

VILLAGE OF WINNETKA,
ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL
REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

VILLAGE OF WINNETKA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

Prepared by:
Finance Department

VILLAGE OF WINNETKA, ILLINOIS

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INTRODUCTORY SECTION

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

VILLAGE OF WINNETKA, ILLINOIS

List of Principal Officials
December 31, 2014

LEGISLATIVE

E. Gene Greable, Village President

Arthur Braun, Trustee

Carol Fessler, Trustee

Richard Kates, Trustee

William Krucks, Trustee

Stuart McCrary, Trustee

Marilyn Prodromos, Trustee

ADMINISTRATIVE

Robert M. Bahan, Village Manager

Edward F. McKee, Jr., Finance Director

Steven Saunders, Director of Public Works

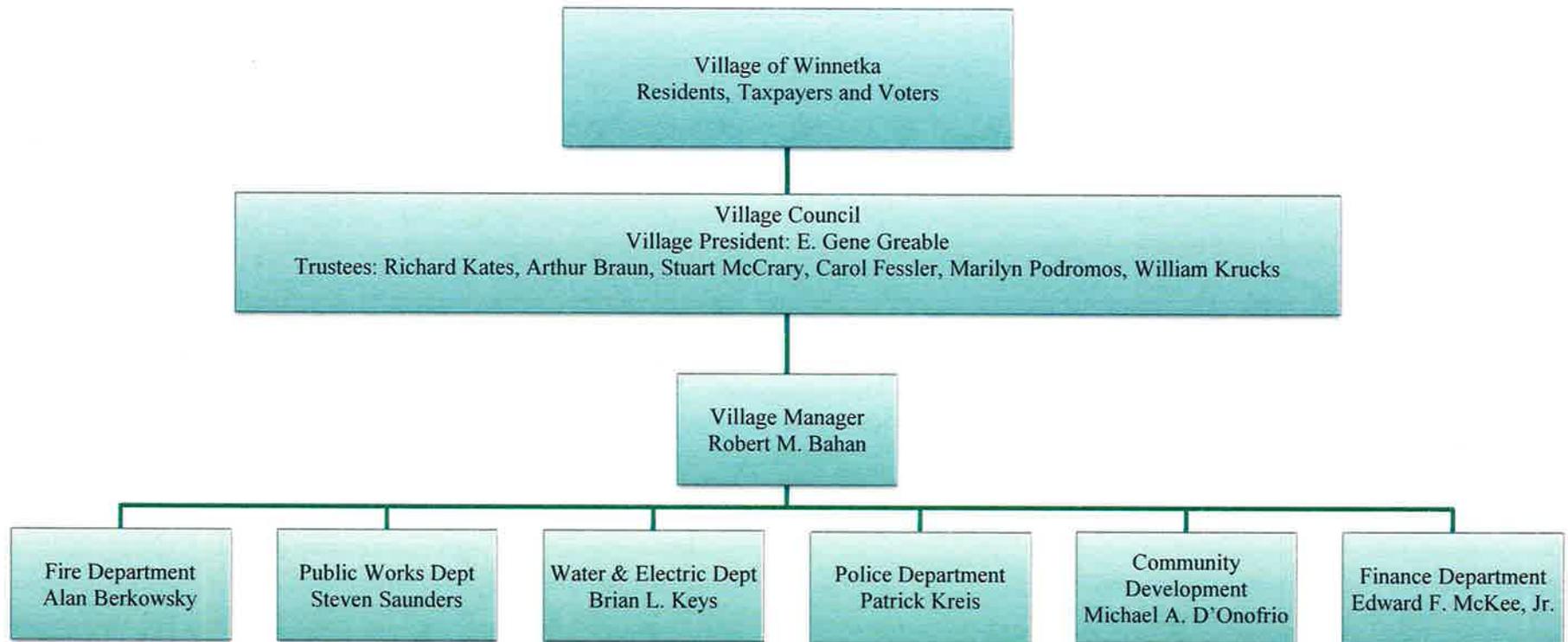
Brian L. Keys, Director of Water & Electric

Alan J. Berkowsky, Fire Chief

Patrick J. Kreis, Chief of Police

Michael A. D'Onofrio, Director of Community Development

Winnetka Village Government





VILLAGE · OF · WINNETKA

Incorporated in 1869

May 18, 2015

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

The Comprehensive Annual Financial Report (CAFR) of the Village of Winnetka, Illinois for the fiscal year ended December 31, 2014 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 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 \$100,440. The Village obtained a Aaa bond rating from Moody's Investors Service in 1989 on General Obligation debt issued. At that time, the Village was only one of three communities having a Aaa bond rating within the State of Illinois based solely upon the merits of the Community. Moody's has reaffirmed this rating on several occasions, most recently in November 2013 when \$9,000,000 of bonds were issued and January 2014 when \$7,500,000 of bonds were issued to finance Stormwater sewer capital projects.

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

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

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

Accounting System and Budgetary Control

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

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

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

Economic Condition and Outlook

The Village of Winnetka is primarily a residential community. The real estate property tax provided 47% of General Fund revenues for the year ending December 2014. The three business/commercial areas have good occupancy rates but had experienced some weakness in past years related to the overall economy. Intergovernmental revenues have increased in the current year. Sales tax revenues for this fiscal year totaled \$1,589,475. Last year the Village had a shortened nine month fiscal year. Sales tax for that nine month period totaled \$1,190,192, about 75% of the 2014 sales tax, indicating that revenue has remained the same. Income tax revenue has remained steady compared to the nine months last year. Lower interest rates have decreased the investment income in the current year. The Village does maintain sufficient cash balances to buffer unexpected items.

The Village utilizes a 5 year capital plan to identify and prioritize current and future capital expenses. The Village maintains its infrastructure through routine capital projects paid from current budget revenues. For some large projects such as Village facilities and downtown redevelopment, the Village has used cash reserves. The Village has issued \$16,500,000 in General Obligation Bonds to fund a large Stormwater project.

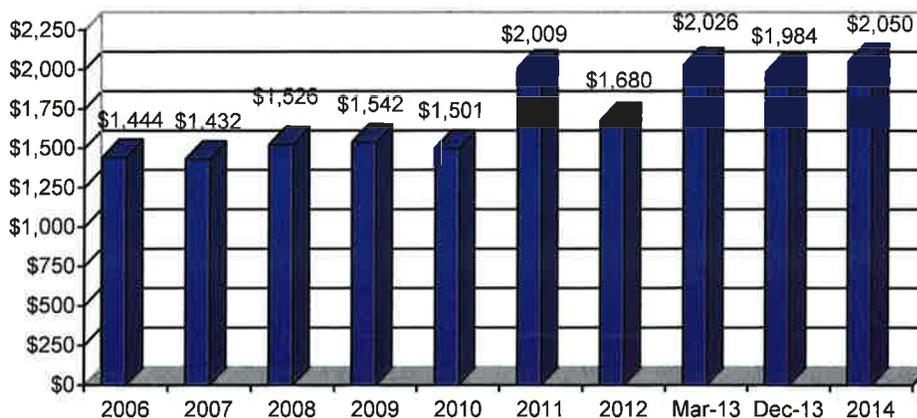
The Village continues to carefully evaluate productivity and changes in service levels to maintain or lower the tax burden on the residents of the Village. The Village, although home rule, continues to operate within non-home rule tax caps. The Village has decreased the number of full time employees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

The Village property taxes account for only 12.5% of the total property tax burden for most 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. December 2013 was a nine month fiscal year.

