

VILLAGE OF WINNETKA, ILLINOIS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
MARCH 31, 2013**

VILLAGE OF WINNETKA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
MARCH 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
March 31, 2013**

LEGISLATIVE

Jessica Tucker, Village President

Jack Buck, Trustee

Arthur Braun, Trustee

Patrick Corrigan, Trustee

Stuart MCCrary, Trustee

Richard Kates, Trustee

Jennifer Spinney, Trustee

ADMINISTRATIVE

Robert M. Bahan, Village Manager

Edward F. McKee, Jr., Finance Director

Steven Saunders, Director of Public Works

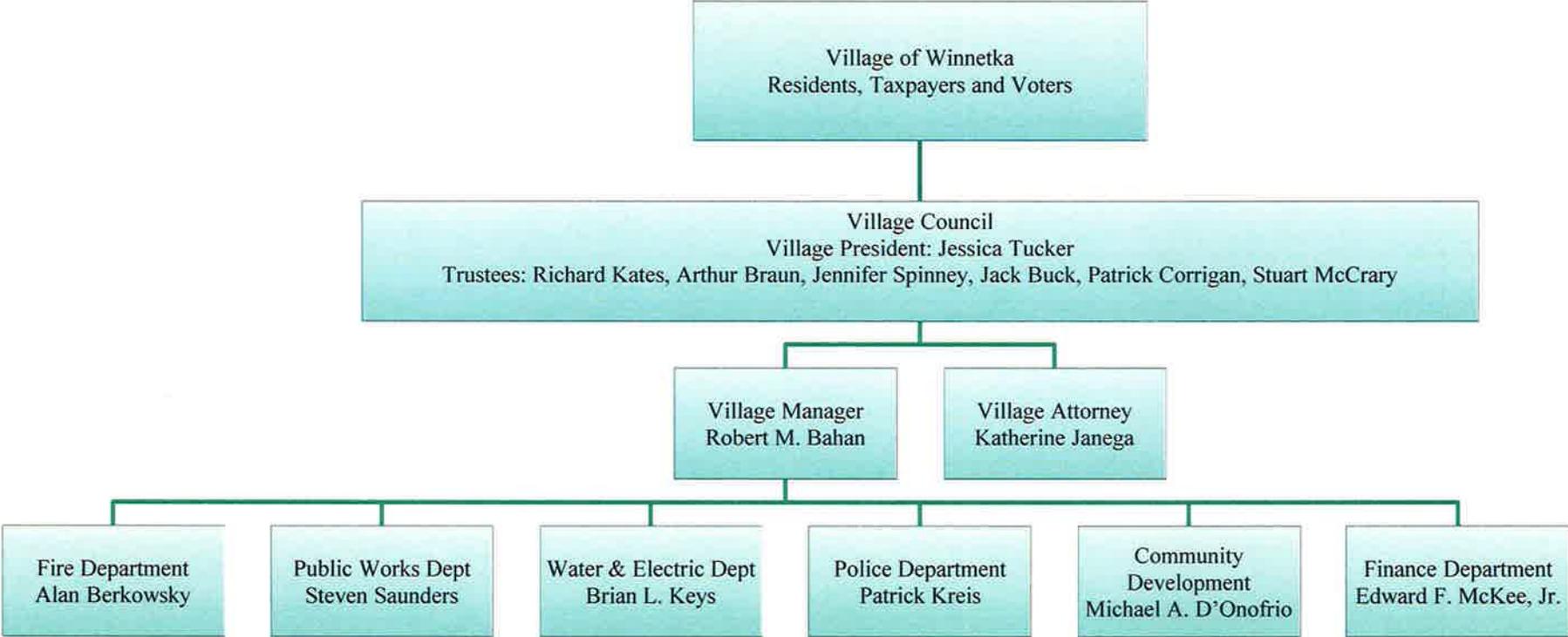
Brian L. Keys, Director of Water & Electric

Alan J. Berkowsky, Fire Chief

Patrick J. Kreis, Chief of Police

Michael A. D'Onofrio, Director of Community Development

Winnetka Village Government





VILLAGE · OF · WINNETKA

Incorporated in 1869

June 11, 2013

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Winnetka, Illinois for the fiscal year ended March 31, 2013 is hereby submitted, as required by State of Illinois Statutes. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including disclosures, is the responsibility of the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

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

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

The Reporting Entity and Its Services

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

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 January 2003 when \$3,190,000 of bonds were issued to refinance a portion of the Village's outstanding debt.

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

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

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

Accounting System and Budgetary Control

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

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

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

Economic Condition and Outlook

The Village of Winnetka is primarily a residential community. The real estate property tax provided 52% of General Fund revenues for 2013. The three business/commercial areas have good occupancy rates but have experienced some weakness in recent years related to the overall economy. Intergovernmental revenues have increased in the current year. Sales tax revenues for 2013 totaled \$1,397,198, a 5.8% or \$76,136 increase from the prior year. Income tax revenue has increased in the current year by 11.4%. Lower interest rates have decreased the investment income in the current year. The Village does maintain sufficient cash balances to buffer unexpected items such as late property tax receipts and to fund non-routine capital expenses.

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

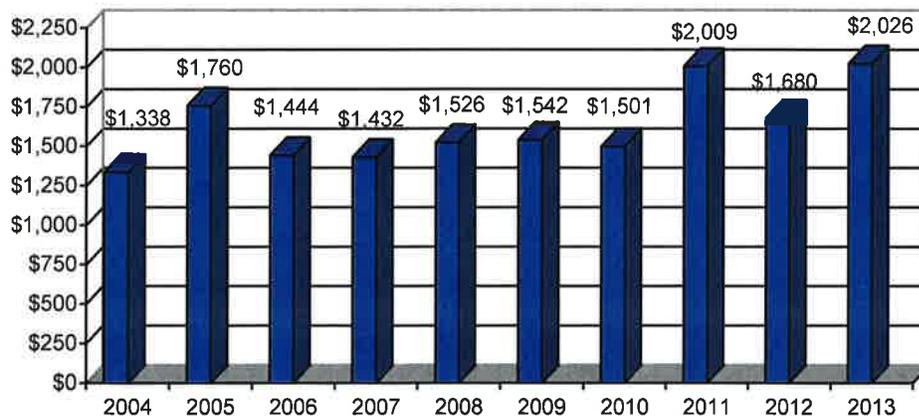
The Village continues to carefully evaluate productivity and changes in service levels to maintain or lower the tax burden on the residents of the Village. The Village, although home rule, continues to operate within non-home rule tax caps. The Village has decreased the number of full time employees over the last several years to control personnel costs. 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 13.3% 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 2013 receipts of \$2,026,178, up 20.6% or \$346,620 from the prior year.

Permit Revenues by Fiscal Year (in thousands of dollars)



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

Fund Balances

The Fund balance for the General Fund has increased in the last few years. In 2010 \$2,025,000 was transferred back to the General Fund from the Downtown Redevelopment Fund, increasing fund balance. For 2013, \$2,200,000 was transferred to the Storm Sewer Fund and \$700,000 was transferred to the Facilities Fund. Revenues held up well and expenditures were lower than projected primarily because a few discretionary capital projects were deferred. The General Fund balance grew by \$916,175.

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%
2013	\$25.30	\$22.33	113.4%

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 rate increases have been needed periodically to offset higher wholesale power costs and the effects of inflation. Additionally, the Village usually finances capital improvements on a pay as you go basis which also impacts electric rates.

The retail water rate was increased 8%, the fourth of five planned 8% rate increases proposed 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 \$550,000 as a transfer from the General Fund. This non-operating revenue allows residents to receive weekly refuse and recycling services without a separate bill for those services.

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

Utility Operating Results in Thousands of Dollars For 2013 and 2012				
	2013 Budget	2013 Actual	% Change	2012 Actual
Electric				
Rate Per Kwh	\$0.12	\$0.12	0.0%	\$0.12
Operating Revenues	\$14,879	\$14,959	2.7%	\$14,571
Operating Expenses	\$14,475	\$13,797	3.1%	\$13,379
Operating Income	\$404	\$1,162		\$1,192
Water				
Rate Per 1,000 Cft.	\$29.78	\$29.78	8.0%	\$27.57
Operating Revenues	\$3,526	\$4,138	31.3%	\$3,151
Operating Expenses	\$3,136	\$3,034	3.2%	\$2,941
Operating Income	\$390	\$1,104		\$210
Refuse				
Operating Revenues	\$535	\$532	-13.5%	\$615
Operating Expenses	\$2,323	\$2,318	3.5%	\$2,239
Operating (loss)	(\$1,788)	(1,786)		(1,624)
Sewer				
Rate Per 1,000 Cft.	\$10.38	\$10.38	10.0%	\$9.44
Operating Revenues	\$854	\$954	30.5%	\$731
Operating Expenses	\$920	\$810	3.1%	\$786
Operating Income	(\$66)	\$144		(\$55)

Electric operating expenses for 2013 increased 3.1% due to higher expense for purchased power because unit sales increased 3.5%. Total operating expenses were 4.7% less than budget.

Water revenue increased 31.3% from the prior year. The summer of 2012 was very hot and unit sales increased 17.7% and the rate increased 8%. Expenses increased 3.2% from the prior year due to several water main breaks brought on by the hot weather. Revenues were 117% of budget while expenses were 97% of budget.

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

Sewer revenues are generated by a charge assessed from water use. Sewer revenues increased 30.5% from the prior year because of the increase in water sales and a 10% increase in the sewer charge. Sewer fund revenues were 11.7% above budget. Expenditures are 12% below budget as fewer labor costs were charged to this fund due to the level of work required.

Pension Trust Funds

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

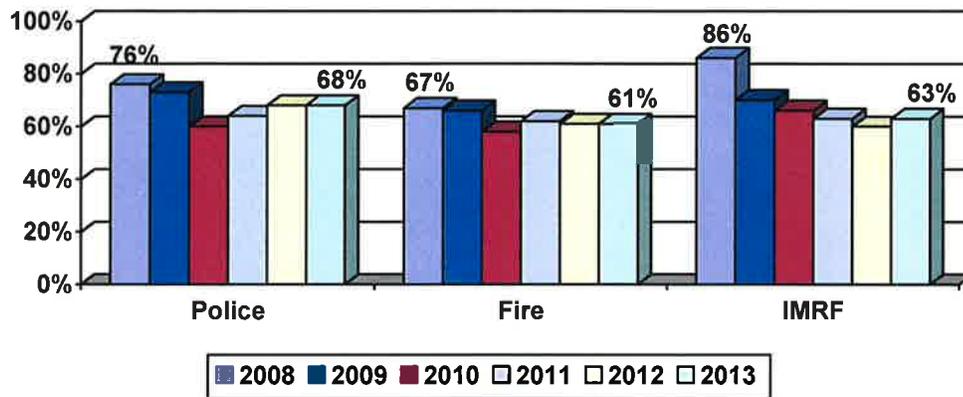
The IMRF pension plan uses 5 year asset smoothing while the police and fire pension funds utilize market value for assets. On a market value basis, the IMRF funding would be about 60%.

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

The lower funding levels of the pension will increase pressure on the Village budget in future years. Ultimately, local property owners must pay higher property taxes to make up for any 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 2008 to 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

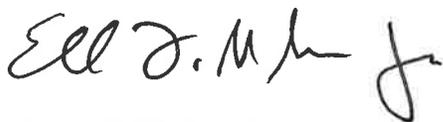
Illinois State Statutes require an annual audit by an independent Certified Public Accountant. The auditing firm of Lauterbach and Amen, 27W457 Warrenville Road, Warrenville, Illinois 60555 was selected by the Village Board of Trustees to conduct the annual audit for fiscal year 2013. The auditors' report, 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 her efforts in preparing the majority of this report.

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

Respectfully Submitted,



Edward F. McKee, Jr.
Finance Director



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, 2012

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

June 11, 2013

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of and for the year ended March 31, 2013, which collectively comprise the Village's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

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 March 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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
MARCH 31, 2013

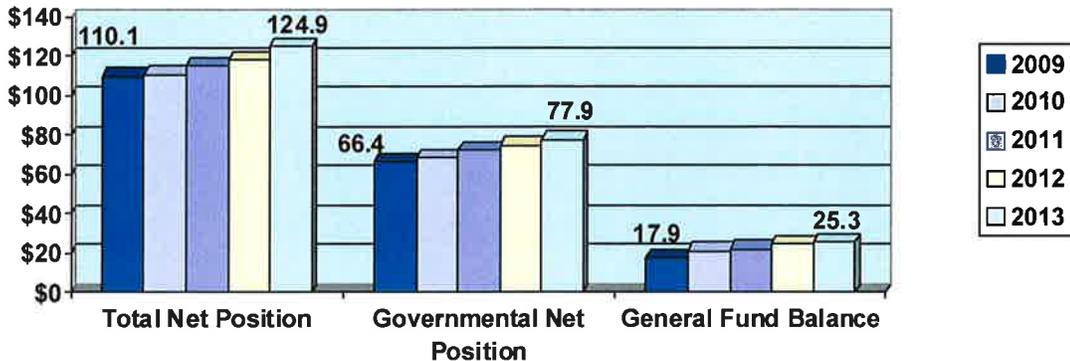
The Village of Winnetka implemented Governmental Accounting Standards Board (GASB) Statements 43 and 45 in fiscal 2007. These Statements require that post employment benefit costs be captured and reported in the financial statements, much like the pension obligations. While the Village does not pay any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

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 increased \$6.7 million dollars from \$118.2 million to \$124.9 million in fiscal 2013. This increase is result of the financial performance of the General Fund and increased operating revenue in the Water and Electric Funds. The general fund \$25.3 million unassigned fund balance is 113.4% of 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 statements are included in the basic financial statements for the general fund. Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

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

	2013		2012		2013	2012
	Govern- mental Activities	Business Type Activities	Govern- mental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
Current & Other Assets	\$45.7	\$14.4	\$44.2	\$11.2	\$60.1	\$55.4
Capital Assets	47.2	35.2	45.5	34.9	82.4	80.4
Total Assets	92.9	49.6	89.7	46.1	142.5	135.8
Current Liabilities/Deferred Inflows	10.5	1.2	10.1	1.4	11.7	11.5
Long-Term Liabilities	4.5	1.4	4.8	1.4	5.9	6.2
Total Liabilities/Deferred Inflows	15.0	2.6	14.9	2.8	17.6	17.7
<u>Net Position</u>						
Investment in Capital						
Assets, net of Debt	46.3	35.2	44.2	34.9	81.5	79.1
Restricted	2.7		2.2		2.7	2.2
Unrestricted	28.9	11.8	28.4	8.4	40.7	36.8
Total Net Position	\$77.9	\$47.0	\$74.8	\$43.3	\$124.9	\$118.1

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

While operating expenses were in line with the budget in most areas, capital spending, especially in the General Fund, was substantially less than budgeted. Several 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 partially be funded by 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.

