,684,025	16,608,485
All Other Governmental Funds				
Reserved	293,736	1,976,513	2,278,055	14,769,479
Unreserved, Reported in:				
Special Revenues Funds	1,723,600	-	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	515,462	1,035,625	1,029,541	5,351,498
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	2,532,798	3,012,138	3,307,596	20,120,977
Total Governmental Funds	\$ 17,174,837	\$ 19,823,404	\$ 21,991,621	\$ 36,729,462

*For the nine months ended December 31, 2013

Data Source: Village Records

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

2009	2010	2011	2012	2013	2013*
\$ 86,844	\$ 74,129	\$ -	\$ -	\$ -	\$ -
17,908,679	21,251,060	-	-	-	-
-	-	-	1,979	268	2,597
-	-	72,672	84,846	69,660	235,815
-	-	22,276,610	24,298,449	25,231,521	16,612,063
17,995,523	21,325,189	22,349,282	24,385,274	25,301,449	16,850,475
1,713,163	1,666,725	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,561,377	3,191,571	-	-	-	-
-	-	1,814,587	2,121,696	2,561,975	2,033,126
-	-	2,627,027	482,019	394,663	832,254
-	-	-	-	(193,267)	(171,253)
7,274,540	4,858,296	4,441,614	2,603,715	2,763,371	2,694,127
\$ 25,270,063	\$ 26,183,485	\$ 26,790,896	\$ 26,988,989	\$ 28,064,820	\$ 19,544,602

VILLAGE OF WINNETKA, ILLINOIS

**General Governmental Revenues by Source - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

Source	2005	2006	2007	2008
Taxes	\$ 9,632,355	\$ 11,145,177	\$ 11,280,622	\$ 11,491,018
Licenses and Permits	2,065,789	1,748,642	1,731,017	1,815,270
Intergovernmental	2,541,299	2,942,358	3,287,736	3,739,970
Operating Grants	360,228	*	*	*
Charges for Services	905,492	3,029,324	3,002,103	3,234,434
Fines and Forfeits	191,161	186,113	182,659	209,495
Investment Income	238,630	631,314	979,504	1,079,292
Miscellaneous	1,262,064	426,979	97,109	102,673
Total	<u>\$ 17,197,018</u>	<u>\$ 20,109,907</u>	<u>\$ 20,560,750</u>	<u>\$ 21,672,152</u>

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

* Included in Intergovernmental

**For the nine months ended December 31, 2013

Data Source: Village Records

2009	2010	2011	2012	2013	2013**
\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280	\$ 14,079,981	\$ 6,891,719
1,829,281	1,815,124	2,329,913	2,003,172	2,378,429	2,245,978
3,160,819	2,789,501	2,983,405	2,959,286	3,728,300	2,632,243
*	*	*	*	*	*
3,352,175	3,559,413	3,660,154	3,656,488	3,652,741	2,711,133
260,678	278,401	212,415	214,809	215,280	144,351
766,214	498,515	326,643	271,790	260,413	80,397
194,107	67,305	140,572	79,240	64,442	110,640
<u>\$ 21,817,692</u>	<u>\$ 22,032,561</u>	<u>\$ 22,160,324</u>	<u>\$ 22,720,065</u>	<u>\$ 24,379,586</u>	<u>\$ 14,816,461</u>

VILLAGE OF WINNETKA, ILLINOIS

**General Governmental Expenditures by Function - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

Function	2005	2006	2007	2008
General Government	\$ 2,642,304	\$ 2,607,429	\$ 2,445,123	\$ 3,133,590
Public Safety	8,014,207	8,495,269	9,564,301	9,592,638
Community Development	1,024,430	1,360,348	1,543,856	1,441,721
Public Works	4,460,149	4,775,555	4,734,072	5,914,084
Capital Outlay	750,209	26,212	57,140	4,497
Debt Service				
Principal	400,000	340,000	350,000	355,000
Interest and Fiscal Charges	151,242	135,140	121,421	110,041
Total Expenditures	\$ 17,442,541	\$ 17,739,953	\$ 18,815,913	\$ 20,551,571