Permit Revenues by Fiscal Year (in thousands of dollars)



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

Fund Balances

The Fund balance for the General Fund had increased in the last few years. In the fiscal year ended March 2013, \$2,200,000 was transferred to the Storm Sewer Fund and \$700,000 was transferred to the Facilities Fund. In fiscal year December 2013 an additional \$6,000,000 was transferred to the Storm Sewer Fund. Revenues held up well and expenditures were lower than projected primarily because a few discretionary capital projects were deferred.

General Fund Balances			
(in millions of dollars)			
Year	Unassigned Fund Balance	Budgeted Expenditures	Unassigned Fund Balance as a Percentage of Budgeted Expenditures
2008	\$16.53	\$21.81	75.8%
2009	\$17.91	\$20.98	85.4%
2010	\$21.25	\$22.04	96.4%
2011	\$22.28	\$22.93	97.2%
2012	\$24.30	\$21.53	112.9%
Mar 2013	\$25.30	\$22.33	113.4%
Dec 2013*	\$16.85	\$22.28	75.6%
2014	\$18.17	\$22.97	79.1%

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

Enterprise Funds

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

Electric rates were kept the same in the current year and the purchased power recovery adjustment was also kept at zero in the current year.

The retail water rate was increased 4%, primarily to fund capital improvements at the water plant on Lake Michigan. Sewer rates were increased 10% to fund sewer repairs.

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 revenues allows residents to receive weekly refuse and recycling services without a separate bill for those services.

The Village began charging residents for storm water sewer in July 2014. The rate is \$21.83 per ERU, Equivalent Run-Off Unit, per month. The ERU per property was calculated by an outside engineering firm.

Comparative operating information for the five utilities for December 31, 2014 and the nine months ended December 31, 2013 are presented below. The Budget amounts are for a full twelve month period. The electric rates shown are an average of summer and winter rates.

Utility Operating Results in Thousands of Dollars For December 2014 and 2013				
	2014 Budget	2014 Actual	% Change	2013 Actual*
Electric				
Rate Per Kwh	\$0.12	\$0.12	0.0%	\$0.12
Operating	\$15,343	\$14,737	33.6%	\$11,031
Operating	<u>\$14,866</u>	<u>\$14,597</u>	25.2%	<u>\$11,663</u>
Operating Income	\$477	\$140		(\$632)
Water				
Rate Per 1,000 Cft.	\$32.83	\$32.83	4.0%	\$31.57
Operating	\$3,936	\$3,457	11.5%	\$3,100
Operating	<u>\$3,193</u>	<u>\$3,068</u>	28.3%	<u>\$2,392</u>
Operating Income	\$743	\$389		\$708
Refuse				
Operating	\$535	\$536	35.7%	\$395
Operating	<u>\$2,403</u>	<u>\$2,455</u>	33.6%	<u>\$1,838</u>
Operating (loss)	(\$1,868)	(1,919)		(1,443)
Sanitary Sewer				
Rate Per 1,000 Cft.	\$12.56	\$12.56	10.0%	\$11.42
Operating	\$1,069	\$874	12.6%	\$776
Operating	<u>\$873</u>	<u>\$663</u>	2.6%	<u>\$646</u>
Operating Income	\$196	\$211		\$130
Storm Sewer				
Rate Per ERU	\$21.83	\$21.83	N/A	N/A
Operating	\$870	\$941	N/A	N/A
Operating	<u>\$488</u>	<u>\$409</u>	N/A	<u>N/A</u>
Operating Income	\$382	\$532		N/A

*Nine month fiscal year

Electric operating expenses for December 2014 are 25.2% higher which is expected with a twelve month fiscal year compared to a nine month fiscal year. Total operating expenses were 98% of budget.

Water revenue only increased 11.5% from the prior nine month sales. Unit sales decreased but the rate increased 4% for residential customers. Expenses increased 28.3% from the prior nine month year, in line with what would be expected. Revenues were 87.8% of the budget while expenses were 96.1% of budget.

Refuse revenues and expenditures were both up from last year but in line with the budget. There are no noteworthy variances.

Sanitary Sewer revenues are generated by a charge assessed from water use. Sewer revenues decreased because of the decrease in water sales but was somewhat offset by a 10% increase in the sewer charge. Sewer fund revenues were 81.8% and expenses were 75.9% of the twelve month budget.

Stormwater Sewer revenues were higher than budget due to the number of ERU's billed. Expenses were in line with the budget.

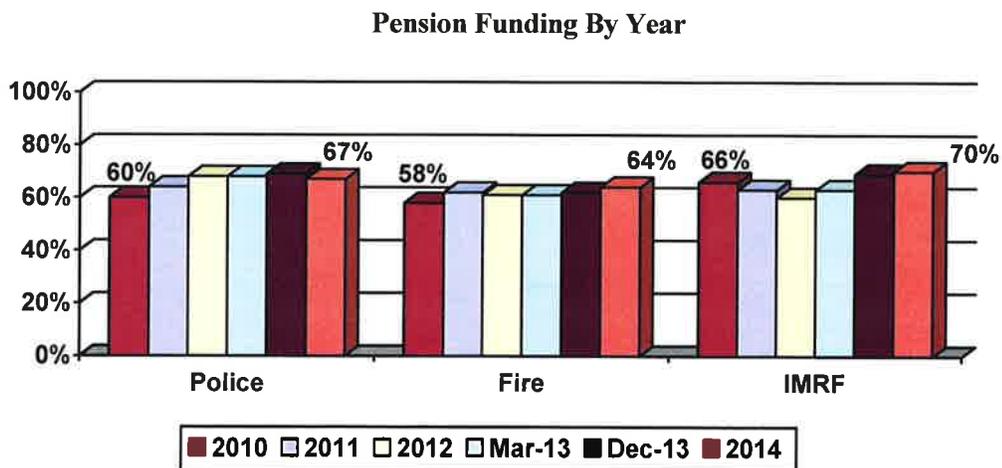
Pension Trust Funds

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

The IMRF pension plan uses 5 year asset smoothing while the police and fire pension funds utilize market value for assets.

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

The funding ratio from March 2010 to December 2014 is shown below:



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 2014. The auditors' report, general purpose financial statements, and the combining and individual fund statements and schedules are included in the financial section of this report.