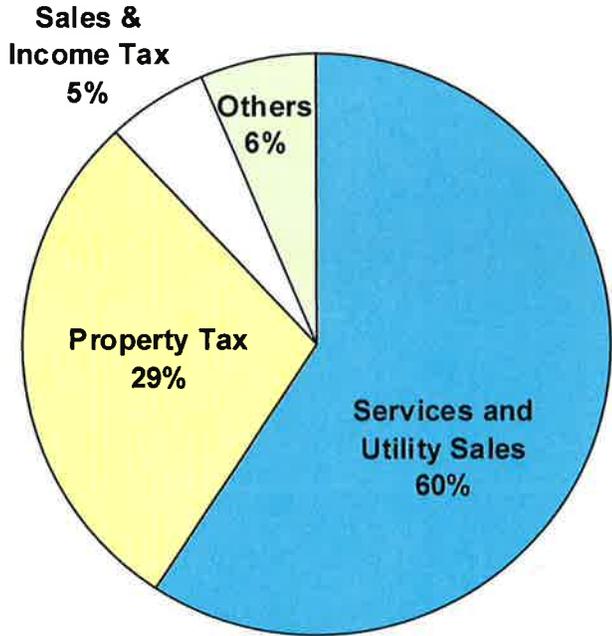
The following table provides a summary of the Village's changes in net position:

STATEMENT OF ACTIVITIES
(in millions of dollars)

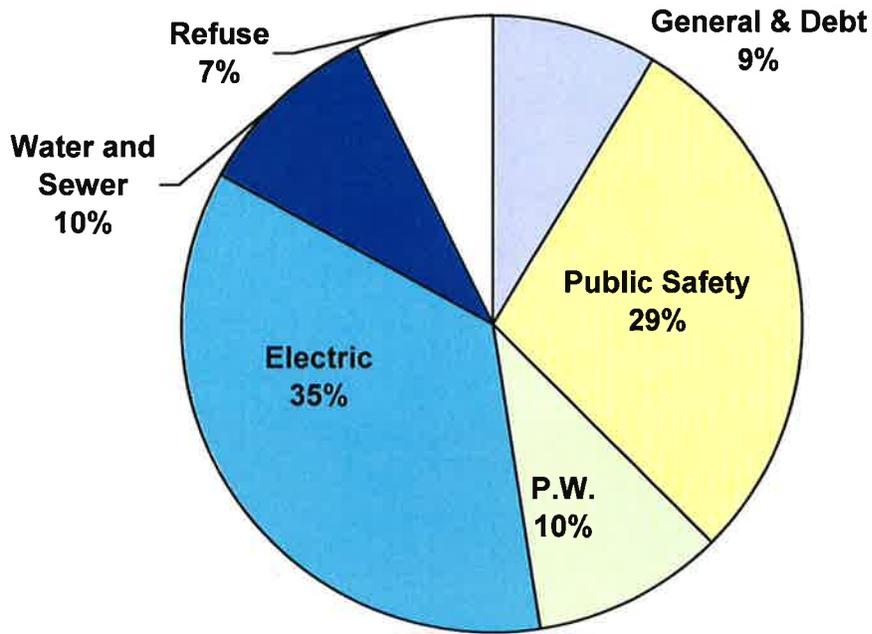
	2013		2012		2013	2012
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
Revenue:						
Program Revenues:						
Charges for Services	\$6.2	\$20.6	\$5.9	\$19.1	\$26.8	\$25.0
Operating Grants	0.1					
Capital Grants	0.6		0.2		0.6	0.2
General Revenues:						
Property Taxes	12.3	1.1	12.4	1.1	13.4	13.5
Sales Taxes	1.4		1.3		1.4	1.3
Investment Income	0.3	0.1	0.4	0.1	0.4	0.5
Others	3.5	0.5	2.7	0.4	4.0	3.1
Total Revenues	24.4	22.3	22.9	20.7	46.7	43.6
Expenses:						
General Government	3.3		3.6		3.3	3.6
Public Safety	11.3		10.7		11.3	10.7
Community Development	2.9		1.6		2.9	1.6
Public Works	2.6		5.2		2.6	5.2
Electricity		13.8		13.4	13.8	13.4
Water		3.0		3.0	3.0	3.0
Sewer		0.8		0.8	0.8	0.8
Refuse		2.3		2.2	2.3	2.2
Storm Sewer		0.0			0.0	
Total Expense	20.1	19.9	21.1	19.4	40.0	40.5
Increase in net position before transfers	4.3	2.4	1.8	1.3	6.7	3.1
Transfers	-1.3	1.3	0.7	-0.7	0.0	0.0
Increase in net position	3.0	3.7	2.5	0.6	6.7	3.1
Net Position – Beginning	74.9	43.3	72.4	42.7	118.2	115.1
Net Position – Ending	\$77.9	\$47.0	\$74.9	\$43.3	\$124.9	\$118.2

Revenues of \$46.7 million exceeded expenses of \$40.0 million, providing \$6.7 million of resources to increase the net position base. The following page contains two graphs that aggregate by major type the Village's revenues and expenses at the government-wide level, based on the information above.

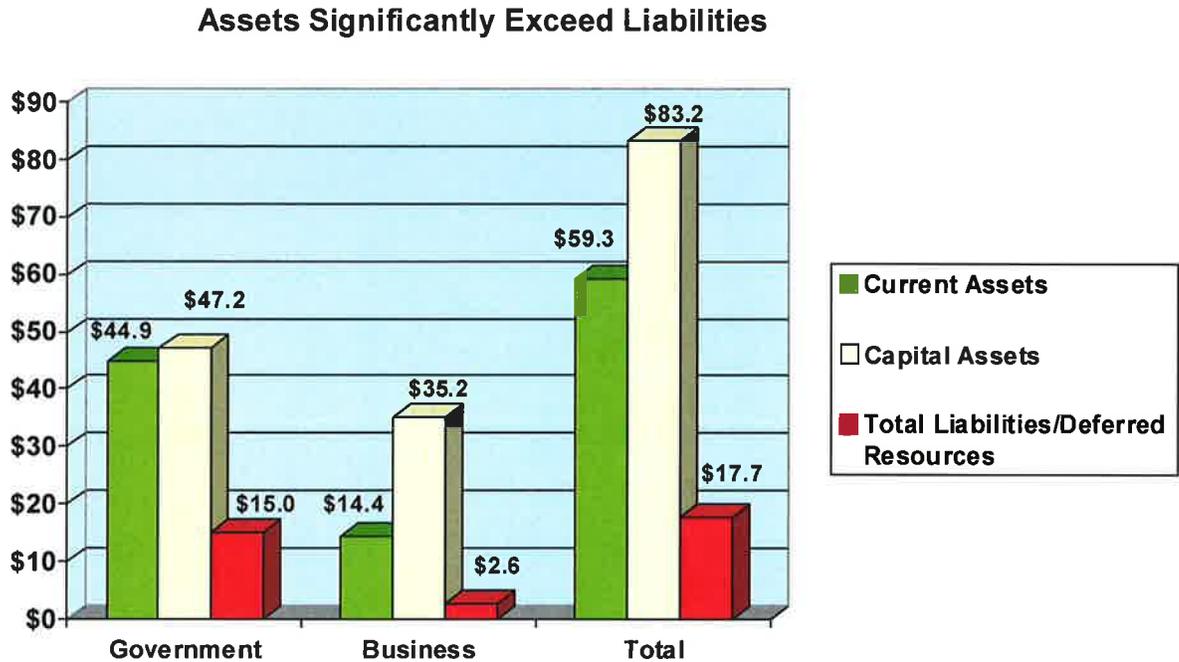
Government-Wide Revenues by Type



Government-Wide Expenses by Type



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



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 \$28.1 million, up \$1.1 million from the prior year. This increase is attributable to the positive financial results for the General Fund as explained below.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased \$1 million from \$24.3 million to \$25.3 million even with transferring \$2.2 million to the Storm Sewer Fund. This increase is the result of some revenues such as permits and franchise fees remaining strong and other revenues such as sales tax and income tax exceeding the prior year and budget. Operating expenditures were held below budgeted levels and were less than the prior year

The General fund cash balance of \$25.5 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 less than budget because the Village budgeted \$500,000 for radio system for combined dispatch was not purchased. The Village spent \$200,000 less than budgeted for pavement reconstruction and the Village also budgeted \$150,000 for public improvements, which were not spent and have been budgeted for next year. Looking just at operating expenditures, the General Fund spent 94.7% of the dollars budgeted. Some operating expenditures were budgeted but not expended. One significant expenditure not expended was salt for \$90,000. There were also a couple of budgeted positions which were not filled during a portion of the year.

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, 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 increase for electric and an 8% water rate increase (to finance water plant improvements) were approved effective April 1, 2012. The Village also reduced the electric purchased power adjustment by 2% based on prior year costs.

Internal Service Funds

The Village's combined internal service funds' net position were \$6.3 million as of March 31, 2013, with \$5.4 million of the total segregated for workers' compensation, liability, and health insurance risks retained by the Village. While the Village's existing reserves are adequate to fund known liabilities, the high (up to \$2,000,000) retention level in some areas makes a conservative cash reserve policy in both the internal service funds and in the General Fund prudent.

General Fund Budgetary Highlights

The original budget for the General Fund was not amended and actual expenditures did not exceed the budgeted amount. Reasons for this are provided above.

Capital Assets

The Village's policy is to capitalize equipment over \$50,000 in value. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of March 31, 2013 was \$47.2 million, up \$1.7 million from the prior year. The Village relies on an outside appraisal to value governmental assets.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of March 31, 2013 was \$35.2 million, up \$0.3 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 33-34.

Long-term Debt

At the end of the fiscal year, the Village had total bonded debt outstanding of \$.9 million. Of this amount, \$0.25 million is funded directly from property taxes. The remaining outstanding debt is repaid from pledged sales tax revenues.

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

Bond Ratings

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

Economic Factors

The local Village economy has remained 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
March 31, 2013**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position
March 31, 2013

	Governmental Activities	Business- Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 36,720,833	\$ 10,616,772	\$ 47,337,605
Receivables - Net of Allowances			
Taxes	6,604,711	566,999	7,171,710
Accounts	383,223	2,059,280	2,442,503
Accrued Interest	123,986	37,583	161,569
Notes	184,020	-	184,020
Prepays/Inventories	26,210	1,147,801	1,174,011
Due from Other Governments	766,980	-	766,980
Total Current Assets	<u>44,869,692</u>	<u>14,428,435</u>	<u>59,298,127</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	17,812,722	164,008	17,976,730
Depreciable	46,828,017	83,197,848	130,025,865
Accumulated Depreciation	<u>(17,459,954)</u>	<u>(48,149,251)</u>	<u>(65,609,205)</u>
	47,180,785	35,212,605	82,393,390
Other Assets			
Net Pension Assets	828,234	-	828,234
Total Noncurrent Assets	<u>48,009,019</u>	<u>35,212,605</u>	<u>83,221,624</u>
Total Assets	<u>92,878,711</u>	<u>49,641,040</u>	<u>142,519,751</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	611,077	879,861	1,490,938
Accrued Interest Payable	3,941	-	3,941
Deposits Payable	1,495,540	204,044	1,699,584
Claims Payable	1,239,007	-	1,239,007
Current Portion of Long-Term Liabilities	792,170	134,435	926,605
Total Current Liabilities	4,141,735	1,218,340	5,360,075
Noncurrent Liabilities			
Claims Payable	700,825	-	700,825
Compensated Absences	1,408,682	497,738	1,906,420
Landfill Post-Closure Costs	-	928,259	928,259
General Obligation Bonds	125,000	-	125,000
Alternate Revenue Bonds	335,000	-	335,000
Net Other Post-Employment Benefit Obligation	1,881,521	-	1,881,521
Total Noncurrent Liabilities	4,451,028	1,425,997	5,877,025
Total Liabilities	8,592,763	2,644,337	11,237,100
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	6,428,006	-	6,428,006
Total Liabilities and Deferred Inflows of Resources	15,020,769	2,644,337	17,665,106
NET POSITION			
Net Investment in Capital Assets	46,280,785	35,212,605	81,493,390
Restricted - Highways and Streets	2,168,396	-	2,168,396
Restricted - Debt Service	389,638	-	389,638
Restricted - Awards	716	-	716
Restricted - Tax Escrow	68,944	-	68,944
Unrestricted	28,949,463	11,784,098	40,733,561
Total Net Position	\$ 77,857,942	\$ 46,996,703	\$ 124,854,645

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Activities
Year Ended March 31, 2013

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 3,305,269	\$ 2,800,597	\$ -	\$ -
Public Safety	11,291,203	1,419,674	85,341	-
Community Development	2,846,339	1,838,889	-	-
Public Works	2,631,500	187,290	-	614,646
Interest on Long-Term Debt	26,102	-	-	-
	<u>20,100,413</u>	<u>6,246,450</u>	<u>85,341</u>	<u>614,646</u>
Business-Type Activities				
Electric	13,844,657	14,959,497	-	-
Water	3,042,665	4,138,370	-	-
Refuse	2,317,873	531,817	-	-
Sewer	810,211	954,368	-	-
Storm Sewer	4,996	-	-	-
	<u>20,020,402</u>	<u>20,584,052</u>	<u>-</u>	<u>-</u>
	<u>\$ 40,120,815</u>	<u>\$ 26,830,502</u>	<u>\$ 85,341</u>	<u>\$ 614,646</u>

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

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

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
\$ (504,672)	\$ -	\$ (504,672)
(9,786,188)	-	(9,786,188)
(1,007,450)	-	(1,007,450)
(1,829,564)	-	(1,829,564)
(26,102)	-	(26,102)
(13,153,976)	-	(13,153,976)
-	1,114,840	1,114,840
-	1,095,705	1,095,705
-	(1,786,056)	(1,786,056)
-	144,157	144,157
-	(4,996)	(4,996)
-	563,650	563,650
\$ (13,153,976)	\$ 563,650	\$ (12,590,326)

\$ 12,318,740	\$ 1,074,565	\$ 13,393,305
1,465,846	-	1,465,846
295,395	-	295,395
1,397,198	-	1,397,198
1,091,189	-	1,091,189
122,845	-	122,845
417,081	-	417,081
342,022	143,444	485,466
64,442	535,461	599,903
(1,342,472)	1,342,472	-
16,172,286	3,095,942	19,268,228
3,018,310	3,659,592	6,677,902
74,839,632	43,337,111	118,176,743
\$ 77,857,942	\$ 46,996,703	\$ 124,854,645

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

VILLAGE OF WINNETKA, ILLINOIS

**Balance Sheet - Governmental Funds
March 31, 2013**

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 25,504,523	\$ 126,793	\$ 2,876,318	\$ 28,507,634
Receivables - Net of Allowances				
Taxes	6,533,629	-	71,082	6,604,711
Accounts	183,630	-	-	183,630
Accrued Interest	92,002	1,163	1,775	94,940
Notes	184,020	-	-	184,020
Due from Other Governments	742,359	-	24,621	766,980
Due from Other Funds	444,327	-	-	444,327
Inventory	268	-	-	268
Total Assets	\$ 33,684,758	\$ 127,956	\$ 2,973,796	\$ 36,786,510
LIABILITIES				
Accounts Payable	\$ 486,841	\$ 9,256	\$ -	\$ 496,097
Retainage Payable	44,004	52,342	-	96,346
Deposits Payable	1,495,540	-	-	1,495,540
Due to Other Funds	-	-	205,701	205,701
Total Liabilities	2,026,385	61,598	205,701	2,293,684
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	6,356,924	-	71,082	6,428,006
Total Liabilities and Deferred Inflows of Resources	8,383,309	61,598	276,783	8,721,690
FUND BALANCES				
Nonspendable	268	-	-	268
Restricted	69,660	-	2,561,975	2,631,635
Assigned	-	66,358	328,305	394,663
Unassigned	25,231,521	-	(193,267)	25,038,254
Total Fund Balances	25,301,449	66,358	2,697,013	28,064,820
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 33,684,758	\$ 127,956	\$ 2,973,796	\$ 36,786,510

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

March 31, 2013

Total Governmental Fund Balances	\$ 28,064,820
 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.	47,178,067
Internal service funds are used by the Village to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets.	6,333,135
The net pension assets of the pension funds are included in the governmental activities in the statement of net assets.	828,234
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,760,852)
General Obligation Bonds Payable	(245,000)
Alternate Revenue Bonds Payable	(655,000)
Net Other Post-Employment Benefit Obligation	(1,881,521)
Accrued Interest Payable	<u>(3,941)</u>
 Net Position of Governmental Activities	 <u>\$ 77,857,942</u>

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended March 31, 2013

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	\$ 13,887,211	\$ -	\$ 192,770	\$ 14,079,981
Licenses and Permits	2,378,429	-	-	2,378,429
Intergovernmental	2,766,817	-	961,483	3,728,300
Charges for Services	3,652,741	-	-	3,652,741
Fines and Forfeits	215,280	-	-	215,280
Investment Income	249,725	5,325	5,363	260,413
Miscellaneous	64,442	-	-	64,442
Total Revenues	23,214,645	5,325	1,159,616	24,379,586
Expenditures				
Current				
General Government	3,001,449	-	-	3,001,449
Public Safety	11,024,520	-	-	11,024,520
Community Development	1,443,413	-	143,976	1,587,389
Public Works	4,446,311	-	532,968	4,979,279
Capital Outlay	-	867,459	38,384	905,843
Debt Service				
Principal Retirement	-	-	420,000	420,000
Interest and Fiscal Charges	-	-	42,803	42,803
Total Expenditures	19,915,693	867,459	1,178,131	21,961,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,298,952	(862,134)	(18,515)	2,418,303
Other Financing Sources (Uses)				
Transfers In	1,407,528	700,000	340,305	2,447,833
Transfers Out	(3,790,305)	-	-	(3,790,305)
	(2,382,777)	700,000	340,305	(1,342,472)
Net Change in Fund Balances	916,175	(162,134)	321,790	1,075,831
Fund Balances - Beginning	24,385,274	228,492	2,375,223	26,988,989
Fund Balances - Ending	\$ 25,301,449	\$ 66,358	\$ 2,697,013	\$ 28,064,820

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

VILLAGE OF WINNETKA, ILLINOIS

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

Year Ended March 31, 2013

Net Change in Fund Balances - Total Governmental Funds \$ 1,075,831

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	3,264,659
Depreciation Expense	(1,616,651)

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

Disposals - Cost	(880,664)
Disposals - Accumulated Depreciation	880,664

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

20,137

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.