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

*For the nine months ended December 31, 2013

Data Source: Village Records

2009	2010	2011	2012	2013	2013*
\$ 2,724,881	\$ 2,935,744	\$ 3,160,342	\$ 2,738,434	\$ 3,001,449	\$ 2,464,557
10,031,367	10,512,961	11,073,179	10,433,116	11,024,520	8,753,436
1,557,858	1,779,641	1,813,451	1,542,096	1,587,389	1,256,959
5,954,959	5,863,861	4,973,356	5,179,881	4,979,279	4,953,498
68,438	193,484	788,605	2,901,665	905,843	52,671
365,000	380,000	390,000	410,000	420,000	440,000
97,348	85,608	71,300	57,380	42,803	21,975
<u>\$ 20,799,851</u>	<u>\$ 21,751,299</u>	<u>\$ 22,270,233</u>	<u>\$ 23,262,572</u>	<u>\$ 21,961,283</u>	<u>\$ 17,943,096</u>

VILLAGE OF WINNETKA, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

	2005	2006	2007	2008
Revenues				
Taxes	\$ 9,632,355	\$ 11,145,177	\$ 11,280,622	\$ 11,491,018
Licenses and Permits	2,065,789	1,748,642	1,731,017	1,815,270
Intergovernmental	2,541,299	2,942,358	3,287,736	3,739,970
Operating Grants	360,228	*	*	*
Charges for Services and Fees	905,492	3,029,324	3,002,103	3,234,434
Fines and Forfeits	191,161	186,113	182,659	209,495
Investment Income	238,630	631,314	979,504	1,079,292
Miscellaneous	1,262,064	426,979	97,109	102,673
Total Revenues	17,197,018	20,109,907	20,560,750	21,672,152
Expenditures				
General Government	2,642,304	2,607,429	2,445,123	3,133,590
Public Safety	8,014,207	8,495,269	9,564,301	9,592,638
Community Development	1,024,430	1,360,348	1,543,856	1,441,721
Public Works	4,460,149	4,775,555	4,734,072	5,914,084
Capital Outlay	750,209	26,212	57,140	4,497
Debt Service				
Principal	400,000	340,000	350,000	355,000
Interest and Fiscal Charges	151,242	135,140	121,421	110,041
Total Expenditures	17,442,541	17,739,953	18,815,913	20,551,571
Excess (Deficiency) of Revenues Over (Under) Expenditures	(245,523)	2,369,954	1,744,837	1,120,581
Other Financing Sources (Uses)				
Capital Contribution	4,250,000	-	-	-
Transfers In	2,080,880	1,687,800	1,922,605	5,751,960
Transfers Out	(125,000)	(1,195,800)	(1,499,225)	(5,134,700)
Total Other Financing Sources (Uses)	6,205,880	492,000	423,380	617,260
Net Change in Fund Balances	\$ 5,960,357	\$ 2,861,954	\$ 2,168,217	\$ 1,737,841
Debt Service as a Percentage of Noncapital Expenditures	3.30%	2.68%	2.51%	2.63%

* Included in Intergovernmental

**For the nine months ended December 31, 2013

Data Source: Village Records

2009	2010	2011	2012	2013	2013**
\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280	\$ 14,079,981	\$ 6,891,719
1,829,281	1,815,124	2,329,913	2,003,172	2,378,429	2,245,978
3,160,819	2,789,501	2,983,405	2,959,286	3,728,300	2,632,243
*	*	*	*	*	*
3,352,175	3,559,413	3,660,154	3,656,488	3,652,741	2,711,133
260,678	278,401	212,415	214,809	215,280	144,351
766,214	498,515	326,643	271,790	260,413	80,397
194,107	67,305	140,572	79,240	64,442	110,640
21,817,692	22,032,561	22,160,324	22,720,065	24,379,586	14,816,461
2,724,881	2,935,744	3,160,342	2,738,434	3,001,449	2,464,557
10,031,367	10,512,961	11,073,179	10,433,116	11,024,520	8,753,436
1,557,858	1,779,641	1,813,451	1,542,096	1,587,389	1,256,959
5,954,959	5,863,861	4,973,356	5,179,881	4,979,279	4,953,498
68,438	193,484	788,605	2,901,665	905,843	52,671
365,000	380,000	390,000	410,000	420,000	440,000
97,348	85,608	71,300	57,380	42,803	21,975
20,799,851	21,751,299	22,270,233	23,262,572	21,961,283	17,943,096
1,017,841	281,262	(109,909)	(542,507)	2,418,303	(3,126,635)
-	-	-	-	-	-
1,759,160	3,778,842	2,081,380	2,380,360	2,447,833	1,864,302
(1,236,400)	(3,146,682)	(1,364,060)	(1,639,760)	(3,790,305)	(7,257,885)
522,760	632,160	717,320	740,600	(1,342,472)	(5,393,583)
\$ 1,540,601	\$ 913,422	\$ 607,411	\$ 198,093	\$ 1,075,831	\$ (8,520,218)
2.50%	2.36%	2.37%	2.44%	2.48%	2.94%