Acknowledgments

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

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

Respectfully Submitted,



Edward F. McKee, Jr.
Finance Director



Government Finance Officers Association

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

Presented to

**Village of Winnetka
Illinois**

For its Comprehensive Annual
Financial Report
for the Nine Months Ended

December 31, 2013

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

May 18, 2015

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of December 31, 2014, 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

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Winnetka, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and budgetary comparison 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 budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S
DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

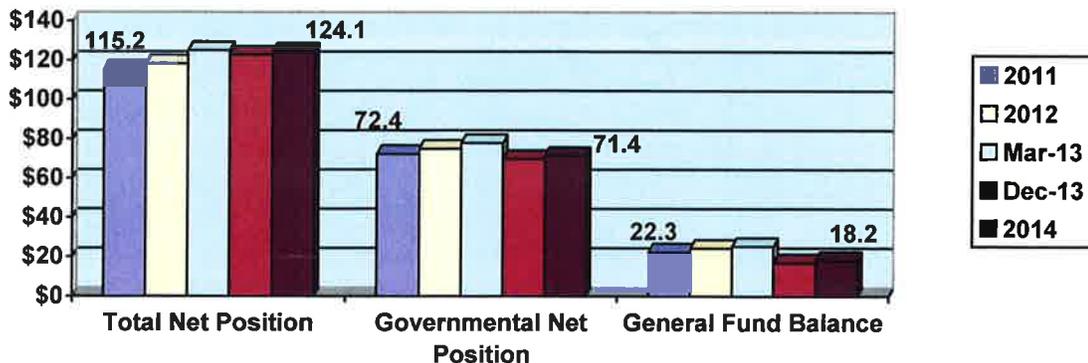
The Village of Winnetka implemented Governmental Accounting Standards Board (GASB) Statements 43 and 45 in fiscal 2007. These Statements require that post employment benefit costs be captured and reported in the financial statements, much like the pension obligations. While the Village does not pay any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

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

The management discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify the Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds. Readers are encouraged to review the additional information furnished in the transmittal letter that starts on page vii of this report.

FINANCIAL HIGHLIGHTS

The Village changed to a calendar fiscal year last year. To transition to the calendar year the prior year was a nine month period ending December 31, 2013. Below is a graph showing the growth of the Village's total net position, governmental net position, and unassigned general fund balance for the last five years (in millions of dollars) reflecting the overall strong financial performance of the Village and investment in infrastructure.



The Village's total net position increased \$1.4 million dollars from \$122.7 million to \$124.1 million in the fiscal year ended December 2014. Some revenues, such as property tax, that were more affected by the short fiscal year last year have normalized in the current year. The Village issued \$7,500,000 in General Obligation Bonds during the year for stormwater capital projects. The General Fund \$18.1 million unassigned fund balance is 79.1% of annual budgeted expenditures.

REPORTING THE VILLAGE AS A WHOLE

Government-wide Financial Statements

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

The first government-wide statement is the *Statement of Net 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)

	Dec-14		Dec-13		Dec-14	Dec-13
	Governmental Activities	Business Type Activities	Governmental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
Current & Other Assets	\$45.0	\$34.1	\$44.1	\$29.8	\$79.1	\$73.9
Capital Assets	48.8	38.1	47.7	35.3	86.9	83.0
Total Assets	93.8	72.2	91.8	65.1	166.0	156.9
Current Liabilities/Deferred Inflows	17.3	2.3	17.7	1.8	19.6	19.5
Long-Term Liabilities	5.1	17.3	4.3	10.4	22.4	14.7
Total Liabilities/Deferred Inflows	22.4	19.6	22.0	12.2	42.0	34.2
<u>Net Position</u>						
Investment in Capital						
Assets, net of Debt	48.8	35.4	47.3	35.4	84.2	82.7
Restricted	2.1		2.0		2.1	2.0
Unrestricted	20.5	17.3	20.5	17.5	37.8	38.0
Total Net Position	\$71.4	\$52.7	\$69.8	\$52.9	\$124.1	\$122.7

Government-wide net position increased due to revenues exceeding the budget while expenses were less than budgeted. Last year was a shortened nine month fiscal year, which impacted some revenues, such as property tax, and led to a decrease in the Government-wide net position. The Village adopts a conservative revenue budget in most areas, especially where there is less certainty, such as in building permit revenues.

Operating expenses were in line with the budget but capital spending was less than the budgeted amount. The Village issued \$7,500,000 in bonds in 2014 to fund Stormwater capital projects.

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

STATEMENT OF ACTIVITIES
(in millions of dollars)

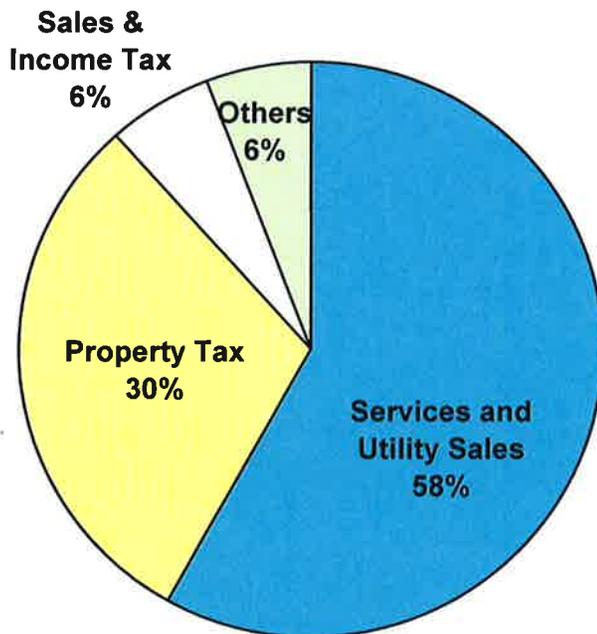
	Dec-14		Dec-13		Dec-14	Dec-13
	Govern- mental Activities	Business Type Activities	Govern- mental Activities	Business Type Activities	Total Primary Gov't	Total Primary Gov't
Revenue:						
Program Revenues:						
Charges for Services	\$6.4	\$20.6	\$5.1	\$15.3	\$27.0	\$20.4
Operating Grants	0.0	0.1	0.1		0.1	0.1
Capital Grants			0.1		0.0	0.1
General Revenues:						
Property Taxes	12.9	1.1	6.1	1.1	14.0	7.2
Sales Taxes	1.6		1.2		1.6	1.2
Investment Income	0.0	0.0	0.1	0.1	0.0	0.2
Others	3.1	0.6	2.1	0.6	3.7	2.7
Total Revenues	24.0	22.4	14.8	17.1	46.4	31.9
Expenses:						
General Government	3.9		2.9		3.9	2.9
Public Safety	12.3		9.2		12.3	9.2
Community Development	1.7		1.3		1.7	1.3
Public Works	5.2		4.1		5.2	4.1
Electric		14.6		11.6	14.6	14.6
Water		3.1		2.4	3.1	3.1
Sewer		2.5		0.7	2.5	2.5
Refuse		1.1		1.8	1.1	1.1
Storm Sewer		0.6		0.1	0.6	0.6
Total Expenses	23.1	21.9	17.5	16.6	45.0	34.1
Increase (decrease) in net position before transfers	0.9	0.5	-2.7	0.5	1.4	-2.2
Transfers	0.7	-0.7	-5.4	5.4	0.0	0.0
Increase (decrease) in net position	1.6	-0.2	-8.1	5.9	1.4	-2.2
Net Position – Beginning	69.8	52.9	77.9	47.0	122.7	124.9
Net Position – Ending	\$71.4	\$52.7	\$69.8	\$52.9	\$124.1	\$122.7

Total revenues of \$46.4 million were more than expenses of \$45.0 million, increasing net position by \$1.4 million. Last year was a shortened nine month fiscal year, which impacted some Governmental revenues such as property tax, where less revenue was recognized. In the current year Governmental revenues were more than budgeted, such as permits and sales tax, thus resulting in an increase of \$1.6