Additions to Compensated Absences Payable	(72,907)
Additions to Net Other Post-Employment Benefit Obligation Payable	(96,060)
Retirement of General Obligation Bonds Payable	115,000
Retirement of Alternate Revenue Bonds Payable	305,000

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.

16,701

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.

6,600

Changes in Net Position of Governmental Activities

\$ 3,018,310

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position - Proprietary Funds
March 31, 2013

	Business-Type Activities - Enterprise Funds					Totals	Governmental
	Electric	Water	Refuse	Sewer	Nonmajor Storm Sewer		Internal Service
ASSETS							
Current Assets							
Cash and Investments	\$ 5,820,396	\$ 927,767	\$ 1,268,531	\$ 801,682	\$ 1,798,396	\$ 10,616,772	\$ 8,213,199
Receivables - Net of Allowances							
Taxes	-	-	566,999	-	-	566,999	-
Accounts - Billed	900,153	153,836	33,246	33,713	-	1,120,948	20,696
Accounts - Unbilled	660,316	140,329	16,549	36,215	-	853,409	-
Accounts - Other	84,923	-	-	-	-	84,923	-
Accrued Interest	20,601	3,280	4,492	2,844	6,366	37,583	29,046
Inventories	1,147,801	-	-	-	-	1,147,801	25,942
Total Current Assets	8,634,190	1,225,212	1,889,817	874,454	1,804,762	14,428,435	8,288,883
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	69,003	95,005	-	-	-	164,008	-
Depreciable Capital Assets	54,631,382	18,476,464	2,593,700	6,999,041	497,261	83,197,848	313,188
	54,700,385	18,571,469	2,593,700	6,999,041	497,261	83,361,856	313,188
Accumulated Depreciation	(33,273,880)	(8,130,898)	(1,941,625)	(4,797,852)	(4,996)	(48,149,251)	(310,470)
Total Noncurrent Assets	21,426,505	10,440,571	652,075	2,201,189	492,265	35,212,605	2,718
Total Assets	30,060,695	11,665,783	2,541,892	3,075,643	2,297,027	49,641,040	8,291,601

	Business-Type Activities					Totals	Governmental
	Electric	Water	Refuse	Sewer	Nonmajor Storm Sewer		Internal Service
LIABILITIES							
Current Liabilities							
Accounts Payable	\$ 661,398	\$ 102,865	\$ 48,348	\$ 22,096	\$ 45,154	\$ 879,861	\$ 18,634
Deposits Payable	204,044	-	-	-	-	204,044	-
Claims Payable	-	-	-	-	-	-	1,239,007
Compensated Absences	61,390	30,706	19,300	13,039	-	124,435	-
Landfill Post-Closure Costs	-	-	10,000	-	-	10,000	-
Total Current Liabilities	926,832	133,571	77,648	35,135	45,154	1,218,340	1,257,641
Noncurrent Liabilities							
Claims Payable	-	-	-	-	-	-	700,825
Compensated Absences	245,559	122,825	77,201	52,153	-	497,738	-
Landfill Post-Closure Costs	-	-	928,259	-	-	928,259	-
Total Noncurrent Liabilities	245,559	122,825	1,005,460	52,153	-	1,425,997	700,825
Total Liabilities	1,172,391	256,396	1,083,108	87,288	45,154	2,644,337	1,958,466
NET POSITION							
Investment in Capital Assets	21,426,505	10,440,571	652,075	2,201,189	492,265	35,212,605	2,718
Unrestricted	7,461,799	968,816	806,709	787,166	1,759,608	11,784,098	6,330,417
Total Net Position	\$ 28,888,304	\$ 11,409,387	\$ 1,458,784	\$ 2,988,355	\$ 2,251,873	\$ 46,996,703	\$ 6,333,135

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
Year Ended March 31, 2013

	Electric	Water
Operating Revenues		
Charges for Services	\$ 14,912,528	\$ 4,019,195
Interfund Services	-	-
Miscellaneous	46,969	119,175
Total Operating Revenues	<u>14,959,497</u>	<u>4,138,370</u>
Operating Expenses		
Administration	2,560,648	1,180,369
Operations	9,710,443	1,414,206
Depreciation	1,525,441	439,377
Total Operating Expenses	<u>13,796,532</u>	<u>3,033,952</u>
Operating Income (Loss)	<u>1,162,965</u>	<u>1,104,418</u>
Nonoperating Revenues (Expenses)		
Property Taxes	-	-
Investment Income	64,695	8,347
Rental Income	387,338	-
Merchandise Sales and Jobbing - Net	125,835	22,288
Disposal of Capital Assets	(48,125)	(8,713)
	<u>529,743</u>	<u>21,922</u>
Income (Loss) Before Transfers	<u>1,692,708</u>	<u>1,126,340</u>
Transfers In	-	-
Transfers Out	(1,052,328)	(252,804)
	<u>(1,052,328)</u>	<u>(252,804)</u>
Change in Net Position	640,380	873,536
Net Position - Beginning	<u>28,247,924</u>	<u>10,535,851</u>
Net Position - Ending	<u>\$ 28,888,304</u>	<u>\$ 11,409,387</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Refuse	Sewer	Nonmajor Storm Sewer	Totals	Internal Service
\$ 503,326	\$ 954,368	\$ -	\$ 20,389,417	\$ -
-	-	-	-	4,589,711
28,491	-	-	194,635	-
531,817	954,368	-	20,584,052	4,589,711
127,080	140,040	-	4,008,137	151,281
2,077,808	588,012	-	13,790,469	4,512,080
112,985	82,159	4,996	2,164,958	1,359
2,317,873	810,211	4,996	19,963,564	4,664,720
(1,786,056)	144,157	(4,996)	620,488	(75,009)
1,074,565	-	-	1,074,565	-
14,322	(789)	56,869	143,444	81,609
-	-	-	387,338	-
-	-	-	148,123	-
-	-	-	(56,838)	-
1,088,887	(789)	56,869	1,696,632	81,609
(697,169)	143,368	51,873	2,317,120	6,600
550,000	-	2,200,000	2,750,000	-
(44,796)	(57,600)	-	(1,407,528)	-
505,204	(57,600)	2,200,000	1,342,472	-
(191,965)	85,768	2,251,873	3,659,592	6,600
1,650,749	2,902,587	-	43,337,111	6,326,535
\$ 1,458,784	\$ 2,988,355	\$ 2,251,873	\$ 46,996,703	\$ 6,333,135

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Cash Flows - Proprietary Funds
Year Ended March 31, 2013

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 15,286,076	\$ 4,134,363
Receipts from Interfund Services	-	-
Payments to Suppliers	(10,686,138)	(1,734,589)
Payments to Employees	(1,794,935)	(922,970)
	<u>2,805,003</u>	<u>1,476,804</u>
Cash Flows from Noncapital Financing Activities		
Property Taxes	-	-
Transfers In	-	-
Transfers Out	(1,052,328)	(252,804)
	<u>(1,052,328)</u>	<u>(252,804)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,481,131)	(329,519)
Disposal of Capital Assets	21,331	-
	<u>(1,459,800)</u>	<u>(329,519)</u>
Cash Flows from Investing Activities		
Interest Received	64,695	8,347
Net Change in Cash and Cash Equivalents	357,570	902,828
Cash and Cash Equivalents - Beginning	5,462,826	24,939
Cash and Cash Equivalents - Ending	<u>\$ 5,820,396</u>	<u>\$ 927,767</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 1,162,965	\$ 1,104,418
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	1,525,441	439,377
Other Income	513,173	22,288
(Increase) Decrease in Current Assets	(186,594)	(26,295)
Increase (Decrease) in Current Liabilities	(209,982)	(62,984)
Net Cash Provided by Operating Activities	<u>\$ 2,805,003</u>	<u>\$ 1,476,804</u>

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

Business-Type Activities - Enterprise Funds				Governmental
Refuse	Nonmajor		Totals	Internal
	Sewer	Storm Sewer		Service
\$ 552,174	\$ 967,682	\$ (6,366)	\$ 20,933,929	\$ -
-	-	-	-	4,689,298
(1,796,679)	(563,087)	45,154	(14,735,339)	(3,936,905)
(407,292)	(174,816)	-	(3,300,013)	(378,172)
(1,651,797)	229,779	38,788	2,898,577	374,221
1,074,565	-	-	1,074,565	-
550,000	-	2,200,000	2,750,000	-
(44,796)	(57,600)	-	(1,407,528)	-
1,579,769	(57,600)	2,200,000	2,417,037	-
-	(275,852)	(497,261)	(2,583,763)	-
-	-	-	21,331	-
-	(275,852)	(497,261)	(2,562,432)	-
14,322	(789)	56,869	143,444	81,609
(57,706)	(104,462)	1,798,396	2,896,626	455,830
1,326,237	906,144	-	7,720,146	7,757,369
\$ 1,268,531	\$ 801,682	\$ 1,798,396	\$ 10,616,772	\$ 8,213,199
\$ (1,786,056)	\$ 144,157	\$ (4,996)	\$ 620,488	\$ (75,009)
112,985	82,159	4,996	2,164,958	1,359
-	-	-	535,461	-
20,357	13,314	(6,366)	(185,584)	99,587
917	(9,851)	45,154	(236,746)	348,284
\$ (1,651,797)	\$ 229,779	\$ 38,788	\$ 2,898,577	\$ 374,221

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

VILLAGE OF WINNETKA, ILLINOIS

**Statement of Net Position - Fiduciary Funds
March 31, 2013**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 3,113,580
Investments	
U.S. Government and Agency Obligations	17,555,523
Equity Securities	15,421,902
Mutual Funds	7,375,025
Receivables	
Accrued Interest	<u>108,138</u>
Total Assets	43,574,168
LIABILITIES	
Due to Other Funds	<u>238,626</u>
NET POSITION	
Held in Trust for Pension Benefits	<u><u>\$ 43,335,542</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
Year Ended March 31, 2013

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 2,111,328
Contributions - Plan Members	<u>437,885</u>
Total Contributions	<u>2,549,213</u>
Investment Income	
Interest Earned	534,414
Net Change in Fair Value	<u>3,089,725</u>
	3,624,139
Less Investment Expenses	<u>(167,261)</u>
Net Investment Income	<u>3,456,878</u>
Total Additions	<u>6,006,091</u>
Deductions	
Administration	76,594
Benefits and Refunds	<u>3,362,953</u>
Total Deductions	<u>3,439,547</u>
Change in Net Position	2,566,544
Net Position - Beginning	<u>40,768,998</u>
Net Position - Ending	<u>\$ 43,335,542</u>

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 31, 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. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

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

March 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 March 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

March 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 Sewer Fund accounts for the provision of sewer services to residents of the Village. The Village maintains one non-major enterprise funds, the Storm Sewer Fund.

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 31, 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 March 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 March 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

March 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 March 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 expenditures/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

March 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.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Fleet	\$ 81,974
Police Pension	82,878

DEFICIT FUND EQUITY

The following funds had deficit fund equity at year end:

Fund	Deficit
Special Service Areas	\$ 193,267

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 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 \$42,377,655 and the bank balances totaled \$43,507,351. In addition, the Village has \$4,959,950 invested in the Illinois Funds at year-end.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 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 March 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
March 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 \$1,514,961 and the bank balances totaled \$1,420,055.

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

Investments. At March 31, 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	\$ 9,361,021	\$ 351,015	\$ 3,334,218	\$ 2,276,571	\$ 3,399,217
Equity Securities	7,598,146	7,598,146	-	-	-
Mutual Funds	4,052,137	4,052,137	-	-	-
Illinois Funds	128,472	128,472	-	-	-
	<u>\$ 21,139,776</u>	<u>\$ 12,129,770</u>	<u>\$ 3,334,218</u>	<u>\$ 2,276,571</u>	<u>\$ 3,399,217</u>

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 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 \$1,350,915 and the bank balances totaled \$1,536,427.