VILLAGE OF WINNETKA, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2013 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property
2004	\$ 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	1,374,421,539	59,890,282
2012	1,278,359,179	54,724,248

Data Source: Cook County Clerk

	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$	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
	5,560,414	1,439,872,235	381,855	1,440,254,090	1.558
	4,084,556	1,337,167,983	431,535	1,337,599,518	1.667

VILLAGE OF WINNETKA, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2013 (Unaudited)**

	2003	2004	2005	2006
Village of Winnetka				
General Corporate Rate	1.168	0.936	0.918	0.951
Special Service Area #1	0.432	-	-	-
Special Service Area #2	-	-	-	-
Special Service Area #3	-	-	-	-
Special Service Area #4	-	-	-	-
Special Service Area #5	-	-	-	-
Total Direct Tax Rate	1.600	0.936	0.918	0.951
Overlapping Rates				
Cook County	0.489	0.471	0.421	0.397
Elections	0.030	-	0.014	-
Cook County Hospital	0.141	0.122	0.112	0.103
Forest Preserve	0.059	0.060	0.060	0.057
TB Sanitarium	0.004	0.001	0.005	0.005
Metropolitan Water Reclamation District	0.361	0.347	0.315	0.284
Mosquito Abatement District	0.009	0.008	0.008	0.009
New Trier Township	0.048	0.039	0.039	0.042
New Trier High School	1.799	1.621	1.577	1.662
Community College 535	0.186	0.161	0.158	0.166
Winnetka School District (36)	3.184	2.534	2.356	2.608
Winnetka Public Library	0.160	0.131	0.129	0.132
Winnetka Park District	0.371	0.307	0.302	0.316
Total Direct and Overlapping Tax Rates	8.441	6.738	6.414	6.732

Data Source: Cook County Clerk

2007	2008	2009	2010	2011	2012
0.716	0.710	0.682	0.817	0.936	1.038
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	0.383	0.397
-	-	-	-	0.128	0.117
-	-	-	-	0.111	0.115
0.716	0.710	0.682	0.817	1.558	1.667
0.446	0.415	0.394	0.423	0.462	0.531
0.012	-	0.021	-	0.025	-
-	-	-	-	-	-
0.053	0.051	0.049	0.051	0.058	0.063
-	-	-	-	-	-
0.263	0.252	0.261	0.274	0.320	0.370
0.008	0.008	0.008	0.009	0.010	0.010
0.034	0.034	0.033	0.037	0.042	0.047
1.299	1.290	1.237	1.474	1.674	1.864
0.141	0.140	0.140	0.160	0.196	0.219
2.083	2.083	1.985	2.432	2.782	3.094
0.101	0.120	0.139	0.164	0.187	0.203
0.239	0.239	0.228	0.271	0.310	0.347
5.395	5.342	5.177	6.112	7.624	8.415

VILLAGE OF WINNETKA, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2013 (Unaudited)

Taxpayer	2013			2004		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Individual	\$ 3,537,691	1	0.264%			
Individual	3,089,798	2	0.231%			
Individual	2,881,482	3	0.215%			
Individual	2,852,250	4	0.213%			
319 Sheridan LLC	2,739,879	5	0.205%			
Individual	2,386,212	6	0.178%			
Hulsizer & Makowiec	2,219,665	7	0.166%			
AH2 Signal Hill LTD	2,179,119	8	0.163%			
Gould & Rathner LLC	2,100,386	9	0.157%			
Individual	2,058,688	10	0.154%			
Farnsworth Hill Inc.				\$ 1,991,094	1	0.230%
Chestnut Street Partners				1,762,590	2	0.200%
McDonalds Corp.				1,740,575	3	0.200%
Samida Co.				1,589,293	4	0.180%
Ameritech Illinois				1,496,353	5	0.170%
Hillco Realty Co.				1,472,057	6	0.170%
Bank One				1,393,200	7	0.160%
Northern Trust				1,291,605	8	0.150%
Individual				1,193,950	9	0.140%
Individual				1,182,178	10	0.130%
	<u>\$ 26,045,170</u>		<u>1.947%</u>	<u>\$ 15,112,895</u>		<u>1.730%</u>