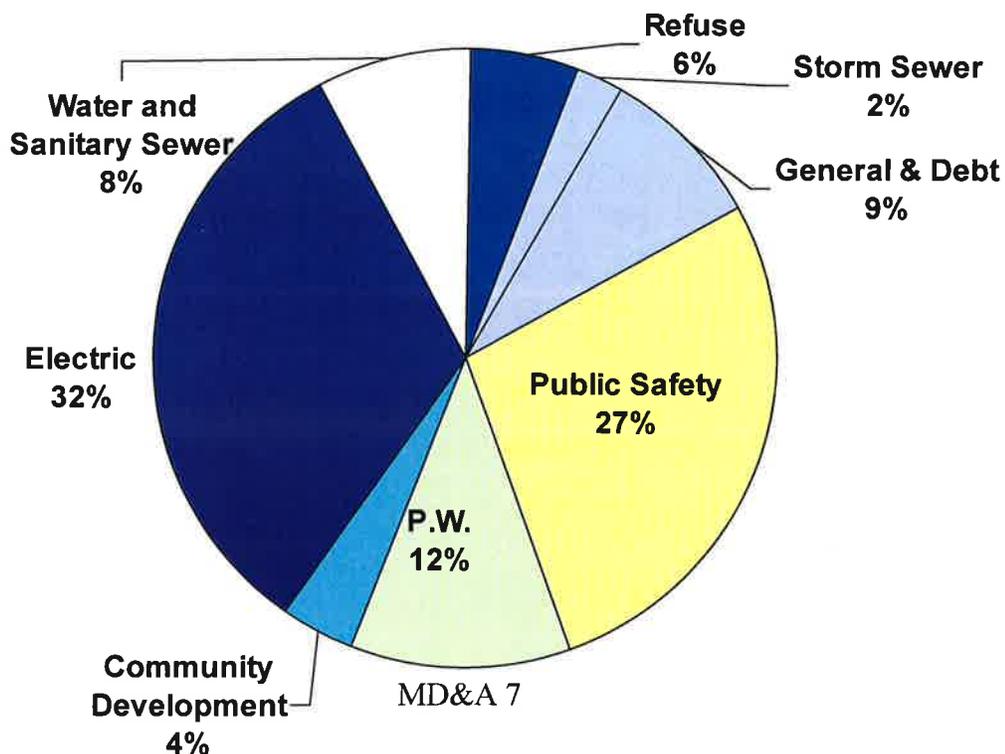
position of \$.2 million. While operating expenses were in line with the budget in both Governmental and Business-type activities, capital spending was less than budgeted. Several capital projects in the General Fund were deferred or only partially completed in 2014. In the Electric Fund, capital spending was deferred on the Northfield Substation.

The following two graphs aggregate by major type the Village's revenues and expenses at the government-wide level, based on the information above.

Government-Wide Revenues by Type

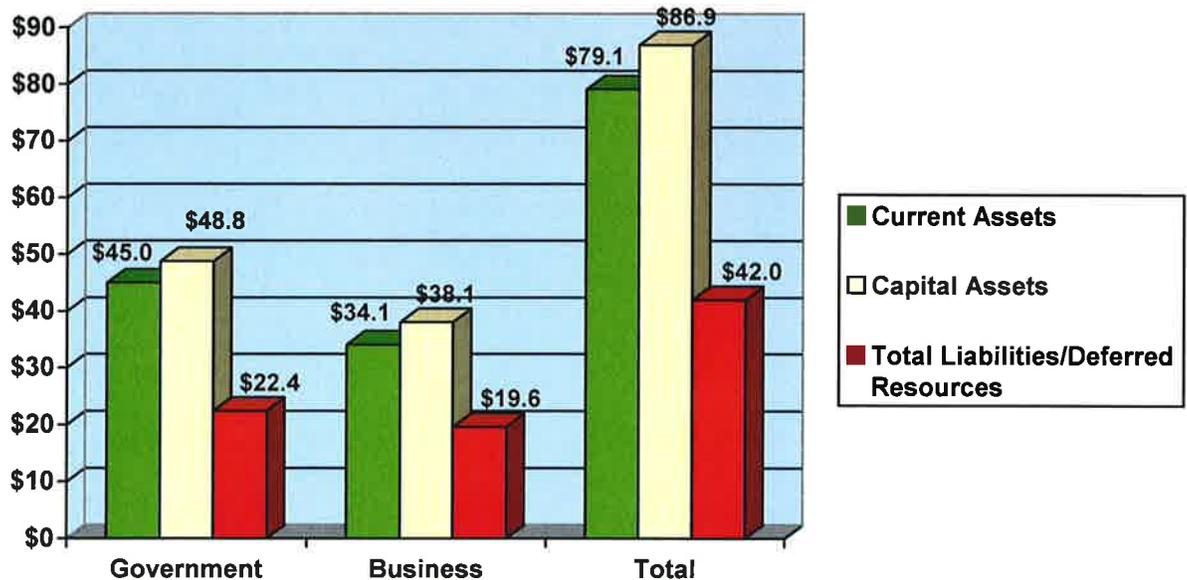


Government-Wide Expenses by Type



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

Assets Significantly Exceed Liabilities



Financial Analysis of the Village's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$20.8 million, up \$1.3 million from the prior year. This increase is attributable to the positive financial results for the General Fund.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased \$1.3 million from \$16.9 million to \$18.2 million. This increase is the result of some revenues such as building permits and natural gas remaining strong and other revenues such as sales and income tax exceeding budget. Operating expenditures were also at the expected levels and some capital projects, such as a new phone system, were deferred until 2015.

The General Fund cash balance of \$19.2 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.

Total General Fund expenditures were 97% of the total budgeted expenditures. Looking just at operating expenditures, the General Fund spent 98.8% of the amount budgeted.

The Village Facilities Fund has an assigned fund balance of \$.4 million, which is available for future capital related improvements projects throughout the Village.

Proprietary Funds

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

Major Proprietary Funds

The proprietary funds operated by the Village are the Electric, Water, Sanitary Sewer, Refuse, and Storm Sewer funds. Electric rates were kept the same in the current year. The water rate increased 4% and the sewer rate was increased 10% to pay for system improvements. The Village also implemented a stormwater utility fee of \$21.83 per ERU (Equivalent Run-Off Unit) per month.

The Village's combined internal service funds' net position were \$5.2 million. The total for workers' compensation, liability, and health insurance risks retained by the Village was \$4.3 million, a \$0.9 million decrease from last year. While the Village's existing reserves are adequate to fund known liabilities, the high (up to \$2,000,000) retention level in some areas makes a conservative reserve policy in both the internal service funds and in the General Fund prudent.

General Fund Budgetary Highlights

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

Capital Assets

The Village's policy is to capitalize equipment over \$50,000 in value. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of December 31, 2014 was \$48.8 million, up \$1.1 million from the prior year. The Village relies on an outside appraisal to value governmental assets.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2014 was \$38.1 million, up \$2.8 million from the prior year, which was mostly due to stormwater improvements made.