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

Investments. At March 31, 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	\$ 8,194,502	\$ 306,910	\$ 2,754,294	\$ 2,086,176	\$ 3,047,122
Equity Securities	7,823,756	7,823,756	-	-	-
Mutual Funds	3,322,888	3,322,888	-	-	-
Illinois Funds	119,232	119,232	-	-	-
	<u>\$ 19,460,378</u>	<u>\$ 11,572,786</u>	<u>\$ 2,754,294</u>	<u>\$ 2,086,176</u>	<u>\$ 3,047,122</u>

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 2013

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2012 attach as an enforceable lien on January 1, 2012, 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, 2013 and August 1, 2013, and are payable in two installments, on or about March 1, 2013, and September 1, 2013. The County collects such taxes and remits them periodically. As the 2012 tax levy is intended to fund expenditures for the 2013-2014 fiscal year, these taxes are deferred as of March 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	3,245,263	867,459	-	4,112,722
	<u>16,945,263</u>	<u>867,459</u>	<u>-</u>	<u>17,812,722</u>
Depreciable Capital Assets				
Buildings and Improvements	10,825,799	15,876	-	10,841,675
Machinery and Equipment	8,658,494	597,847	118,532	9,137,809
Furniture and Fixtures	824,565	-	6,451	818,114
Infrastructure	25,002,623	1,783,477	755,681	26,030,419
	<u>45,311,481</u>	<u>2,397,200</u>	<u>880,664</u>	<u>46,828,017</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,059,095	139,579	-	3,198,674
Machinery and Equipment	5,898,327	452,995	118,532	6,232,790
Furniture and Fixtures	824,565	-	6,451	818,114
Infrastructure	6,940,621	1,025,436	755,681	7,210,376
	<u>16,722,608</u>	<u>1,618,010</u>	<u>880,664</u>	<u>17,459,954</u>
Total Net Depreciable Capital Assets	<u>28,588,873</u>	<u>779,190</u>	<u>-</u>	<u>29,368,063</u>
Total Net Capital Assets	<u>\$ 45,534,136</u>	<u>\$ 1,646,649</u>	<u>\$ -</u>	<u>\$ 47,180,785</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 108,388
Public Safety	239,635
Public Works	1,258,950
Community Development	9,678
Internal Service	1,359
	<u>\$ 1,618,010</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 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	12,090,028	246,576	-	12,336,604
Plants and Equipment	14,242,037	29,960	-	14,271,997
Distribution System	38,916,427	1,285,712	123,353	40,078,786
Sewer System	4,926,635	773,113	-	5,699,748
Other Equipment	10,562,311	248,402	-	10,810,713
	<u>80,737,438</u>	<u>2,583,763</u>	<u>123,353</u>	<u>83,197,848</u>
Less Accumulated Depreciation				
Buildings	4,057,710	208,753	-	4,266,463
Plants and Equipment	9,808,045	287,303	-	10,095,348
Distribution System	20,104,654	1,307,053	45,184	21,366,523
Sewer System	3,687,436	42,082	-	3,729,518
Other Equipment	8,371,632	319,767	-	8,691,399
	<u>46,029,477</u>	<u>2,164,958</u>	<u>45,184</u>	<u>48,149,251</u>
Total Net Depreciable Capital Assets	<u>34,707,961</u>	<u>418,805</u>	<u>78,169</u>	<u>35,048,597</u>
Total Net Capital Assets	<u>\$ 34,871,969</u>	<u>\$ 418,805</u>	<u>\$ 78,169</u>	<u>\$ 35,212,605</u>

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

Electric	\$ 1,525,441
Water	439,377
Refuse	112,985
Sewer	82,159
Storm Sewer	<u>4,996</u>
	<u>\$ 2,164,958</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental	\$ 205,701
General Fund	Police Pension	119,458
General Fund	Firefighters' Pension	<u>119,168</u>
		<u>\$ 444,327</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:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Electric	\$ 1,052,328
General	Water	252,804
General	Refuse	44,796
General	Sewer	57,600
Village Facilities	General	700,000
Nonmajor Governmental	General	340,305
Refuse	General	550,000
Nonmajor Business-Type	General	<u>2,200,000</u>
		<u>\$ 5,197,833</u>

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

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 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	\$ 360,000	\$ -	\$ 115,000	\$ 245,000

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	\$ 960,000	\$ -	\$ 305,000	\$ 655,000

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 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	\$ 1,687,945	\$ 145,814	\$ 72,907	\$ 1,760,852	\$ 352,170
General Obligation Bonds	360,000	-	115,000	245,000	120,000
Alternate Revenue Bonds	960,000	-	305,000	655,000	320,000
Net Other Post-Employment Benefit Obligation	1,785,461	96,060	-	1,881,521	-
	<u>\$ 4,793,406</u>	<u>\$ 241,874</u>	<u>\$ 492,907</u>	<u>\$ 4,542,373</u>	<u>\$ 792,170</u>
Business-Type Activities					
Compensated Absences	\$ 619,254	\$ 5,838	\$ 2,919	\$ 622,173	\$ 124,435
Landfill Post-Closure Costs	938,259	-	-	938,259	10,000
	<u>\$ 1,557,513</u>	<u>\$ 5,838</u>	<u>\$ 2,919</u>	<u>\$ 1,560,432</u>	<u>\$ 134,435</u>

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

Landfill Closure Costs

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

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 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 March 31	Governmental Activities			
	General Obligation Bonds		Alternate Revenue Source Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 120,000	\$ 11,822	\$ 320,000	\$ 15,345
2015	125,000	6,062	335,000	5,193
Total	<u>\$ 245,000</u>	<u>\$ 17,884</u>	<u>\$ 655,000</u>	<u>\$ 20,538</u>

Legal Debt Margin

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

NET POSITION/FUND BALANCE

Net Position Classifications

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

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 47,180,785
Less Capital Related Debt:	
General Obligation Limited Bonds of 1999	(245,000)
General Obligation (Alternate Revenue) Refunding Bonds of 2003	<u>(655,000)</u>
Net Investment in Capital Assets	<u>\$ 46,280,785</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 35,212,605</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 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	\$ 268	\$ -	\$ -	\$ 268
Restricted				
Tax Escrow	68,944	-	-	68,944
Awards	716	-	-	716
Road Improvements	-	-	2,168,396	2,168,396
Debt Service Reserves	-	-	393,579	393,579
	<u>69,660</u>	<u>-</u>	<u>2,561,975</u>	<u>2,631,635</u>
Assigned				
Infrastructure Improvement Projects	-	66,358	-	66,358
Downtown Redevelopment	-	-	328,305	328,305
	<u>-</u>	<u>66,358</u>	<u>328,305</u>	<u>394,663</u>
Unassigned	<u>25,231,521</u>	<u>-</u>	<u>(193,267)</u>	<u>25,038,254</u>
Total Fund Balances	<u>\$ 25,301,449</u>	<u>\$ 66,358</u>	<u>\$ 2,697,013</u>	<u>\$ 28,064,820</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 March 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 2011. The Village's self-insurance activities are reported in the Health Insurance, General Liability Insurance and Workers' Compensation internal service funds.

Premiums are paid into the internal service funds by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. There were no insurance claim settlements which exceeded the amounts of insurance coverage during 2013, 2012 and 2011.

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

	Workers' Compensation	Health	Liability	Total
Claims Payable - March 31, 2011	\$ 947,671	\$ 375,000	\$ 115,500	\$ 1,438,171
Incurred Claims	642,201	180,000	24,950	847,151
Claims Paid	(571,934)	(90,000)	(49,900)	(711,834)
Claims Payable - March 31, 2012	1,017,938	465,000	90,550	1,573,488
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

VILLAGE OF WINNETKA, ILLINOIS

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

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

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 31, 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), and insurance pool of Illinois municipalities, through April 30, 2018. There is no minimum annual commitment amount for the purchase of this insurance coverage.

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

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

CONTINGENT LIABILITIES

Litigation

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

Grants

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

High-Level Excess Liability Pool

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 31, 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 March 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 \$1,233 million of long-term debt outstanding and \$23 million due in the current fiscal year ending April 30, 2012. 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 \$44 million for debt service through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2012.

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

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

Summary of Operating Revenues, Operating Expenses and Changes in Net Position for the year ended April 30, 2012, in millions of dollars:

Operating Revenues	\$ 280.7
Operating Expenses	<u>251.1</u>
Net Operating Income	29.6
Other Nonoperating Expenses (Net)	<u>(11.5)</u>
Change in Net Position	<u><u>\$ 18.1</u></u>

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 31, 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

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2012 was 15.20 percent.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 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:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	30
Current Employees	
Vested	16
Nonvested	<u>10</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 March 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

March 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 5.00% 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
March 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	15.20%	42.34%	46.26%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2012	3/31/2012	3/31/2012
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	21 Years	21 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	6.25% Compounded Annually	6.25% Compounded Annually
Projected Salary Increases	.4 to 10.0%	5.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
March 31, 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 for the Police and Firefighters' Pension plans is as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 992,534	\$ 1,108,794	\$ 2,101,328
Interest on the NPO/(NPA)	(25,187)	(25,284)	(50,471)
Adjustment to the ARC	19,627	20,707	40,334
Annual Pension Cost	986,974	1,104,217	2,091,191
Actual Contribution	997,534	1,113,794	2,111,328
Increase in the NPO	(10,560)	(9,577)	(20,137)
NPO - Beginning of Year	(402,774)	(405,323)	(808,097)
NPO - End of Year	\$ (413,334)	\$ (414,900)	\$ (828,234)

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 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)	2011	\$ 1,299,891	\$ 722,238	\$ 741,496
	2012	1,362,001	953,674	933,584
	2013	1,369,449	986,974	1,104,217
Actual Contributions	2011	\$ 1,299,891	\$ 1,011,480	\$ 941,668
	2012	1,362,001	964,387	945,074
	2013	1,369,449	997,534	1,113,794
Percentage of APC Contributed	2011	100.00%	140.05%	127.00%
	2012	100.00%	101.12%	101.23%
	2013	100.00%	101.07%	100.87%
Net Pension Obligation	2011	\$ -	\$ (392,061)	\$ (393,833)
	2012	-	(402,774)	(405,323)
	2013	-	(413,334)	(414,900)

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 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	12/31/12	3/31/12	3/31/12
Percent Funded	62.68%	68.25%	61.22%
Actuarial Accrued Liability for Benefits	\$32,259,991	\$31,240,020	\$31,767,269
Actuarial Value of Assets	\$20,220,827	\$21,321,703	\$19,447,295
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$12,039,164)	(\$9,918,317)	(\$12,319,974)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$9,009,532	\$2,277,911	\$2,042,804
Ratio of UAAL to Covered Payroll	133.63%	435.41%	603.09%

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

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
March 31, 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 March 31, 2013, retirees contributed \$496,959. Active employees do not contribute to the plan until retirement.

At March 31, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	43
Active Employees	<u>149</u>
Total	<u>192</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

March 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 March 31, 2013 was calculated as follows:

Annual Required Contribution	\$ 454,427
Interest on the NOPEBO	71,419
Adjustment to the ARC	<u>(59,515)</u>
Annual OPEB Cost	466,331
Actual Contribution	<u>370,271</u>
Increase in the NOPEBO	96,060
NOPEBO - Beginning of Year	<u>1,785,461</u>
NOPEBO - End of Year	<u>\$ 1,881,521</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
2011	\$ 450,760	\$ 278,400	61.76%	\$ 1,570,178
2012	493,683	278,400	56.39%	1,785,461
2013	466,331	370,271	79.40%	1,881,521

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements March 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 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 projected payroll on an open basis. The remaining amortization period at March 31, 2013, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF WINNETKA, ILLINOIS

Illinois Municipal Retirement Fund

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

Schedule of Funding Progress

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2007	\$ 27,302,712	\$ 31,772,520	85.93%	\$ 4,469,808	\$ 8,519,046	52.47%
2008	22,574,198	32,156,404	70.20%	9,582,206	8,879,643	107.91%
2009	22,265,972	33,894,578	65.69%	11,628,606	9,478,345	122.69%
2010	20,802,213	32,850,427	63.32%	12,048,214	9,219,084	130.69%
2011	18,957,680	31,616,240	59.96%	12,658,560	9,171,723	138.02%
2012	20,220,827	32,259,991	62.68%	12,039,164	9,009,532	133.63%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2008	\$ 1,059,769	\$ 1,059,769	100.00%
2009	1,047,798	1,047,798	100.00%
2010	1,081,479	1,081,479	100.00%
2011	1,299,891	1,299,891	100.00%
2012	1,362,001	1,362,001	100.00%
2013	1,369,449	1,369,449	100.00%

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

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

Schedule of Funding Progress

Actuarial Valuation Date Mar. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2007	\$ 18,244,997	\$ 23,935,241	76.23%	\$ 5,690,244	\$ 1,990,314	285.90%
2008	18,205,126	25,066,992	72.63%	6,861,866	2,271,818	302.04%
2009	16,048,696	26,890,362	59.68%	10,841,666	2,316,542	468.01%
2010	18,904,231	29,630,253	63.80%	10,726,022	2,338,042	458.76%
2011	20,377,515	30,118,976	67.66%	9,741,461	2,292,457	424.94%
2012	21,321,703	31,240,020	68.25%	9,918,317	2,277,911	435.41%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$ 651,700	\$ 486,713	133.90%
2009	682,000	644,614	105.80%
2010	736,000	672,538	109.44%
2011	1,011,480	1,006,480	100.50%
2012	964,387	958,022	100.66%
2013	997,534	992,534	100.50%

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

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

Schedule of Funding Progress

Actuarial Valuation Date Mar. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2007	\$ 16,862,213	\$ 25,007,483	67.43%	\$ 8,145,270	\$ 1,714,907	474.97%
2008	17,004,652	25,914,437	65.62%	8,909,785	1,859,725	479.09%
2009	15,131,866	26,287,160	57.56%	11,155,294	2,004,317	556.56%
2010	17,798,993	28,882,320	61.63%	11,083,327	2,086,790	531.12%
2011	18,822,037	30,960,065	60.79%	12,138,028	1,785,796	679.70%
2012	19,447,295	31,767,269	61.22%	12,319,974	2,042,804	603.09%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2008	\$ 733,900	\$ 726,893	100.96%
2009	737,000	727,176	101.35%
2010	840,000	795,495	105.59%
2011	941,668	936,668	100.53%
2012	945,074	938,956	100.65%
2013	1,113,794	1,108,794	100.45%

VILLAGE OF WINNETKA, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
March 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)
Mar. 31						
2008	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2009	-	7,853,132	0.00%	7,853,132	13,507,306	58.14%
2010	N/A	N/A	N/A	N/A	N/A	N/A
2011	-	7,853,132	0.00%	7,853,132	14,172,302	55.41%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	10,445,501	0.00%	10,445,501	14,020,233	74.50%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
2008	\$ N/A	\$ N/A	N/A
2009	278,400	681,332	40.86%
2010	278,400	454,427	61.26%
2011	278,400	454,427	61.26%
2012	278,400	454,428	61.26%
2013	370,271	454,427	81.48%

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

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended March 31, 2013

	2013		2012 Actual
	Original and Final Budget	Actual	
Revenues			
Taxes	\$ 13,333,501	\$ 13,887,211	\$ 13,395,683
Licenses and Permits	1,589,000	2,378,429	2,003,172
Intergovernmental	2,251,000	2,766,817	2,598,460
Charges for Services	3,629,920	3,652,741	3,656,488
Fines and Forfeits	215,000	215,280	214,809
Investment Income	130,000	249,725	235,331
Miscellaneous	64,000	64,442	79,240
Total Revenues	<u>21,212,421</u>	<u>23,214,645</u>	<u>22,183,183</u>
Expenditures			
General Government	3,423,131	3,001,449	2,738,434
Public Safety	11,989,459	11,024,520	10,433,116
Community Development	1,540,250	1,443,413	1,509,051
Public Works	5,385,472	4,446,311	5,117,430
Total Expenditures	<u>22,338,312</u>	<u>19,915,693</u>	<u>19,798,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,125,891)</u>	<u>3,298,952</u>	<u>2,385,152</u>
Other Financing Sources (Uses)			
Transfers In	1,412,328	1,407,528	1,290,600
Transfers Out	(3,790,305)	(3,790,305)	(1,639,760)
	<u>(2,377,977)</u>	<u>(2,382,777)</u>	<u>(349,160)</u>
Net Change in Fund Balance	<u>\$ (3,503,868)</u>	916,175	2,035,992
Fund Balance - Beginning		<u>24,385,274</u>	<u>22,349,282</u>
Fund Balance - Ending		<u>\$ 25,301,449</u>	<u>\$ 24,385,274</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

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

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

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

- Fiduciary Funds
 - Combining Statement of Net 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 FUNDS

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

Motor Fuel Tax Fund

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

DEBT SERVICE FUNDS

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

General Obligation Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

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

Village Facilities Fund

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

Downtown Redevelopment Fund

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

Special Service Areas Fund

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

ENTERPRISE FUNDS

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

Electric Fund

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

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.

Sewer Fund

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

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.