Data Source: Cook County Tax Extension Office

Note: Based on the 2012 EAV of \$1,337,599,518

VILLAGE OF WINNETKA, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

Fiscal Year	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
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	13,472,400	13,341,410	99.03%	N/A	13,341,410	99.03%
2013	2012	13,875,587	6,703,878	48.31%	N/A	6,703,878	48.31%
2013*	2012	13,875,587	6,551,164	47.21%	N/A	6,551,164	47.21%

Note: Fiscal year 2013* collections represent the first installment (partial) only.

*For the nine months ended December 31, 2013

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
December 31, 2013 (Unaudited)**

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds			
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%	108.31
2013	900,000	-	900,000	0.43%	73.85
2013*	460,000	9,000,000	9,460,000	4.53%	776.24

*For the nine months ended December 31, 2013

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
December 31, 2013 (Unaudited)**

Fiscal Year	Gross General Obligation Bonds	Less: Amount Available For Debt Service	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
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%	78.54
2013	900,000	389,638	510,362	0.04%	41.88
2013*	9,460,000	342,761	9,117,239	0.68%	748.11

*For the nine months ended December 31, 2013

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 Assessed Value and Actual Value of Taxable Property for equalized assessed value data.

(2) 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
December 31, 2013 (Unaudited)

Governmental Unit	(1) Gross Debt	(2) Percentage to Debt Applicable to Village	(3) Village's Share of Debt
Village of Winnetka	\$ 460,000	100.00%	\$ 460,000
School Districts:			
New Trier High School	17,836,456	26.47%	4,721,310
Oakton Community College No. 535	25,540,000	6.18%	1,578,372
School District No. 36 (Winnetka)	51,915,789	97.98%	50,867,090
School District No. 37 (Avoca)	1,838,895	6.55%	120,448
School District No. 38 (Kenilworth)	9,610,000	9.35%	898,535
Total School Districts	106,741,140		58,185,755
Other Agencies:			
Cook County	3,616,435,000	0.95%	34,356,133
Forest Preserve District	187,950,000	0.95%	1,785,525
Metropolitan Water Reclamation	2,185,397,538	0.97%	21,198,356
Glencoe Park District	10,400,000	0.83%	86,320
Winnetka Park District	1,760,000	91.31%	1,607,056
Total Other Agencies	6,001,942,538		59,033,390
Total Overlapping Debt	6,108,683,678		117,219,144
Total Direct and Overlapping Debt	\$ 6,109,143,678		\$ 117,679,144

(1) The 2013 information is not available as of the date of this report. 2012 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

Legal Debt Margin

December 31, 2013 (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 December 31, 2013 (Unaudited)

Fiscal Year	Property and Sales Tax Revenues	Principal	Interest	Coverage
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
2013	13,715,938	420,000	42,803	29.64
2013*	7,318,436	440,000	21,975	15.84

*For the nine months ended December 31, 2013

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 December 31, 2013 (Unaudited)

Fiscal Year	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
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	12,187	207,955	104,440	42.8	4,453	3.5%
2013	12,187	208,750	102,867	42.8	4,453	3.5%
2013*	12,187	208,750	102,867	42.8	4,453	3.5%

*For the nine months ended December 31, 2013

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 Ten Fiscal Years Ago
December 31, 2013 (Unaudited)**

Employer	2013			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	155	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>1,435</u>		<u>28.87%</u>	<u>1,376</u>		<u>17.53%</u>

Data Sources: 2013 Illinois Manufacturers Directory, 2013 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
December 31, 2013 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