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

Long-term Debt

At the end of the fiscal year, the Village had total bonded debt outstanding of \$16.5 million, this entire amount is General Obligation Bonds usually funded from property taxes. However, it is anticipated that the \$16.5 million in bonds issued in 2013 and 2014 for the Storm Sewer project will be abated and these bonds will be repaid from charges for service in the Stormwater fund.

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

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 2014 when the stormwater 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 current population of 12,422 has remained about the same over the last decade.

Contacting the Village's Financial Management

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

BASIC FINANCIAL STATEMENTS

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

- Government-Wide Financial Statements
- Fund Financial Statements

Governmental Funds

Proprietary Funds

Fiduciary Funds

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position

December 31, 2014

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Statement of Net Position
December 31, 2014**

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 29,276,913	\$ 29,855,812	\$ 59,132,725
Receivables - Net of Allowances			
Taxes	13,281,560	1,106,291	14,387,851
Accounts	691,245	2,379,481	3,070,726
Notes	250,000	-	250,000
Prepays/Inventories	36,307	769,321	805,628
Due from Other Governments	622,994	-	622,994
Total Current Assets	<u>44,159,019</u>	<u>34,110,905</u>	<u>78,269,924</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	13,700,000	164,008	13,864,008
Depreciable	55,199,893	90,064,308	145,264,201
Accumulated Depreciation	<u>(20,125,453)</u>	<u>(52,090,895)</u>	<u>(72,216,348)</u>
	48,774,440	38,137,421	86,911,861
Other Assets			
Net Pension Assets	839,126	-	839,126
Total Noncurrent Assets	<u>49,613,566</u>	<u>38,137,421</u>	<u>87,750,987</u>
Total Assets	<u>93,772,585</u>	<u>72,248,326</u>	<u>166,020,911</u>

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts and Retainage Payable	\$ 1,126,278	\$ 1,077,724	\$ 2,204,002
Accrued Payroll	243,102	201,675	444,777
Accrued Interest Payable	-	27,810	27,810
Deposits Payable	1,540,242	235,812	1,776,054
Claims Payable	1,027,016	-	1,027,016
Current Portion of Long-Term Liabilities	162,343	744,679	907,022
Total Current Liabilities	4,098,981	2,287,700	6,386,681
Noncurrent Liabilities			
Claims Payable	995,519	-	995,519
Compensated Absences	1,461,082	537,113	1,998,195
Landfill Post-Closure Costs	-	928,259	928,259
General Obligation Bonds	-	15,825,000	15,825,000
Net Other Post-Employment Benefit Obligation	2,637,807	-	2,637,807
Total Noncurrent Liabilities	5,094,408	17,290,372	22,384,780
Total Liabilities	9,193,389	19,578,072	28,771,461
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	13,202,483	-	13,202,483
Total Liabilities and Deferred Inflows of Resources	22,395,872	19,578,072	41,973,944
NET POSITION			
Net Investment in Capital Assets	48,774,440	35,411,186	84,185,626
Restricted - Awards	716	-	716
Restricted - Tax Escrow	90,495	-	90,495
Restricted - Highways and Streets	1,951,329	-	1,951,329
Restricted - Foreign Fire Tax	89,317	-	89,317
Unrestricted	20,470,416	17,259,068	37,729,484
Total Net Position	\$ 71,376,713	\$ 52,670,254	\$ 124,046,967

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Activities
For the Fiscal Year Ended December 31, 2014

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 3,926,262	\$ 2,859,138	\$ -	\$ -
Public Safety	12,316,145	1,487,238	73,632	-
Community Development	1,676,984	1,929,442	-	-
Public Works	5,202,568	120,635	-	-
Interest on Long-Term Debt	14,676	-	-	-
Total Governmental Activities	23,136,635	6,396,453	73,632	-
Business-Type Activities				
Electric	14,646,688	14,737,350	-	-
Water	3,073,081	3,457,265	-	-
Refuse	2,455,202	536,127	-	-
Storm Sewer	1,080,243	874,447	134,794	-
Sanitary Sewer	663,287	941,417	-	-
Total Business-Type Activities	21,918,501	20,546,606	134,794	-
Total Primary Government	\$ 45,055,136	\$ 26,943,059	\$ 208,426	\$ -

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

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

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

Primary Government		
Net (Expense)/Revenue		
Governmental Activities	Business-Type Activities	Totals
\$ (1,067,124)	\$ -	\$ (1,067,124)
(10,755,275)	-	(10,755,275)
252,458	-	252,458
(5,081,933)	-	(5,081,933)
(14,676)	-	(14,676)
(16,666,550)	-	(16,666,550)
-	90,662	90,662
-	384,184	384,184
-	(1,919,075)	(1,919,075)
-	(71,002)	(71,002)
-	278,130	278,130
-	(1,237,101)	(1,237,101)
\$ (16,666,550)	\$ (1,237,101)	\$ (17,903,651)
\$ 12,895,811	\$ 1,076,358	\$ 13,972,169
462,013	-	462,013
558,631	-	558,631
1,589,475	-	1,589,475
1,106,344	-	1,106,344
114,799	-	114,799
380,319	-	380,319
54,617	73,113	127,730
336,521	641,826	978,347
742,396	(742,396)	-
18,240,926	1,048,901	19,289,827
1,574,376	(188,200)	1,386,176
69,802,337	52,858,454	122,660,791
\$ 71,376,713	\$ 52,670,254	\$ 124,046,967

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

VILLAGE OF WINNETKA, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2014

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 19,199,800	\$ 418,520	\$ 2,462,191	\$ 22,080,511
Receivables - Net of Allowances				
Taxes	13,281,560	-	-	13,281,560
Accounts	281,942	-	-	281,942
Notes	250,000	-	-	250,000
Due from Other Governments	592,304	-	30,690	622,994
Due from Other Funds	536,893	-	-	536,893
Total Assets	\$ 34,142,499	\$ 418,520	\$ 2,492,881	\$ 37,053,900
LIABILITIES				
Accounts Payable	\$ 998,392	\$ -	\$ 103,261	\$ 1,101,653
Accrued Payroll	229,472	-	-	229,472
Deposits Payable	1,540,242	-	-	1,540,242
Due to Other Funds	-	-	152,145	152,145
Total Liabilities	2,768,106	-	255,406	3,023,512
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	13,202,483	-	-	13,202,483
Total Liabilities and Deferred Inflows of Resources	15,970,589	-	255,406	16,225,995
FUND BALANCES				
Restricted	91,211	-	2,040,646	2,131,857
Assigned	-	418,520	323,206	741,726
Unassigned	18,080,699	-	(126,377)	17,954,322
Total Fund Balances	18,171,910	418,520	2,237,475	20,827,905
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 34,142,499	\$ 418,520	\$ 2,492,881	\$ 37,053,900

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

VILLAGE OF WINNETKA, ILLINOIS

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

December 31, 2014

Total Governmental Fund Balances	\$ 20,827,905
 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.	48,774,440
Internal service funds are used by the Village to charge the costs of vehicle and equipment management and employee compensated absences to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.	5,196,474
The net pension assets of the pension funds are included in the governmental activities in the Statement of Net Position.	839,126
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,623,425)
Net Other Post-Employment Benefit Obligation Payable	<u>(2,637,807)</u>
 Net Position of Governmental Activities	 <u>\$ 71,376,713</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
For the Fiscal Year Ended December 31, 2014