INTERNAL SERVICE FUNDS

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

Data Processing Fund

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

Workers' Compensation Insurance Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUNDS – Continued

Health Insurance Fund

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

Liability Insurance Fund

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

Fleet Fund

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

TRUST FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 12,233,501	\$ 12,125,970
Natural Gas	450,000	295,395
Telecommunications Tax	650,000	1,465,846
	13,333,501	13,887,211
Licenses and Permits		
Licenses		
Vehicle	275,000	323,051
Dog	10,000	10,711
Liquor	11,000	14,650
Other	3,000	3,838
Permits		
Building	1,200,000	1,418,324
Plumbing	-	63,130
Electrical	-	65,464
Sewer, Sidewalks, and Miscellaneous	90,000	187,290
Compliance Fees	-	291,971
	1,589,000	2,378,429
Intergovernmental		
General Sales Tax	1,100,000	1,397,198
Illinois State Income Tax	931,000	1,091,189
Corporate Property Replacement Tax	100,000	122,845
Grants	60,000	85,341
Foreign Fire Insurance	60,000	70,244
	2,251,000	2,766,817

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Charges for Services		
Administrative Charges	\$ 1,772,400	\$ 1,772,400
Franchise Fees	220,000	273,219
Public Safety Services	950,070	892,108
Ambulance Fees	140,000	134,697
False Alarm Charges	15,000	16,050
Parking	155,850	161,539
Property Rental	326,600	350,791
State Route Maintenance	50,000	51,937
	<u>3,629,920</u>	<u>3,652,741</u>
Fines and Forfeits		
Justice Fines and Costs	215,000	215,280
Investment Income	130,000	249,725
Miscellaneous		
Proceeds from Sale of Personal Property	20,000	2,167
Pole Rental	37,000	54,600
Miscellaneous	7,000	7,675
	<u>64,000</u>	<u>64,442</u>
Total Revenues	<u>\$ 21,212,421</u>	<u>\$ 23,214,645</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 547,980	\$ 169,363
General Administration	2,875,151	2,832,086
Total General Government	3,423,131	3,001,449
Public Safety		
Police Department		
Administration	2,419,705	2,382,727
Training	98,725	95,500
E-911 System	10,000	8,780
Public Service Officers	259,356	240,613
General and Criminal Records	288,069	273,546
Communication System	1,018,783	535,170
Detention and Custody of Prisoners	2,500	1,119
Investigation	361,270	288,979
Uniform Patrol	1,885,376	1,978,722
School Crossing Protection	500	-
Emergency Management	25,600	20,687
Patrol Vehicles	256,552	232,280
Social Work	42,000	39,843
Station Maintenance	228,154	144,803
Safety	26,020	21,381
Community Services	-	(57,256)
Total Police Department	6,922,610	6,206,894
Fire Department		
Administration	522,653	473,411
Training	68,500	46,338
Communications	154,400	142,608
Emergency Management	6,500	813
Fire Station Maintenance	178,400	114,033
Community Services	3,950	(1,690)

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Life Safety	\$ 53,500	\$ 47,123
Firefighting Force	3,346,531	3,354,436
Ambulance Service	672,415	581,013
	<hr/>	<hr/>
Total Fire Department	5,006,849	4,758,085
	<hr/>	<hr/>
Foreign Fire Insurance	60,000	59,541
	<hr/>	<hr/>
Total Public Safety	11,989,459	11,024,520
	<hr/>	<hr/>
Community Development		
Community Development Department	1,540,250	1,443,413
	<hr/>	<hr/>
Public Works		
Public Works Department	5,385,472	4,446,311
	<hr/>	<hr/>
Total Expenditures	\$ 22,338,312	\$ 19,915,693

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
General Government		
Public Affairs		
Public Improvements		
Capital	\$ 250,000	\$ -
Historical Museum		
Contractual Services	15,000	-
Legal		
Contractual Services	44,000	32,857
Surety Bonds and Insurance		
Contractual Services	46,000	29,649
Sundry		
Commodities	32,980	32,980
Contractual Services	160,000	73,877
	<u>192,980</u>	<u>106,857</u>
Total Public Affairs	<u>547,980</u>	<u>169,363</u>
General Administration		
Office of the Manager and Clerk		
Salaries	364,000	362,517
Contractual Services	70,900	84,657
Commodities	26,740	48,141
	<u>461,640</u>	<u>495,315</u>
Legal Expense		
Salaries	259,500	256,673
Personnel Costs	82,199	83,144
Contractual Services	(232,420)	(238,461)
	<u>109,279</u>	<u>101,356</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
General Government - Continued		
General Administration - Continued		
Tuition Reimbursement		
Contractual Services	\$ 20,000	\$ 2,220
Financial Administration		
Salaries	1,116,980	1,173,960
Personnel Costs	537,422	568,555
Contractual Services	178,458	168,286
Commodities	16,900	16,895
Vehicle Expense	4,272	4,272
Training	5,200	4,760
Equipment	425,000	296,467
	<u>2,284,232</u>	<u>2,233,195</u>
Total General Administration	<u>2,875,151</u>	<u>2,832,086</u>
Total General Government	<u>3,423,131</u>	<u>3,001,449</u>
Public Safety		
Police Department		
Administration		
Salaries	580,304	599,759
Personnel Costs	1,751,826	1,722,287
Contractual Services	76,250	51,426
Supplies	11,325	9,255
	<u>2,419,705</u>	<u>2,382,727</u>
Training		
Salaries	19,975	32,493
Contractual Services	42,625	36,840
Commodities	36,125	26,167
	<u>98,725</u>	<u>95,500</u>
E-911 System		
Contractual Services	<u>10,000</u>	<u>8,780</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Public Service Officers		
Salaries	\$ 199,276	\$ 191,354
Contractual Services	50,990	47,199
Supplies	9,090	2,060
	259,356	240,613
General and Criminal Records		
Salaries	156,339	151,618
Contractual Services	112,590	107,386
Supplies	19,140	14,542
	288,069	273,546
Communication System		
Salaries	339,463	354,096
Contractual Services	121,700	155,067
Supplies	57,620	26,007
Equipment	500,000	-
	1,018,783	535,170
Detention and Custody of Prisoners		
Contractual Services	1,000	222
Supplies	1,500	897
	2,500	1,119
Investigation		
Salaries	299,810	254,696
Contractual Services	32,700	25,387
Supplies	28,760	8,896
	361,270	288,979

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Uniform Patrol		
Salaries	\$ 1,815,526	\$ 1,908,108
Contractual Services	5,400	529
Supplies	64,450	70,085
	<u>1,885,376</u>	<u>1,978,722</u>
School Crossing Protection		
Supplies	<u>500</u>	<u>-</u>
Emergency Management		
Contractual Services	9,600	13,650
Supplies	16,000	7,037
	<u>25,600</u>	<u>20,687</u>
Patrol Vehicles		
Contractual Services	3,000	2,619
Supplies	4,500	2,129
Vehicle Expense	249,052	227,532
	<u>256,552</u>	<u>232,280</u>
Social Work		
Contractual Services	<u>42,000</u>	<u>39,843</u>
Station Maintenance		
Contractual Services	147,154	139,828
Supplies	6,000	4,975
Equipment	75,000	-
	<u>228,154</u>	<u>144,803</u>
Safety		
Contractual Services	7,020	4,403
Supplies	19,000	16,978
	<u>26,020</u>	<u>21,381</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Community Services		
Salaries	\$ -	\$ (57,256)
Total Police Department	6,922,610	6,206,894
Fire Department		
Administration		
Salaries	311,365	328,339
Personnel Costs	41,636	42,130
Contractual Services	97,452	52,604
Supplies	36,500	22,699
Vehicle Expense	35,700	27,639
	522,653	473,411
Training		
Salaries	36,200	29,253
Contractual Services	26,800	15,950
Supplies	5,500	1,135
	68,500	46,338
Communications		
Contractual Services	149,300	138,261
Supplies	5,100	4,347
	154,400	142,608
Emergency Management		
Salaries	500	-
Contractual Services	3,000	-
Supplies	3,000	813
	6,500	813

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Fire Station Maintenance		
Contractual Services	\$ 95,300	\$ 89,869
Supplies	8,100	8,288
Equipment	75,000	15,876
	<u>178,400</u>	<u>114,033</u>
Community Services		
Salaries	3,000	(1,715)
Contractual Services	500	25
Supplies	450	-
	<u>3,950</u>	<u>(1,690)</u>
Life Safety		
Salaries	44,850	38,610
Contractual Services	1,700	3,026
Supplies	6,950	5,487
	<u>53,500</u>	<u>47,123</u>
Firefighting Force		
Salaries	1,748,858	1,793,270
Personnel Costs	1,441,882	1,446,241
Contractual Services	44,945	18,763
Supplies	52,350	39,743
Vehicle Expense	58,496	56,419
	<u>3,346,531</u>	<u>3,354,436</u>
Ambulance Service		
Salaries	303,989	287,440
Personnel Costs	39,096	39,096
Contractual Services	39,930	19,057
Supplies	13,400	17,565
Vehicle Expense	1,000	428
Equipment	275,000	217,427
	<u>672,415</u>	<u>581,013</u>
Total Fire Department	<u>5,006,849</u>	<u>4,758,085</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Safety - Continued		
Foreign Fire Insurance	\$ 60,000	\$ 59,541
Total Public Safety	<u>11,989,459</u>	<u>11,024,520</u>
Community Development		
Community Development Department		
Salaries	829,940	756,432
Personnel Costs	317,010	304,670
Contractual Services	379,200	371,367
Supplies	12,350	9,195
Vehicle Expense	1,750	1,749
Total Community Development	<u>1,540,250</u>	<u>1,443,413</u>
Public Works		
Public Works Department		
Administration		
Salaries	348,323	280,956
Personnel Costs	700,063	655,412
Contractual Services	80,000	67,051
Supplies	14,000	7,612
Total Administration	<u>1,142,386</u>	<u>1,011,031</u>
Training		
Contractual Services	11,850	5,592
Supplies	12,000	9,485
Total Training	<u>23,850</u>	<u>15,077</u>
Engineering		
Salaries	187,230	234,828
Contractual Services	41,000	24,728
Supplies	2,000	-
Total Engineering	<u>230,230</u>	<u>259,556</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Service Yards		
Salaries	\$ -	\$ 95
Contractual Services	81,000	74,165
Supplies	11,000	5,821
	92,000	80,081
Street Maintenance		
Salaries	692,616	569,575
Contractual Services	124,000	74,132
Supplies	81,000	59,606
Vehicle Expense	218,784	218,784
Equipment	-	35,747
	1,116,400	957,844
Pavement Reconstruction		
Equipment/Reconstruction	1,150,000	948,731
Drainage		
Salaries	133,718	120,256
Contractual Services	97,500	62,961
Supplies	31,000	18,929
	262,218	202,146
Snow Removal and Ice Control		
Salaries	80,000	123,696
Contractual Services	6,000	6,000
Supplies	140,397	51,768
Equipment	90,000	83,953
	316,397	265,417

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
 Year Ended March 31, 2013

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Public Property		
Salaries	\$ -	\$ 38
Contractual Services	289,000	193,466
Supplies	20,000	10,921
Equipment	275,000	123,795
	<u>584,000</u>	<u>328,220</u>
Forestry		
Salaries	162,991	126,099
Contractual Services	278,000	263,817
Supplies	12,000	1,790
Equipment	-	(15,285)
	<u>452,991</u>	<u>376,421</u>
Street Sweeping - Mechanical		
Contractual Services	15,000	1,787
	<u>15,000</u>	<u>1,787</u>
Total Public Works	<u>5,385,472</u>	<u>4,446,311</u>
Total Expenditures	<u>\$ 22,338,312</u>	<u>\$ 19,915,693</u>

VILLAGE OF WINNETKA, ILLINOIS

Village Facilities - Capital Projects Fund

**Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2013**

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 5,000	\$ 5,325
Expenditures		
Capital Outlay	1,600,000	867,459
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,595,000)	(862,134)
Other Financing Sources		
Transfers In	700,000	700,000
Net Change in Fund Balance	<u>\$ (895,000)</u>	(162,134)
Fund Balance - Beginning		<u>228,492</u>
Fund Balance - Ending		<u>\$ 66,358</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
Year Ended March 31, 2013**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
March 31, 2013

	<u>Special Revenue Motor Fuel Tax</u>
ASSETS	
Cash and Investments	\$ 2,143,775
Receivables - Net of Allowances	
Taxes	-
Accrued Interest	-
Due from Other Governments	<u>24,621</u>
Total Assets	<u>\$ 2,168,396</u>
LIABILITIES	
Due to Other Funds	\$ -
DEFERRED INFLOWS OF RESOURCES	
Property Taxes	-
Total Liabilities and Deferred Inflows of Resources	<u>-</u>
FUND BALANCES	
Restricted	2,168,396
Assigned	-
Unassigned	-
Total Fund Balances	<u>2,168,396</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,168,396</u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ 392,189	\$ 327,966	\$ 12,388	\$ 2,876,318
71,082	-	-	71,082
1,390	339	46	1,775
-	-	-	24,621
<u>\$ 464,661</u>	<u>\$ 328,305</u>	<u>\$ 12,434</u>	<u>\$ 2,973,796</u>
\$ -	\$ -	\$ 205,701	\$ 205,701
71,082	-	-	71,082
71,082	-	205,701	276,783
393,579	-	-	2,561,975
-	328,305	-	328,305
-	-	(193,267)	(193,267)
<u>393,579</u>	<u>328,305</u>	<u>(193,267)</u>	<u>2,697,013</u>
<u>\$ 464,661</u>	<u>\$ 328,305</u>	<u>\$ 12,434</u>	<u>\$ 2,973,796</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended March 31, 2013

	<u>Special Revenue Motor Fuel Tax</u>
Revenues	
Taxes	\$ -
Intergovernmental	961,483
Investment Income	1,651
Total Revenues	<u>963,134</u>
Expenditures	
Community Development	-
Public Works	532,968
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>532,968</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	430,166
Other Financing Sources	
Transfers In	<u>-</u>
Net Change in Fund Balances	430,166
Fund Balances - Beginning	<u>1,738,230</u>
Fund Balances - Ending	<u>\$ 2,168,396</u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ 129,221	\$ -	\$ 63,549	\$ 192,770
-	-	-	961,483
3,390	(208)	530	5,363
132,611	(208)	64,079	1,159,616
-	143,976	-	143,976
-	-	-	532,968
-	-	38,384	38,384
420,000	-	-	420,000
42,803	-	-	42,803
462,803	143,976	38,384	1,178,131
(330,192)	(144,184)	25,695	(18,515)
340,305	-	-	340,305
10,113	(144,184)	25,695	321,790
383,466	472,489	(218,962)	2,375,223
\$ 393,579	\$ 328,305	\$ (193,267)	\$ 2,697,013

VILLAGE OF WINNETKA, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 310,000	\$ 346,837
Grants	-	614,646
Investment Income	2,000	1,651
Total Revenues	<u>312,000</u>	<u>963,134</u>
Expenditures		
Public Works		
Street - Traffic Signal Maintenance and Improvement	<u>625,000</u>	<u>532,968</u>
Net Change in Fund Balance	<u>\$ (313,000)</u>	430,166
Fund Balance - Beginning		<u>1,738,230</u>
Fund Balance - Ending		<u>\$ 2,168,396</u>

VILLAGE OF WINNETKA, ILLINOIS

General Obligation - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 139,000	\$ 129,221
Investment Income	1,000	3,390
Total Revenues	<u>140,000</u>	<u>132,611</u>
Expenditures		
Debt Service		
Principal Retirement	462,000	420,000
Interest and Fiscal Charges	43,734	42,803
Total Expenditures	<u>505,734</u>	<u>462,803</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(365,734)	(330,192)
Other Financing Sources		
Transfers In	<u>340,305</u>	<u>340,305</u>
Net Change in Fund Balance	<u>\$ (25,429)</u>	10,113
Fund Balance - Beginning		<u>383,466</u>
Fund Balance - Ending		<u>\$ 393,579</u>