Function	2005	2006	2007	2008
General Government				
Administration	5.0	5.0	5.0	5.0
Finance	16.0	16.0	15.0	15.0
Public Works	22.0	22.0	22.0	22.0
Police	38.0	37.0	37.0	37.0
Fire	24.0	24.0	25.0	25.0
Community Development	10.0	10.0	10.0	10.0
Water	7.0	7.0	7.0	7.0
Sewer	4.0	4.0	4.0	4.0
Electric	29.0	29.0	27.0	27.0
Refuse	9.0	9.0	10.0	10.0
Total	164.0	163.0	162.0	162.0

*For the nine months ended December 31, 2013

Data Source: Village Records

2009	2010	2011	2012	2013	2013*
5.0	5.0	5.0	5.0	5.0	5.0
15.0	15.0	14.0	14.0	14.0	14.0
20.0	19.5	18.5	18.0	18.0	18.0
37.0	37.0	36.0	36.0	36.0	36.0
25.0	25.0	25.0	25.0	25.0	26.0
10.0	10.0	10.0	10.0	10.0	8.0
7.0	7.0	7.0	7.0	7.0	7.0
4.0	4.0	4.0	3.5	3.5	3.5
27.0	26.5	26.5	26.3	26.3	26.3
10.0	10.0	7.0	7.0	7.0	7.0
160.0	159.0	153.0	151.8	151.8	150.8

VILLAGE OF WINNETKA, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

Function/Program	2005	2006	2007	2008
Public Works				
Forestry				
Number of Parkway Trees Planted	298	145	363	375
Fleet Services				
Number of Vehicles Maintained	136	136	136	136
Preventative Maintenance Services	406	420	264	340
Public Safety				
Fire				
Calls for Service	2,397	2,354	2,565	2,521
Number of Training Hours	6,143	7,289	7,324	6,930
ISO Rating	4	4	4	4
Police				
Part I Crime	160	136	124	127
Part II Crime	543	417	225	143
Calls for Service	11,458	10,224	10,452	8,824
State Tickets Issued	3,234	4,849	3,579	3,551
Compliance Tickets Issued	127	364	463	466
Community Development				
Number of Building Permits Issued	1,496	1,473	1,364	895
Number of Building Inspections	5,077	4,072	3,910	2,975
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	26,500	17,500	17,500	17,650
Annual Resurfacing Program (\$)	609,228	787,905	950,565	1,004,945
Water and Sewer				
Water Meters Read	37,500	37,500	37,500	37,500
Total Distribution Pumpage (1,000 Gallons)	1,166,409	1,326,804	1,162,627	1,284,583
Sanitary Sewer Repairs	15	12	20	5

N/A - Currently Not Available

*For the nine months ended December 31, 2013

Data Source: Village Records

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

2009	2010	2011	2012	2013	2013*
500	252	315	300	297	N/A
136	136	136	136	136	N/A
N/A	N/A	N/A	N/A	N/A	N/A
2,500	2,230	2,200	2,250	2,250	N/A
7,300	7,009	6,500	7,000	7,000	N/A
4	4	4	4	4	3
172	158	134	N/A	N/A	N/A
139	174	154	N/A	N/A	N/A
8,326	8,393	7,908	N/A	N/A	N/A
3,653	3,468	2,658	N/A	N/A	N/A
428	356	306	N/A	N/A	N/A
777	936	1,030	N/A	N/A	N/A
2,225	2,450	2,348	N/A	N/A	N/A
20,410	33,299	25,000	25,000	25,377	N/A
950,000	1,000,000	1,100,000	1,150,000	1,150,000	1,008,890
37,500	37,500	37,500	37,500	37,500	N/A
1,253,601	1,286,670	1,279,192	1,113,878	1,290,813	937,610
12	24	14	14	12	N/A

VILLAGE OF WINNETKA, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2013 (Unaudited)**

Function/Program	2005	2006	2007	2008
Police				
Stations	1	1	1	1
Patrol Units	9	9	9	9
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)	70	70	71	71
Fire Hydrants	664	664	664	665
Sanitary Sewers (Miles)	47	47	47	47

*For the nine months ended December 31, 2013

Data Source: Village Records

2009	2010	2011	2012	2013	2013*
1	1	1	1	1	1
9	9	9	9	9	9
1	1	1	1	1	1
52	52	52	52	52	52
80	80	80	80	80	80
867	867	867	867	867	867
71	71	71	71	71	71
665	665	666	666	667	667
47	47	47	47	47	47