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	\$ 13,736,675	\$ -	\$ 179,780	\$ 13,916,455
Licenses and Permits	2,396,870	-	-	2,396,870
Intergovernmental	2,884,250	-	380,319	3,264,569
Charges for Services	3,810,622	-	-	3,810,622
Fines and Forfeits	188,961	-	-	188,961
Investment Income	35,155	1,112	2,462	38,729
Miscellaneous	336,521	-	-	336,521
Total Revenues	23,389,054	1,112	562,561	23,952,727
Expenditures				
Current				
General Government	2,947,643	-	-	2,947,643
Public Safety	11,686,047	-	161,175	11,847,222
Community Development	1,665,518	-	394,326	2,059,844
Public Works	5,942,923	-	38,126	5,981,049
Capital Outlay	-	98,285	-	98,285
Debt Service				
Principal Retirement	-	-	460,000	460,000
Interest and Fiscal Charges	-	-	17,777	17,777
Total Expenditures	22,242,131	98,285	1,071,404	23,411,820
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,146,923	(97,173)	(508,843)	540,907
Other Financing Sources (Uses)				
Transfers In	1,507,314	-	571,802	2,079,116
Transfers Out	(1,332,802)	-	(3,918)	(1,336,720)
	174,512	-	567,884	742,396
Net Change in Fund Balances	1,321,435	(97,173)	59,041	1,283,303
Fund Balances - Beginning	16,850,475	515,693	2,178,434	19,544,602
Fund Balances - Ending	\$ 18,171,910	\$ 418,520	\$ 2,237,475	\$ 20,827,905

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

VILLAGE OF WINNETKA, ILLINOIS

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

For the Fiscal Year Ended December 31, 2014

Net Change in Fund Balances - Total Governmental Funds \$ 1,283,303

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

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

Capital Outlays	2,981,004
Depreciation Expense	(1,915,408)

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

Disposals - Cost	(787,110)
Disposals - Accumulated Depreciation	787,110

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

26,928

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

Deductions to Compensated Absences Payable	53,978
Additions to Net Other Post-Employment Benefit Obligation Payable	(431,450)
Retirement of General Obligation Bonds Payable	125,000
Retirement of Alternate Revenue Bonds Payable	335,000

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.

3,101

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.

(887,080)

Changes in Net Position of Governmental Activities

\$ 1,574,376

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position - Proprietary Funds
December 31, 2014

	Business-Type Activities - Enterprise Funds						Governmental
	Electric	Water	Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
ASSETS							
Current Assets							
Cash and Investments	\$ 5,768,611	\$ 1,513,725	\$ 447,378	\$ 21,104,105	\$ 1,021,993	\$ 29,855,812	\$ 7,196,402
Receivables - Net of Allowances							
Taxes	-	-	1,106,291	-	-	1,106,291	-
Accounts - Billed	769,348	172,607	79,215	100,394	36,371	1,157,935	24,555
Accounts - Unbilled	885,880	149,428	19,607	-	57,349	1,112,264	-
Accounts - Other	87,319	3,506	-	18,457	-	109,282	-
Inventories/Prepays	767,592	-	-	1,729	-	769,321	36,307
Total Current Assets	8,278,750	1,839,266	1,652,491	21,224,685	1,115,713	34,110,905	7,257,264
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	69,003	95,005	-	-	-	164,008	-
Depreciable Capital Assets	56,953,569	19,169,662	2,722,880	4,069,256	7,148,941	90,064,308	313,188
	57,022,572	19,264,667	2,722,880	4,069,256	7,148,941	90,228,316	313,188
Accumulated Depreciation	(36,080,930)	(8,775,509)	(2,179,200)	(66,357)	(4,988,899)	(52,090,895)	(313,188)
Total Noncurrent Assets	20,941,642	10,489,158	543,680	4,002,899	2,160,042	38,137,421	-
Total Assets	29,220,392	12,328,424	2,196,171	25,227,584	3,275,755	72,248,326	7,257,264

	Business-Type Activities						Governmental
	Electric	Water	Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
LIABILITIES							
Current Liabilities							
Accounts Payable	\$ 719,449	\$ 67,691	\$ 31,718	\$ 252,269	\$ 6,597	\$ 1,077,724	\$ 24,625
Accrued Payroll	131,750	55,286	6,971	-	7,668	201,675	13,630
Accrued Interest Payable	-	-	-	27,810	-	27,810	-
Deposits Payable	235,812	-	-	-	-	235,812	-
Claims Payable	-	-	-	-	-	-	1,027,016
Compensated Absences	29,320	14,441	9,820	3,049	3,049	59,679	-
General Obligation Bonds Payable	-	-	-	675,000	-	675,000	-
Landfill Post-Closure Costs	-	-	10,000	-	-	10,000	-
Total Current Liabilities	1,116,331	137,418	58,509	958,128	17,314	2,287,700	1,065,271
Noncurrent Liabilities							
Claims Payable	-	-	-	-	-	-	995,519
Compensated Absences	263,880	129,970	88,383	27,440	27,440	537,113	-
General Obligation Bonds Payable	-	-	-	15,825,000	-	15,825,000	-
Landfill Post-Closure Costs	-	-	928,259	-	-	928,259	-
Total Noncurrent Liabilities	263,880	129,970	1,016,642	15,852,440	27,440	17,290,372	995,519
Total Liabilities	1,380,211	267,388	1,075,151	16,810,568	44,754	19,578,072	2,060,790
NET POSITION							
Net Investment in Capital Assets	20,941,642	10,489,158	543,680	1,276,664	2,160,042	35,411,186	-
Unrestricted	6,898,539	1,571,878	577,340	7,140,352	1,070,959	17,259,068	5,196,474
Total Net Position	\$ 27,840,181	\$ 12,061,036	\$ 1,121,020	\$ 8,417,016	\$ 3,231,001	\$ 52,670,254	\$ 5,196,474