VILLAGE OF WINNETKA, ILLINOIS

Downtown Redevelopment - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 1,500	\$ (208)
Expenditures		
Community Development		
Miscellaneous	250,000	143,976
Net Change in Fund Balance	<u>\$ (248,500)</u>	(144,184)
Fund Balance - Beginning		<u>472,489</u>
Fund Balance - Ending		<u>\$ 328,305</u>

VILLAGE OF WINNETKA, ILLINOIS

Special Service Areas - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 44,931	\$ 63,549
Investment Income	-	530
Total Revenues	<u>44,931</u>	<u>64,079</u>
Expenditures		
Capital Outlay		
Construction	<u>44,931</u>	<u>38,384</u>
Net Change in Fund Balance	<u>\$ 89,862</u>	25,695
Fund Balance - Beginning		<u>(218,962)</u>
Fund Balance - Ending		<u>\$ (193,267)</u>

VILLAGE OF WINNETKA, ILLINOIS

Electric - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 14,759,000	\$ 14,912,528
Miscellaneous	120,000	46,969
Total Operating Revenues	<u>14,879,000</u>	<u>14,959,497</u>
Operating Expenses		
Administration		
General and Administrative	2,825,454	2,560,648
Operations		
Generation	8,532,500	8,452,244
Distribution	1,517,138	1,258,199
Depreciation	1,600,000	1,525,441
Total Operating Expenses	<u>14,475,092</u>	<u>13,796,532</u>
Operating Income	<u>403,908</u>	<u>1,162,965</u>
Nonoperating Revenues (Expenses)		
Investment Income	40,000	64,695
Rental Income	209,700	387,338
Merchandise Sales and Jobbing - Net	76,500	125,835
Disposal of Capital Assets	5,000	(48,125)
	<u>331,200</u>	<u>529,743</u>
Income (Loss) Before Transfers	735,108	1,692,708
Transfers Out	<u>(1,052,328)</u>	<u>(1,052,328)</u>
Change in Net Position	<u>\$ (317,220)</u>	640,380
Net Position - Beginning		<u>28,247,924</u>
Net Position - Ending		<u>\$ 28,888,304</u>

VILLAGE OF WINNETKA, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 3,511,000	\$ 4,019,195
Miscellaneous	15,500	119,175
Total Operating Revenues	<u>3,526,500</u>	<u>4,138,370</u>
Operating Expenses		
Administration		
General and Administrative	1,205,600	1,180,369
Operations		
Pumping	164,000	98,183
Filtration	841,200	779,961
Distribution	485,488	536,062
Depreciation	440,000	439,377
Total Operating Expenses	<u>3,136,288</u>	<u>3,033,952</u>
Operating Income	<u>390,212</u>	<u>1,104,418</u>
Nonoperating Revenues (Expenses)		
Investment Income	-	8,347
Merchandise Sales and Jobbing - Net	18,500	22,288
Disposal of Capital Assets	-	(8,713)
	<u>18,500</u>	<u>21,922</u>
Income (Loss) Before Transfers	408,712	1,126,340
Transfers In	500,000	-
Transfers Out	<u>(252,804)</u>	<u>(252,804)</u>
Change in Net Position	<u>\$ 655,908</u>	873,536
Net Position - Beginning		<u>10,535,851</u>
Net Position - Ending		<u>\$ 11,409,387</u>

VILLAGE OF WINNETKA, ILLINOIS

Refuse - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 520,000	\$ 503,326
Miscellaneous	15,000	28,491
Total Operating Revenues	<u>535,000</u>	<u>531,817</u>
Operating Expenses		
Administration		
General and Administrative	127,080	127,080
Operations		
Collection	1,214,560	1,287,545
Disposal	403,784	377,597
Recycling	343,000	329,877
Landfill Monitoring	100,000	82,789
Depreciation	135,000	112,985
Total Operating Expenses	<u>2,323,424</u>	<u>2,317,873</u>
Operating (Loss)	<u>(1,788,424)</u>	<u>(1,786,056)</u>
Nonoperating Revenues		
Property Taxes	1,100,000	1,074,565
Investment Income	13,000	14,322
	<u>1,113,000</u>	<u>1,088,887</u>
Income (Loss) Before Transfers	(675,424)	(697,169)
Transfers In	550,000	550,000
Transfers Out	<u>(44,796)</u>	<u>(44,796)</u>
Change in Net Position	<u>\$ (170,220)</u>	(191,965)
Net Position - Beginning		<u>1,650,749</u>
Net Position - Ending		<u>\$ 1,458,784</u>

VILLAGE OF WINNETKA, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 853,500	\$ 954,368
Operating Expenses		
Administration		
General and Administrative	140,040	140,040
Operations	710,373	588,012
Depreciation	70,000	82,159
Total Operating Expenses	920,413	810,211
Operating Income (Loss)	(66,913)	144,157
Nonoperating Revenues		
Investment Income	10,000	(789)
Income (Loss) Before Transfers	(56,913)	143,368
Transfers Out	(57,600)	(57,600)
Change in Net Position	<u>\$ (114,513)</u>	85,768
Net Position - Beginning		<u>2,902,587</u>
Net Position - Ending		<u>\$ 2,988,355</u>

VILLAGE OF WINNETKA, ILLINOIS

Storm Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ -	\$ -
Operating Expenses		
Operations	2,080,000	-
Depreciation	-	4,996
Total Operating Expenses	<u>2,080,000</u>	<u>4,996</u>
Operating (Loss)	(2,080,000)	(4,996)
Nonoperating Revenues		
Investment Income	-	56,869
Income (Loss) Before Transfers	(2,080,000)	51,873
Transfers In	<u>2,200,000</u>	<u>2,200,000</u>
Change in Net Position	<u>\$ 120,000</u>	2,251,873
Net Position - Beginning		<u>-</u>
Net Position - Ending		<u>\$ 2,251,873</u>

VILLAGE OF WINNETKA, ILLINOIS

Combining Statement of Net Position

Internal Service Funds

March 31, 2013

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Combining Statement of Net Position

Internal Service Funds

March 31, 2013

	<u>Data Processing</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 822,558
Receivables - Net of Allowances	
Accounts	185
Accrued Interest	2,908
Inventories	-
Total Current Assets	<u>825,651</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>825,651</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	4,908
Claims Payable	-
Total Current Liabilities	<u>4,908</u>
Noncurrent Liabilities	
Claims Payable	<u>-</u>
Total Liabilities	<u>4,908</u>
NET POSITION	
Investment in Capital Assets	-
Unrestricted	<u>820,743</u>
Total Net Position	<u>\$ 820,743</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 2,046,313	\$ 2,662,540	\$ 2,553,183	\$ 128,605	\$ 8,213,199
-	13,079	-	7,432	20,696
7,239	9,279	9,173	447	29,046
-	-	-	25,942	25,942
2,053,552	2,684,898	2,562,356	162,426	8,288,883
-	-	-	13,590	313,188
-	-	-	(10,872)	(310,470)
-	-	-	2,718	2,718
2,053,552	2,684,898	2,562,356	165,144	8,291,601
531	-	726	12,469	18,634
659,825	538,182	41,000	-	1,239,007
660,356	538,182	41,726	12,469	1,257,641
659,825	-	41,000	-	700,825
1,320,181	538,182	82,726	12,469	1,958,466
-	-	-	2,718	2,718
733,371	2,146,716	2,479,630	149,957	6,330,417
\$ 733,371	\$ 2,146,716	\$ 2,479,630	\$ 152,675	\$ 6,333,135

VILLAGE OF WINNETKA, ILLINOIS

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds
Year Ended March 31, 2013

	<u>Data Processing</u>
Operating Revenues	
Interfund Services	<u>\$ 328,032</u>
Operating Expenses	
Administration	43,440
Operations	292,864
Depreciation	-
Total Operating Expenses	<u>336,304</u>
Operating Income (Loss)	(8,272)
Nonoperating Revenues	
Investment Income	<u>8,061</u>
Change in Net Position	(211)
Net Position - Beginning	<u>820,954</u>
Net Position - Ending	<u>\$ 820,743</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 528,500	\$ 2,846,528	\$ -	\$ 886,651	\$ 4,589,711
-	25,301	39,100	43,440	151,281
560,491	2,767,399	2,256	889,070	4,512,080
-	-	-	1,359	1,359
560,491	2,792,700	41,356	933,869	4,664,720
(31,991)	53,828	(41,356)	(47,218)	(75,009)
24,092	18,884	28,816	1,756	81,609
(7,899)	72,712	(12,540)	(45,462)	6,600
741,270	2,074,004	2,492,170	198,137	6,326,535
\$ 733,371	\$ 2,146,716	\$ 2,479,630	\$ 152,675	\$ 6,333,135

VILLAGE OF WINNETKA, ILLINOIS

Combining Statement of Cash Flows

Internal Service Funds
Year Ended March 31, 2013

	<u>Data Processing</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 339,789
Payments to Suppliers	(204,340)
Payments to Employees	(135,093)
	<u>356</u>
Cash Flows from Investing Activities	
Interest Received	<u>8,061</u>
Net Change in Cash and Cash Equivalents	8,417
Cash and Cash Equivalents - Beginning	<u>814,141</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 822,558</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (8,272)
Adjustments to Reconcile Operating Income to Net	
Cash Provided by (Used in) Operating Activities	
Depreciation Expense	-
(Increase) Decrease in Current Assets	11,757
Increase (Decrease) in Current Liabilities	<u>(3,129)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 356</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 551,087 (258,577)	\$ 2,883,557 (2,731,467)	\$ 33,847 (49,180)	\$ 881,018 (693,341)	\$ 4,689,298 (3,936,905)
-	-	-	(243,079)	(378,172)
292,510	152,090	(15,333)	(55,402)	374,221
24,092	18,884	28,816	1,756	81,609
316,602	170,974	13,483	(53,646)	455,830
1,729,711	2,491,566	2,539,700	182,251	7,757,369
\$ 2,046,313	\$ 2,662,540	\$ 2,553,183	\$ 128,605	\$ 8,213,199
\$ (31,991)	\$ 53,828	\$ (41,356)	\$ (47,218)	\$ (75,009)
-	-	-	1,359	1,359
22,587	37,029	33,847	(5,633)	99,587
301,914	61,233	(7,824)	(3,910)	348,284
\$ 292,510	\$ 152,090	\$ (15,333)	\$ (55,402)	\$ 374,221

VILLAGE OF WINNETKA, ILLINOIS

Data Processing - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 328,000	\$ 328,032
Operating Expenses		
Administration	43,440	43,440
Operations	376,760	292,864
Depreciation	35,000	-
Total Operating Expenses	455,200	336,304
Operating (Loss)	(127,200)	(8,272)
Nonoperating Revenues		
Investment Income	7,000	8,061
Change in Net Position	<u>\$ (120,200)</u>	(211)
Net Position - Beginning		<u>820,954</u>
Net Position - Ending		<u>\$ 820,743</u>

VILLAGE OF WINNETKA, ILLINOIS

Workers' Compensation Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 528,492	\$ 528,500
Operating Expenses		
Administration	3,500	-
Operations	792,000	560,491
Total Operating Expenses	795,500	560,491
Operating (Loss)	(267,008)	(31,991)
Nonoperating Revenues		
Investment Income	8,000	24,092
Change in Net Position	\$ (259,008)	(7,899)
Net Position - Beginning		741,270
Net Position - Ending		\$ 733,371

VILLAGE OF WINNETKA, ILLINOIS

Health Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	<u>\$ 2,807,700</u>	<u>\$ 2,846,528</u>
Operating Expenses		
Administration	532,000	25,301
Operations	<u>3,040,900</u>	<u>2,767,399</u>
Total Operating Expenses	<u>3,572,900</u>	<u>2,792,700</u>
Operating Income (Loss)	(765,200)	53,828
Nonoperating Revenues		
Investment Income	<u>15,000</u>	<u>18,884</u>
Change in Net Position	<u>\$ (750,200)</u>	72,712
Net Position - Beginning		<u>2,074,004</u>
Net Position - Ending		<u>\$ 2,146,716</u>

VILLAGE OF WINNETKA, ILLINOIS

Liability Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ -	\$ -
Operating Expenses		
Administration	150,000	39,100
Operations	150,000	2,256
Total Operating Expenses	<u>300,000</u>	<u>41,356</u>
Operating (Loss)	(300,000)	(41,356)
Nonoperating Revenues		
Investment Income	<u>10,000</u>	<u>28,816</u>
Change in Net Position	<u>\$ (290,000)</u>	(12,540)
Net Position - Beginning		<u>2,492,170</u>
Net Position - Ending		<u>\$ 2,479,630</u>

VILLAGE OF WINNETKA, ILLINOIS

Fleet - Internal Service Fund

Schedule of Revenues, Expenses and Changes in
Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 882,840	\$ 886,651
Operating Expenses		
Administration	43,440	43,440
Operations	807,096	889,070
Depreciation	-	1,359
Total Operating Expenses	<u>850,536</u>	<u>933,869</u>
Operating Income (Loss)	32,304	(47,218)
Nonoperating Revenues		
Investment Income	<u>1,500</u>	<u>1,756</u>
Change in Net Position	<u>\$ 33,804</u>	(45,462)
Net Position - Beginning		<u>198,137</u>
Net Position - Ending		<u>\$ 152,675</u>

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

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

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,643,433	\$ 1,470,147	\$ 3,113,580
Investments			
U.S. Government and Agency Obligations	9,361,021	8,194,502	17,555,523
Equity Securities	7,598,146	7,823,756	15,421,902
Mutual Funds	4,052,137	3,322,888	7,375,025
Receivables			
Accrued Interest	57,279	50,859	108,138
Total Assets	22,712,016	20,862,152	43,574,168
LIABILITIES			
Due to Other Funds	119,458	119,168	238,626
NET POSITION			
Held in Trust for Pension Benefits	\$ 22,592,558	\$ 20,742,984	\$ 43,335,542

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Position
Year Ended March 31, 2013**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 997,534	\$ 1,113,794	\$ 2,111,328
Contributions - Plan Members	228,366	209,519	437,885
Total Contributions	1,225,900	1,323,313	2,549,213
Investment Income			
Interest Earned	274,415	259,999	534,414
Net Change in Fair Value	1,559,552	1,530,173	3,089,725
	1,833,967	1,790,172	3,624,139
Less Investment Expenses	(84,084)	(83,177)	(167,261)
Net Investment Income	1,749,883	1,706,995	3,456,878
Total Additions	2,975,783	3,030,308	6,006,091
Deductions			
Administration	49,145	27,449	76,594
Benefits and Refunds	1,655,783	1,707,170	3,362,953
Total Deductions	1,704,928	1,734,619	3,439,547
Change in Net Position	1,270,855	1,295,689	2,566,544
Net Position - Beginning	21,321,703	19,447,295	40,768,998
Net Position - Ending	\$ 22,592,558	\$ 20,742,984	\$ 43,335,542

VILLAGE OF WINNETKA, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 997,534	\$ 997,534
Contributions - Plan Members	245,000	228,366
Total Contributions	<u>1,242,534</u>	<u>1,225,900</u>
Investment Income		
Interest Earned	1,200,000	274,415
Net Change in Fair Value	-	1,559,552
	<u>1,200,000</u>	<u>1,833,967</u>
Less Investment Expenses	(109,800)	(84,084)
Net Investment Income	<u>1,090,200</u>	<u>1,749,883</u>
Total Additions	<u>2,332,734</u>	<u>2,975,783</u>
Deductions		
Administration	22,050	49,145
Benefits and Refunds	1,600,000	1,655,783
Total Deductions	<u>1,622,050</u>	<u>1,704,928</u>
Change in Net Position	<u>\$ 710,684</u>	1,270,855
Net Position - Beginning		<u>21,321,703</u>
Net Position - Ending		<u>\$ 22,592,558</u>

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
Year Ended March 31, 2013

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,113,794	\$ 1,113,794
Contributions - Plan Members	202,000	209,519
Total Contributions	<u>1,315,794</u>	<u>1,323,313</u>
Investment Income		
Interest Earned	1,100,000	259,999
Net Change in Fair Value	-	1,530,173
	<u>1,100,000</u>	<u>1,790,172</u>
Less Investment Expenses	(105,000)	(83,177)
Net Investment Income	<u>995,000</u>	<u>1,706,995</u>
Total Additions	<u>2,310,794</u>	<u>3,030,308</u>
Deductions		
Administration	16,500	27,449
Benefits and Refunds	1,805,000	1,707,170
Total Deductions	<u>1,821,500</u>	<u>1,734,619</u>
Change in Net Position	<u>\$ 489,294</u>	1,295,689
Net Position - Beginning		<u>19,447,295</u>
Net Position - Ending		<u>\$ 20,742,984</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

**General Obligation Limited Bonds of 1999
March 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
2012	\$ 120,000	\$ 11,822	\$ 131,822	2013	\$ 5,911	2013	\$ 5,911
2013	125,000	6,062	131,062	2014	3,031	2014	3,031
	<u>\$ 245,000</u>	<u>\$ 17,884</u>	<u>\$ 262,884</u>		<u>\$ 8,942</u>		<u>\$ 8,942</u>

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

**General Obligation (Alternate Revenue) Refunding Bonds of 2003
March 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
2012	\$ 320,000	\$ 15,345	\$ 335,345	2013	\$ 10,152	2013	\$ 5,193
2013	335,000	5,193	340,193	2014	5,193		
	<u>\$ 655,000</u>	<u>\$ 20,538</u>	<u>\$ 675,538</u>		<u>\$ 15,345</u>		<u>\$ 5,193</u>

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF WINNETKA, ILLINOIS

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

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

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

	2004	2005	2006	2007
Governmental Activities				
Net Investment in Capital Assets	\$ 37,373,058	\$ 38,504,123	\$ 34,813,126	\$ 32,660,041
Restricted	521,709	2,170,632	1,977,229	2,299,340
Unrestricted	13,772,899	17,980,847	20,963,384	25,799,819
Total Governmental Activities Net Position	51,667,666	58,655,602	57,753,739	60,759,200
Business-Type Activities				
Net Investment in Capital Assets	29,481,194	34,163,800	33,187,015	33,993,299
Restricted	-	-	-	-
Unrestricted	11,751,565	7,472,680	8,063,645	8,603,229
Total Business-Type Activities Net Position	41,232,759	41,636,480	41,250,660	42,596,528
Primary Government				
Net Investment in Capital Assets	66,854,252	72,667,923	68,000,141	66,653,340
Restricted	521,709	2,170,632	1,977,229	2,299,340
Unrestricted	25,524,464	25,453,527	29,027,029	34,403,048
Total Primary Government Net Position	\$ 92,900,425	\$ 100,292,082	\$ 99,004,399	\$ 103,355,728

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2003.

2008	2009	2010	2011	2012	2013
\$ 37,684,272	\$ 38,745,341	\$ 39,588,465	\$ 41,272,890	\$ 44,214,136	\$ 46,280,785
1,802,873	1,761,144	1,707,794	1,860,244	2,185,900	2,627,694
25,152,367	25,891,579	27,129,301	29,281,207	28,439,596	28,949,463
64,639,512	66,398,064	68,425,560	72,414,341	74,839,632	77,857,942
33,747,238	33,408,142	33,579,099	34,387,040	34,871,969	35,212,605
-	-	-	-	-	-
9,867,811	10,347,029	8,957,472	8,391,927	8,465,142	11,784,098
43,615,049	43,755,171	42,536,571	42,778,967	43,337,111	46,996,703
71,431,510	72,153,483	73,167,564	75,659,930	79,086,105	81,493,390
1,802,873	1,761,144	1,707,794	1,860,244	2,185,900	2,627,694
35,020,178	36,238,608	36,086,773	37,673,134	36,904,738	40,733,561
\$ 108,254,561	\$ 110,153,235	\$ 110,962,131	\$ 115,193,308	\$ 118,176,743	\$ 124,854,645

VILLAGE OF WINNETKA, ILLINOIS

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities										
General Government	\$ 3,199,786	\$ 3,473,293	\$ 2,970,398	\$ 3,345,715	\$ 3,347,607	\$ 3,492,415	\$ 2,569,120	\$ 1,628,897	\$ 3,588,121	\$ 3,305,269
Public Safety	7,512,431	8,047,184	8,558,439	9,013,668	9,235,546	10,293,738	10,957,451	10,882,264	10,732,430	11,291,203
Community Development	822,540	1,002,360	1,323,632	1,550,048	1,450,540	1,566,677	1,788,634	1,820,916	1,551,413	2,846,339
Public Works	3,504,270	3,735,971	4,100,796	4,183,995	4,664,528	5,344,087	5,395,988	4,779,063	5,205,126	2,631,500
Interest on Long-Term Debt	373,168	151,242	129,991	115,817	104,650	91,789	79,805	65,255	51,007	26,102
Total Governmental Activities Expenses	15,412,195	16,410,050	17,083,256	18,209,243	18,802,871	20,788,706	20,790,998	19,176,395	21,128,097	20,100,413
Business-Type Activities										
Electric	9,295,746	9,430,634	11,965,426	10,910,399	11,288,590	12,158,948	12,608,750	13,856,192	13,400,738	13,844,657
Water	1,740,165	1,790,463	2,398,154	2,646,584	2,615,963	2,887,512	2,842,671	2,912,047	2,959,737	3,042,665
Refuse	2,125,045	2,161,337	1,801,904	2,522,347	2,611,727	2,627,642	2,808,053	2,350,183	2,239,102	2,317,873
Sewer	420,146	446,114	729,114	798,850	754,435	833,035	769,672	730,361	785,768	810,211
Storm Sewer	-	-	-	-	-	-	-	-	-	4,996
Total Business-Type Activities Expenses	13,581,102	13,828,548	16,894,598	16,878,180	17,270,715	18,507,137	19,029,146	19,848,783	19,385,345	20,020,402
Total Primary Government Expenses	28,993,297	30,238,598	33,977,854	35,087,423	36,073,586	39,295,843	39,820,144	39,025,178	40,513,442	40,120,815
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
Public Safety	243,488	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
Community Development	1,179,305	1,096,653	1,314,929	1,292,643	1,406,431	1,447,418	1,403,968	1,847,844	1,510,667	1,838,889
Public Works	1,338,462	1,760,371	129,000	139,062	119,763	94,228	97,384	160,764	168,891	187,290
Capital Grants/Contributions	-	-	-	-	-	-	-	175,318	111,043	85,341
Operating Grants/Contributions	355,327	4,610,228	437,278	163,391	524,571	155,482	107,452	71,115	53,932	614,646
Total Governmental Activities Program Revenues	3,116,582	7,772,670	5,374,742	5,079,170	5,783,770	5,597,616	5,760,390	6,448,915	6,039,444	6,946,437
Business-Type Activities										
Charges for Services										
Electric	10,251,095	10,649,294	11,893,269	12,034,279	12,483,985	12,999,754	12,836,384	14,998,198	14,570,744	14,959,497
Water	2,708,870	2,592,954	3,215,721	2,615,988	2,892,582	2,790,065	2,818,964	3,164,372	3,150,740	4,138,370
Refuse	537,757	542,440	518,024	516,321	575,813	555,826	522,719	564,064	615,392	531,817
Sewer	608,198	649,763	861,145	728,179	826,343	770,888	720,332	778,004	731,083	954,368
Storm Sewer	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Program Revenues	14,105,920	14,434,451	16,488,159	15,894,767	16,778,723	17,116,533	16,898,399	19,504,638	19,067,959	20,584,052
Total Primary Government Program Revenues	\$ 17,222,502	\$ 22,207,121	\$ 21,862,901	\$ 20,973,937	\$ 22,562,493	\$ 22,714,149	\$ 22,658,789	\$ 25,953,553	\$ 25,107,403	\$ 27,530,489

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Net (Expense) Revenue										
Governmental Activities	\$ (12,295,613)	\$ (8,637,380)	\$ (11,708,514)	\$ (13,130,073)	\$ (13,019,101)	\$ (15,191,090)	\$ (15,030,608)	\$ (12,727,480)	\$ (15,088,653)	\$ (13,153,976)
Business-Type Activities	524,818	605,903	(406,439)	(983,413)	(491,992)	(1,390,604)	(2,130,747)	(344,145)	(317,386)	563,650
Total Primary Government Net Revenue	(11,770,795)	(8,031,477)	(12,114,953)	(14,113,486)	(13,511,093)	(16,581,694)	(17,161,355)	(13,071,625)	(15,406,039)	(12,590,326)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	9,288,471	8,801,437	9,690,954	9,977,130	10,137,924	10,830,205	11,838,012	11,398,782	12,437,894	12,318,740
Telecommunications	1,029,157	845,007	747,739	663,966	733,223	725,308	724,186	666,106	638,596	1,465,846
Natural Gas	226,887	487,218	706,484	639,526	619,871	698,905	462,104	442,334	458,790	295,395
Other	47,846	51,081	59,694	-	-	-	-	-	-	-
Intergovernmental										
Sales Tax	1,326,910	1,382,644	1,450,993	1,543,234	1,503,118	1,300,836	1,183,995	1,231,060	1,321,062	1,397,198
Income Tax	751,594	929,945	943,102	1,034,891	1,142,155	1,175,044	991,336	935,697	979,922	1,091,189
Personal Property Replacement Tax	77,303	127,326	77,906	129,078	156,986	139,324	129,632	137,053	124,253	122,845
Other	-	-	-	417,142	413,140	390,133	377,086	433,162	369,074	417,081
Investment Income	380,512	303,678	631,314	1,210,078	1,397,692	973,020	652,287	464,175	364,513	342,022
Miscellaneous	356,214	810,700	426,979	97,109	102,673	194,107	67,305	140,572	79,240	64,442
Transfers	1,774,358	1,886,280	492,000	423,380	617,260	522,760	632,160	867,320	740,600	(1,342,472)
Total Governmental Activities	15,259,252	15,625,316	15,227,165	16,135,534	16,824,042	16,949,642	17,058,103	16,716,261	17,513,944	16,172,286
Business-Type Activities										
Property Taxes	1,179,283	1,245,044	1,252,966	1,205,671	1,245,497	1,325,471	1,070,059	1,096,342	1,086,582	1,074,565
Investment Income	106,463	86,399	263,461	336,565	411,787	281,010	176,909	113,179	84,272	143,444
Miscellaneous	353,934	352,653	(127,037)	546,051	470,489	447,005	297,339	244,340	454,527	535,461
Transfers	(1,774,358)	(1,886,278)	(492,000)	(423,380)	(617,260)	(522,760)	(632,160)	(867,320)	(740,600)	1,342,472
Total Business-Type Activities	(134,678)	(202,182)	897,390	1,664,907	1,510,513	1,530,726	912,147	586,541	884,781	3,095,942
Total Primary Government	15,124,574	15,423,134	16,124,555	17,800,441	18,334,555	18,480,368	17,970,250	17,302,802	18,398,725	19,268,228
Changes in Net Position										
Governmental Activities	2,963,639	6,987,936	3,518,651	3,005,461	3,804,941	1,758,552	2,027,495	3,988,781	2,425,291	3,018,310
Business-Type Activities	390,140	403,721	490,951	681,494	1,018,521	140,122	(1,218,600)	242,396	567,395	3,659,592
Total Primary Government	\$ 3,353,779	\$ 7,391,657	\$ 4,009,602	\$ 3,686,955	\$ 4,823,462	\$ 1,898,674	\$ 808,895	\$ 4,231,177	\$ 2,992,686	\$ 6,677,902

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

VILLAGE OF WINNETKA, ILLINOIS

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

	2004	2005	2006	2007
General Fund				
Reserved	\$ 203,176	\$ 163,295	\$ 65,468	\$ 71,098
Unreserved	12,211,446	14,478,744	16,745,798	18,612,927
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	12,414,622	14,642,039	16,811,266	18,684,025
All Other Governmental Funds				
Reserved	318,533	293,736	1,976,513	2,278,055
Unreserved, Reported in:				
Special Revenues Funds	(1,518,315)	1,723,600	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	-	515,462	1,035,625	1,029,541
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	(1,199,782)	2,532,798	3,012,138	3,307,596
Total Governmental Funds	\$ 11,214,840	\$ 17,174,837	\$ 19,823,404	\$ 21,991,621

Data Source: Village Records

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

2008	2009	2010	2011	2012	2013
\$ 77,816	\$ 86,844	\$ 74,129	\$ -	\$ -	\$ -
16,530,669	17,908,679	21,251,060	-	-	-
-	-	-	-	1,979	268
-	-	-	72,672	84,846	69,660
-	-	-	22,276,610	24,298,449	25,231,521
16,608,485	17,995,523	21,325,189	22,349,282	24,385,274	25,301,449
14,769,479	1,713,163	1,666,725	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,351,498	5,561,377	3,191,571	-	-	-
-	-	-	1,814,587	2,121,696	2,561,975
-	-	-	2,627,027	482,019	394,663
-	-	-	-	-	(193,267)
20,120,977	7,274,540	4,858,296	4,441,614	2,603,715	2,763,371
\$ 36,729,462	\$ 25,270,063	\$ 26,183,485	\$ 26,790,896	\$ 26,988,989	\$ 28,064,820

VILLAGE OF WINNETKA, ILLINOIS

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

Source	2004	2005	2006	2007
Taxes	\$ 9,515,358	\$ 9,632,355	\$ 11,145,177	\$ 11,280,622
Licenses and Permits	1,581,950	2,065,789	1,748,642	1,731,017
Intergovernmental	2,240,156	2,541,299	2,942,358	3,287,736
Operating Grants	355,327	360,228	*	*
Charges for Services	948,507	905,492	3,029,324	3,002,103
Fines and Forfeits	230,798	191,161	186,113	182,659
Investment Income	340,805	238,630	631,314	979,504
Miscellaneous	1,348,868	1,262,064	426,979	97,109
Total	<u>\$ 16,561,769</u>	<u>\$ 17,197,018</u>	<u>\$ 20,109,907</u>	<u>\$ 20,560,750</u>

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

* Included in Public Safety Function

Data Source: Village Records

2008	2009	2010	2011	2012	2013
\$ 11,491,018	\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280	\$ 14,079,981
1,815,270	1,829,281	1,815,124	2,329,913	2,003,172	2,378,429
3,739,970	3,160,819	2,789,501	2,983,405	2,959,286	3,728,300
*	*	*	*	*	*
3,234,434	3,352,175	3,559,413	3,660,154	3,656,488	3,652,741
209,495	260,678	278,401	212,415	214,809	215,280
1,079,292	766,214	498,515	326,643	271,790	260,413
102,673	194,107	67,305	140,572	79,240	64,442
<u>\$ 21,672,152</u>	<u>\$ 21,817,692</u>	<u>\$ 22,032,561</u>	<u>\$ 22,160,324</u>	<u>\$ 22,720,065</u>	<u>\$ 24,379,586</u>