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2014

	Electric	Water
Operating Revenues		
Charges for Services	\$ 14,515,763	\$ 3,347,412
Interfund Services	-	-
Miscellaneous	221,587	109,853
Total Operating Revenues	<u>14,737,350</u>	<u>3,457,265</u>
Operating Expenses		
Administration	2,789,687	1,430,317
Operations	10,159,327	1,151,080
Depreciation	1,648,165	486,179
Total Operating Expenses	<u>14,597,179</u>	<u>3,067,576</u>
Operating Income (Loss)	<u>140,171</u>	<u>389,689</u>
Nonoperating Revenues (Expenses)		
Property Taxes	-	-
Investment Income	14,899	3,996
Grants	-	-
Rental Income	519,893	-
Other Income	80,303	41,630
Interest Expense	-	-
Disposal of Capital Assets	(49,509)	(5,505)
	<u>565,586</u>	<u>40,121</u>
Income (Loss) Before Capital Contributions and Transfers	<u>705,757</u>	<u>429,810</u>
Transfers In	-	-
Transfers Out	(1,064,616)	(331,080)
	<u>(1,064,616)</u>	<u>(331,080)</u>
Change in Net Position	(358,859)	98,730
Net Position - Beginning	<u>28,199,040</u>	<u>11,962,306</u>
Net Position - Ending	<u>\$ 27,840,181</u>	<u>\$ 12,061,036</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
\$ 535,051	\$ 941,417	\$ 874,447	\$ 20,214,090	\$ -
-	-	-	-	4,811,008
1,076	-	-	332,516	-
536,127	941,417	874,447	20,546,606	4,811,008
127,080	-	140,040	4,487,124	146,089
2,193,904	358,943	416,295	14,279,549	5,566,188
134,218	49,784	106,952	2,425,298	1,699
2,455,202	408,727	663,287	21,191,971	5,713,976
(1,919,075)	532,690	211,160	(645,365)	(902,968)
1,076,358	-	-	1,076,358	-
1,946	50,061	2,211	73,113	15,888
-	134,794	-	134,794	-
-	-	-	519,893	-
-	-	-	121,933	-
-	(671,516)	-	(671,516)	-
-	-	-	(55,014)	-
1,078,304	(486,661)	2,211	1,199,561	15,888
(840,771)	46,029	213,371	554,196	(887,080)
550,000	211,000	-	761,000	-
(49,200)	-	(58,500)	(1,503,396)	-
500,800	211,000	(58,500)	(742,396)	-
(339,971)	257,029	154,871	(188,200)	(887,080)
1,460,991	8,159,987	3,076,130	52,858,454	6,083,554
\$ 1,121,020	\$ 8,417,016	\$ 3,231,001	\$ 52,670,254	\$ 5,196,474

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2014

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 15,558,095	\$ 3,555,103
Receipts from Interfund Services	-	-
Payments to Suppliers	(11,049,041)	(1,694,972)
Payments to Employees	(2,049,423)	(833,229)
	<u>2,459,631</u>	<u>1,026,902</u>
Cash Flows from Noncapital Financing Activities		
Property Taxes	-	-
Transfers In	-	-
Transfers Out	(1,064,616)	(331,080)
	<u>(1,064,616)</u>	<u>(331,080)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,581,544)	(453,004)
Disposal of Capital Assets	7,948	1,640
Debt Issuance	-	-
Interest Payments	-	-
	<u>(1,573,596)</u>	<u>(451,364)</u>
Cash Flows from Investing Activities		
Interest Received	14,899	3,996
Net Change in Cash and Cash Equivalents	(163,682)	248,454
Cash and Cash Equivalents - Beginning	5,932,293	1,265,271
Cash and Cash Equivalents - Ending	<u>\$ 5,768,611</u>	<u>\$ 1,513,725</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ 140,171	\$ 389,689
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	1,648,165	486,179
Other Income	600,196	41,630
(Increase) Decrease in Current Assets	220,549	56,208
Increase (Decrease) in Current Liabilities	(149,450)	53,196
Net Cash Provided by Operating Activities	<u>\$ 2,459,631</u>	<u>\$ 1,026,902</u>

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

Business-Type Activities - Enterprise Funds				Governmental Activities
Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
\$ 492,947	\$ 961,734	\$ 879,730	\$ 21,447,609	\$ -
-	-	-	-	4,808,509
(1,754,597)	(98,419)	(486,171)	(15,083,200)	(5,007,880)
(578,488)	(216,717)	(156,203)	(3,834,060)	(406,236)
(1,840,138)	646,598	237,356	2,530,349	(605,607)
1,076,358	-	-	1,076,358	-
550,000	211,000	-	761,000	-
(49,200)	-	(58,500)	(1,503,396)	-
1,577,158	211,000	(58,500)	333,962	-
(64,720)	(3,160,151)	(28,626)	(5,288,045)	-
-	-	-	9,588	-
-	7,500,000	-	7,500,000	-
-	(671,516)	-	(671,516)	-
(64,720)	3,668,333	(28,626)	1,550,027	-
1,946	50,061	2,211	73,113	15,888
(325,754)	4,575,992	152,441	4,487,451	(589,719)
773,132	16,528,113	869,552	25,368,361	7,786,121
\$ 447,378	\$ 21,104,105	\$ 1,021,993	\$ 29,855,812	\$ 7,196,402
\$ (1,919,075)	\$ 532,690	\$ 211,160	\$ (645,365)	\$ (902,968)
134,218	49,784	106,952	2,425,298	1,699
-	134,794	-	776,620	-
(43,180)	(114,477)	5,283	124,383	(2,499)
(12,101)	43,807	(86,039)	(150,587)	298,161
\$ (1,840,138)	\$ 646,598	\$ 237,356	\$ 2,530,349	\$ (605,607)

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position - Fiduciary Funds
December 31, 2014

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,743,039
Investments	
U.S. Government and Agency Obligations	9,010,569
Municipal Bonds	36,320
Common Stock	20,540,360
Corporate Bonds	7,364,639
Mutual Funds	9,949,073
Illinois Funds	54,534
Receivables	
Accrued Interest	<u>117,332</u>
Total Assets	<u>49,815,866</u>
LIABILITIES	
Accounts Payable	45,435
Due to Other Funds	<u>384,748</u>
Total Liabilities	<u>430,183</u>
NET POSITION	
Held in Trust for Pension Benefits	<u><u>\$ 49,385,683</u></u>

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Changes in Net Position - Fiduciary Funds
For the Fiscal Year Ended December 31, 2014

	Pension Trust
Additions	
Contributions - Employer	\$ 2,416,000
Contributions - Plan Members	474,731
Total Contributions	<u>2,890,731</u>
Investment Income	
Interest Earned	708,956
Net Change in Fair Value	2,562,223
	<u>3,271,179</u>
Less Investment Expenses	(224,166)
Net Investment Income	<u>3,047,013</u>
Total Additions	<u>5,937,744</u>
Deductions	
Administration	34,181
Benefits and Refunds	3,620,187
Total Deductions	<u>3,654,368</u>
Change in Net Position	2,283,376
Net Position - Beginning	<u>47,102,307</u>
Net Position - Ending	<u>\$ 49,385,683</u>

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Winnetka
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus – an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

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

BASIS OF PRESENTATION

Government-Wide Statements

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

Fund Financial Statements

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 two non-major special revenue funds, the Motor Fuel Tax Fund and the Foreign Fire Tax Fund.

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Governmental Funds – Continued

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

Proprietary Funds

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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-type activities are presented using the economic resources measurement focus as defined below.

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Cash and Investments

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

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

Interfund Receivables, Payables and Activity

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

Receivables

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

Prepays/Inventories

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

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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
Sanitary Sewer System	50 Years
Other Equipment	5 - 10 Years

Compensated Absences

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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

Compensated Absences – Continued

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

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

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

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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 EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

<u>Fund</u>	<u>Excess</u>
Foreign Fire	\$ 86,175
Refuse	52,186
Health Insurance	313,186
Liability Insurance	153,411
Fleet	46,231

DEFICIT FUND BALANCE

The following fund had a deficit fund balance at year end:

<u>Fund</u>	<u>Deficit</u>
Special Service Areas	\$ 126,377

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 Fund 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; credit unions, 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 Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), 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 and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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 \$55,035,520 and the bank balances totaled \$54,983,100. In addition, the Village has \$4,097,205 invested in the Illinois Funds at year-end.

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

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village helps limit its exposure to credit risk by primarily investing in external investment pools (Illinois Funds.) The Village's investment policy also prescribes to the "prudent person" rule which states that, "investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as possible income to be derived." As of December 31, 2014 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. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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

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 not subject to custodial credit risk.