VILLAGE OF WINNETKA, ILLINOIS

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

Function	2004	2005	2006	2007
General Government	\$ 2,700,572	\$ 2,642,304	\$ 2,607,429	\$ 2,445,123
Public Safety	7,715,496	8,014,207	8,495,269	9,564,301
Community Development	965,314	1,024,430	1,360,348	1,543,856
Public Works	4,264,381	4,460,149	4,775,555	4,734,072
Capital Outlay	3,258,539	750,209	26,212	57,140
Debt Service				
Principal	200,000	400,000	340,000	350,000
Interest and Fiscal Charges	373,168	151,242	135,140	121,421
Total Expenditures	<u>\$ 19,477,470</u>	<u>\$ 17,442,541</u>	<u>\$ 17,739,953</u>	<u>\$ 18,815,913</u>

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

Data Source: Village Records

2008	2009	2010	2011	2012	2013
\$ 3,133,590	\$ 2,724,881	\$ 2,935,744	\$ 3,160,342	\$ 2,738,434	\$ 3,001,449
9,592,638	10,031,367	10,512,961	11,073,179	10,433,116	11,024,520
1,441,721	1,557,858	1,779,641	1,813,451	1,542,096	1,587,389
5,914,084	5,954,959	5,863,861	4,973,356	5,179,881	4,979,279
4,497	68,438	193,484	788,605	2,901,665	905,843
355,000	365,000	380,000	390,000	410,000	420,000
110,041	97,348	85,608	71,300	57,380	42,803
<u>\$ 20,551,571</u>	<u>\$ 20,799,851</u>	<u>\$ 21,751,299</u>	<u>\$ 22,270,233</u>	<u>\$ 23,262,572</u>	<u>\$ 21,961,283</u>

VILLAGE OF WINNETKA, ILLINOIS

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

	2004	2005	2006	2007
Revenues				
Taxes	\$ 9,515,358	\$ 9,632,355	\$ 11,145,177	\$ 11,280,622
Licenses and Permits	1,581,950	2,065,789	1,748,642	1,731,017
Intergovernmental	2,240,156	2,541,299	2,942,358	3,287,736
Operating Grants	355,327	360,228	*	*
Charges for Services and Fees	948,507	905,492	3,029,324	3,002,103
Fines and Forfeits	230,798	191,161	186,113	182,659
Investment Income	340,805	238,630	631,314	979,504
Miscellaneous	1,348,868	1,262,064	426,979	97,109
Total Revenues	16,561,769	17,197,018	20,109,907	20,560,750
Expenditures				
General Government	2,700,572	2,642,304	2,607,429	2,445,123
Public Safety	7,715,496	8,014,207	8,495,269	9,564,301
Community Development	965,314	1,024,430	1,360,348	1,543,856
Public Works	4,264,381	4,460,149	4,775,555	4,734,072
Capital Outlay	3,258,539	750,209	26,212	57,140
Debt Service				
Principal	200,000	400,000	340,000	350,000
Interest and Fiscal Charges	373,168	151,242	135,140	121,421
Total Expenditures	19,477,470	17,442,541	17,739,953	18,815,913
Excess of Revenues Over (Under) Expenditures	(2,915,701)	(245,523)	2,369,954	1,744,837
Other Financing Sources (Uses)				
Capital Contribution	-	4,250,000	-	-
Transfers In	1,964,358	2,080,880	1,687,800	1,922,605
Transfers Out	(125,000)	(125,000)	(1,195,800)	(1,499,225)
Total Other Financing Sources (Uses)	1,839,358	6,205,880	492,000	423,380
Net Change in Fund Balances	\$ (1,076,343)	\$ 5,960,357	\$ 2,861,954	\$ 2,168,217
Debt Service as a Percentage of Noncapital Expenditures	3.53%	3.30%	2.68%	2.85%

* Included in Public Safety Function

Data Source: Village Records

2008	2009	2010	2011	2012	2013
\$ 11,491,018	\$ 12,254,418	\$ 13,024,302	\$ 12,507,222	\$ 13,535,280	\$ 14,079,981
1,815,270	1,829,281	1,815,124	2,329,913	2,003,172	2,378,429
3,739,970	3,160,819	2,789,501	2,983,405	2,959,286	3,728,300
*	*	*	*	*	*
3,234,434	3,352,175	3,559,413	3,660,154	3,656,488	3,652,741
209,495	260,678	278,401	212,415	214,809	215,280
1,079,292	766,214	498,515	326,643	271,790	260,413
102,673	194,107	67,305	140,572	79,240	64,442
21,672,152	21,817,692	22,032,561	22,160,324	22,720,065	24,379,586
3,133,590	2,724,881	2,935,744	3,160,342	2,738,434	3,001,449
9,592,638	10,031,367	10,512,961	11,073,179	10,433,116	11,024,520
1,441,721	1,557,858	1,779,641	1,813,451	1,542,096	1,587,389
5,914,084	5,954,959	5,863,861	4,973,356	5,179,881	4,979,279
4,497	68,438	193,484	788,605	2,901,665	905,843
355,000	365,000	380,000	390,000	410,000	420,000
110,041	97,348	85,608	71,300	57,380	42,803
20,551,571	20,799,851	21,751,299	22,270,233	23,262,572	21,961,283
1,120,581	1,017,841	281,262	(109,909)	(542,507)	2,418,303
-	-	-	-	-	-
5,751,960	1,759,160	3,778,842	2,081,380	2,380,360	2,447,833
(5,134,700)	(1,236,400)	(3,146,682)	(1,364,060)	(1,639,760)	(3,790,305)
617,260	522,760	632,160	717,320	740,600	(1,342,472)
\$ 1,737,841	\$ 1,540,601	\$ 913,422	\$ 607,411	\$ 198,093	\$ 1,075,831
2.63%	2.50%	2.36%	2.37%	2.44%	2.48%

VILLAGE OF WINNETKA, ILLINOIS

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

Tax Levy Year	Residential Property	Commercial Property
2003	\$ 803,489,644	\$ 51,549,777
2004	1,056,937,074	59,857,051
2005	1,127,591,329	63,669,610
2006	1,136,516,914	61,840,702
2007	1,593,445,073	74,717,663
2008	1,687,972,130	75,156,391
2009	1,794,991,734	72,103,545
2010	1,527,772,751	71,278,854
2011	1,374,421,539	59,890,282
2012	N/A	N/A

N/A - Currently Not Available

Data Source: Cook County Clerk

	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$	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
	N/A	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
March 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 Year and Nine Years Ago
 March 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
March 31, 2013 (Unaudited)**

Fiscal Year Ended March 31	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2003	\$ 10,048,189	\$ 10,030,697	99.83%	\$ (11,289)	\$ 10,019,408	99.71%
2005	2004	10,505,915	10,337,145	98.39%	23,886	10,361,031	98.62%
2006	2005	10,969,000	10,936,819	99.71%	N/A	10,936,819	99.71%
2007	2006	11,435,181	11,301,039	98.83%	N/A	11,301,039	98.83%
2008	2007	11,966,028	11,910,130	99.53%	N/A	11,910,130	99.53%
2009	2008	12,535,304	12,046,185	96.10%	N/A	12,046,185	96.10%
2010	2009	12,748,404	12,570,984	98.61%	N/A	12,570,984	98.61%
2011	2010	13,105,359	12,932,664	98.68%	N/A	12,932,664	98.68%
2012	2011	13,465,786	13,341,410	99.08%	N/A	13,341,410	99.08%
2013	2012	13,472,400	7,372,363	54.72%	N/A	7,372,363	54.72%

Note: Levy year 2012 collections represent the first installment (partial) only.

N/A - Currently Not Available

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
March 31, 2013 (Unaudited)**

Fiscal Year Ended March 31	<u>Governmental Activities</u> General Obligation Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
2004	\$ 3,910,000	\$ 3,910,000	2.33%	\$ 314.84
2005	3,910,000	3,910,000	2.33%	314.84
2006	3,570,000	3,570,000	2.13%	287.46
2007	3,220,000	3,220,000	1.92%	259.28
2008	2,865,000	2,865,000	1.71%	230.69
2009	2,500,000	2,500,000	1.49%	201.30
2010	2,120,000	2,120,000	1.27%	170.71
2011	1,730,000	1,730,000	1.03%	139.30
2012	1,320,000	1,320,000	0.63%	106.29
2013	900,000	900,000	0.43%	72.76

N/A - Currently Not Available

Data Source: Village's Records

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

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

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
March 31, 2013 (Unaudited)**

Fiscal Year Ended March 31	Gross General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Equalized Assessed Value	Per Capita (1)
2004	\$ 3,910,000	\$ 202,082	\$ 3,707,918	0.43%	\$ 298.57
2005	3,910,000	230,347	3,679,653	0.33%	296.29
2006	3,570,000	240,652	3,329,348	0.28%	268.09
2007	3,220,000	273,130	2,946,870	0.24%	237.29
2008	2,865,000	285,790	2,579,210	0.15%	207.68
2009	2,500,000	308,315	2,191,685	0.12%	176.48
2010	2,120,000	330,709	1,789,291	0.10%	144.08
2011	1,730,000	345,512	1,384,488	0.09%	111.48
2012	1,320,000	362,824	957,176	0.07%	77.07
2013	900,000	389,638	510,362	0.04%	41.26

N/A - Currently Not Available

Data Source: Village Records

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

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

VILLAGE OF WINNETKA, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
March 31, 2013 (Unaudited)**

Governmental Unit	(1) Gross Debt	(2) Percentage to Debt Applicable to Village	(3) Village's Share of Debt
Village of Winnetka	\$ 900,000	100.00%	\$ 900,000
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	\$ 6,109,583,678		\$ 118,119,144

(1) The 2012 information is not available as of the date of this report. 2011 data shown.

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

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

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

**Schedule of Legal Debt Margin
March 31, 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 March 31, 2013 (Unaudited)

Fiscal Year Ended March 31	Property and Sales Tax Revenues	Principal	Interest	Coverage
2004	\$ 11,871,967	\$ 200,000	\$ 373,168	20.71
2005	11,556,451	400,000	148,370	21.07
2006	12,472,819	340,000	134,104	26.31
2007	12,855,113	350,000	121,421	27.27
2008	13,043,525	355,000	110,041	28.05
2009	13,595,836	365,000	97,348	29.41
2010	14,221,698	380,000	85,608	30.54
2011	13,863,237	390,000	71,300	30.05
2012	14,969,791	410,000	57,380	32.03
2013	13,715,938	420,000	42,803	29.64

Data Source: Village Records

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

VILLAGE OF WINNETKA, ILLINOIS

**Demographic and Economic Statistics - Last Ten Fiscal Years
March 31, 2013 (Unaudited)**

Fiscal Year Ended March 31	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
2004	12,419	\$ 167,458	\$ 84,134	39.8	4,527	0.8%
2005	12,419	167,458	84,134	39.8	4,527	0.8%
2006	12,419	167,458	84,134	39.8	4,527	0.8%
2007	12,419	167,458	84,134	39.8	4,527	0.8%
2008	12,419	167,458	84,134	39.8	4,527	0.8%
2009	12,419	167,458	84,134	39.8	4,527	0.8%
2010	12,419	167,458	84,134	39.8	4,527	0.8%
2011	12,419	167,458	84,134	39.8	4,527	0.8%
2012	12,419	207,955	104,440	42.8	4,453	3.5%
2013	12,370	208,750	102,867	42.8	4,453	3.5%

Data Sources

(1) U.S. Department of Commerce, Bureau of the Census

(2) Data provided by School District Administrative Offices

VILLAGE OF WINNETKA, ILLINOIS

**Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago
March 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
March 31, 2013 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

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

Function	2004	2005	2006	2007
General Government				
Administration	5	5	5	5
Finance	16	16	16	15
Public Works	22	22	22	22
Police	38	38	37	37
Fire	25	24	24	25
Community Development	9	10	10	10
Water	8	7	7	7
Sewer	4	4	4	4
Electric	32	29	29	27
Refuse	9	9	9	10
Total	168	164	163	162

Data Source: Village Records

2008	2009	2010	2011	2012	2013
5	5	5.0	5.0	5.0	5.0
15	15	15.0	14.0	14.0	14.0
22	20	19.5	18.5	18.0	18.0
37	37	37.0	36.0	36.0	36.0
25	25	25.0	25.0	25.0	25.0
10	10	10.0	10.0	10.0	10.0
7	7	7.0	7.0	7.0	7.0
4	4	4.0	4.0	3.5	3.5
27	27	26.5	26.5	26.3	26.3
10	10	10.0	7.0	7.0	7.0
162	160	159.0	153.0	151.8	151.8

VILLAGE OF WINNETKA, ILLINOIS

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

Function/Program	2004	2005	2006	2007
Public Works				
Forestry				
Number of Parkway Trees Planted	265	298	145	363
Fleet Services				
Number of Vehicles Maintained	136	136	136	136
Preventative Maintenance Services	400	406	420	264
Public Safety				
Fire				
Calls for Service	2,327	2,397	2,354	2,565
Number of Training Hours	8,253	6,143	7,289	7,324
ISO Rating	4	4	4	4
Police				
Part I Crime	188	160	136	124
Part II Crime	523	543	417	225
Calls for Service	10,926	11,458	10,224	10,452
State Tickets Issued	3,054	3,234	4,849	3,579
Compliance Tickets Issued	404	127	364	463
Community Development				
Number of Building Permits Issued	1,329	1,496	1,473	1,364
Number of Building Inspections	7,088	5,077	4,072	3,910
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	13,850	26,500	17,500	17,500
Annual Resurfacing Program (\$)	717,587	609,228	787,905	950,565
Water and Sewer				
Water Meters Read	37,500	37,500	37,500	37,500
Total Distribution Pumpage (1,000 Gallons)	1,279,473	1,166,409	1,326,804	1,162,627
Sanitary Sewer Repairs	10	15	12	20

N/A - Currently Not Available

Data Source: Village Records

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

2008	2009	2010	2011	2012	2013
375	500	252	315	300	297
136	136	136	136	136	136
340	N/A	N/A	N/A	N/A	N/A
2,521	2,500	2,230	2,200	2,250	2,250
6,930	7,300	7,009	6,500	7,000	7,000
4	4	4	4	4	4
127	172	158	134	N/A	N/A
143	139	174	154	N/A	N/A
8,824	8,326	8,393	7,908	N/A	N/A
3,551	3,653	3,468	2,658	N/A	N/A
466	428	356	306	N/A	N/A
895	777	936	1,030	N/A	N/A
2,975	2,225	2,450	2,348	N/A	N/A
17,650	20,410	33,299	25,000	25,000	25,377
1,004,945	950,000	1,000,000	1,100,000	1,150,000	1,150,000
37,500	37,500	37,500	37,500	37,500	37,500
1,284,583	1,253,601	1,286,670	1,279,192	1,113,878	1,290,813
5	12	24	14	14	12

VILLAGE OF WINNETKA, ILLINOIS

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

Function/Program	2004	2005	2006	2007
Police				
Stations	1	1	1	1
Patrol Units	14	14	14	14
Fire Stations	1	1	1	1
Public Works				
Streets (Miles)	52	52	52	52
Sidewalks (Miles)	80	80	80	80
Streetlights	867	867	867	867
Water and Sewer				
Water Mains (Miles)	67	67	67	67
Fire Hydrants	582	582	582	582
Sanitary Sewers (Miles)	47	47	47	47

Data Source: Village Records

2008	2009	2010	2011	2012	2013
1	1	1	1	1	1
14	14	14	14	14	14
1	1	1	1	1	1
52	52	52	52	52	52
80	80	80	80	80	80
867	867	867	867	867	867
67	67	67	67	67	67
582	582	582	582	582	582
47	47	47	47	47	47