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. At year-end, the Village has over 5 percent of the total cash and investment portfolio (other than U.S. Government guaranteed obligations) invested in the Illinois Funds.

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 \$1,576,961 and the bank balances totaled \$1,259,033.

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

Investments. At December 31, 2014, 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 Obligations	\$ 1,058,894	\$ -	\$ 456,490	\$ 602,404	\$ -
U.S. Agency Obligations	3,507,720	-	143,626	400,583	2,963,511
Municipal Bonds	25,943	-	25,943	-	-
Corporate Bonds	3,716,579	293,089	1,918,213	1,505,277	-
Illinois Funds	25,630	25,630	-	-	-
	<u>\$ 8,334,766</u>	<u>\$ 318,719</u>	<u>\$ 2,544,272</u>	<u>\$ 2,508,264</u>	<u>\$ 2,963,511</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 – Continued

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%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$5,377,618 invested in mutual funds and \$10,373,078 invested in common stock. At year-end, the Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in T. Rowe Price Mutual Funds of \$2,130,979 and Harbor International Mutual Funds of \$2,361,312.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	36%	0.90%
Domestic Equities	48%	3.60%
International Equities	11%	0.94%
Real Estate	5%	0.23%
Cash and Cash Equivalents	0%	0.00%

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

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 – Continued

The long-term expected rate of return on the Fund’s investments was determined using an asset allocation study conducted by the Fund’s investment management consultant in December 2014 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund’s target asset allocation as of December 31, 2014 are listed in the table on the previous page.

Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.25%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 \$1,166,078 and the bank balances totaled \$1,310,577.

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

Investments. At December 31, 2014, 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 Obligations	\$ 1,159,144	\$ -	\$ 489,354	\$ 669,790	\$ -
U.S. Agency Obligations	3,284,811	-	89,178	396,805	2,798,828
Municipal Bonds	10,377	-	10,377	-	-
Corporate Bonds	3,648,060	293,089	1,855,427	1,499,544	-
Illinois Funds	28,904	28,904	-	-	-
	<u>\$ 8,131,296</u>	<u>\$ 321,993</u>	<u>\$ 2,444,336</u>	<u>\$ 2,566,139</u>	<u>\$ 2,798,828</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 – Continued

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%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$4,571,455 invested in mutual funds and \$10,167,282 invested in common stock. At year-end, the Fund has over 5 percent of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Harbor International Mutual Funds of \$1,478,168 and T. Rowe Price Mutual Funds of \$3,093,286.

The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	36%	0.90%
Domestic Equities	52%	1.02%
International Equities	12%	3.90%
Real Estate	0%	0.00%
Cash and Cash Equivalents	0%	0.00%

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 – Continued

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in December 2014 in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding the expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2014 are listed in the table on the previous page.

Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.57%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 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 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. As the 2014 tax levy is intended to fund expenditures for the 2015 fiscal year, these taxes are deferred as of December 31, 2014.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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
Depreciable Capital Assets				
Buildings and Improvements	14,859,549	468,867	-	15,328,416
Machinery and Equipment	9,232,953	615,437	37,020	9,811,370
Furniture and Fixtures	965,632	-	-	965,632
Infrastructure	27,947,865	1,896,700	750,090	29,094,475
	<u>53,005,999</u>	<u>2,981,004</u>	<u>787,110</u>	<u>55,199,893</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,361,646	265,034	-	3,626,680
Machinery and Equipment	6,617,121	557,476	37,020	7,137,577
Furniture and Fixtures	818,114	-	-	818,114
Infrastructure	8,198,575	1,094,597	750,090	8,543,082
	<u>18,995,456</u>	<u>1,917,107</u>	<u>787,110</u>	<u>20,125,453</u>
Total Net Depreciable Capital Assets	<u>34,010,543</u>	<u>1,063,897</u>	<u>-</u>	<u>35,074,440</u>
Total Net Capital Assets	<u>\$ 47,710,543</u>	<u>\$ 1,063,897</u>	<u>\$ -</u>	<u>\$ 48,774,440</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 128,418
Public Safety	283,919
Public Works	1,491,605
Community Development	11,466
Internal Service	<u>1,699</u>
	<u>\$ 1,917,107</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

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	12,158,344	-	-	12,158,344
Plants and Equipment	14,408,495	-	14,852	14,393,643
Distribution System	41,205,155	1,892,818	88,918	43,009,055
Sewer System	6,232,866	3,188,777	-	9,421,643
Other Equipment	10,875,173	206,450	-	11,081,623
	<u>84,880,033</u>	<u>5,288,045</u>	<u>103,770</u>	<u>90,064,308</u>
Less Accumulated Depreciation				
Buildings	4,244,807	207,015	-	4,451,822
Plants and Equipment	10,311,000	288,969	7,707	10,592,262
Distribution System	22,369,946	1,423,051	31,461	23,761,536
Sewer System	3,778,288	94,201	-	3,872,489
Other Equipment	9,000,724	412,062	-	9,412,786
	<u>49,704,765</u>	<u>2,425,298</u>	<u>39,168</u>	<u>52,090,895</u>
Total Net Depreciable Capital Assets	<u>35,175,268</u>	<u>2,862,747</u>	<u>64,602</u>	<u>37,973,413</u>
Total Net Capital Assets	<u>\$ 35,339,276</u>	<u>\$ 2,862,747</u>	<u>\$ 64,602</u>	<u>\$ 38,137,421</u>

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

Electric	\$ 1,648,165
Water	486,179
Refuse	134,218
Storm Sewer	49,784
Sanitary Sewer	<u>106,952</u>
	<u>\$ 2,425,298</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES AND PAYABLES

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

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 152,145
General Fund	Police Pension	190,444
General Fund	Firefighters' Pension	<u>194,304</u>
		<u>\$ 536,893</u>

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

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Nonmajor Governmental	\$ 3,918
General	Electric	1,064,616
General	Water	331,080
General	Refuse	49,200
General	Nonmajor Business-Type	58,500
Nonmajor Governmental	General	571,802
Refuse	General	550,000
Storm Sewer	General	<u>211,000</u>
		<u>\$ 2,840,116</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.

The Village transferred the remaining fund balance in the General Obligation Fund to the General Fund in the amount of \$3,918 as of December 31, 2014.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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	\$ 125,000	\$ -	\$ 125,000	\$ -
\$9,000,000 General Obligation Bonds of 2013, due in annual installments of \$675,000 to \$5,560,000 through December 15, 2046 plus interest at 2.00% to 4.375%.	Storm Sewer	9,000,000	-	-	9,000,000
\$7,500,000 General Obligation Bonds of 2014, due in annual installments of \$720,000 to \$4,510,000 through December 15, 2043 plus interest at 2.10% to 4.75%.	Storm Sewer	-	7,500,000	-	7,500,000
		\$ 9,125,000	\$ 7,500,000	\$ 125,000	\$ 16,500,000

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	\$ 335,000	\$ -	\$ 335,000	\$ -

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	\$ 1,677,403	\$ 53,978	\$ 107,956	\$ 1,623,425	\$ 162,343
Net Other Post-Employment Benefit Obligation	2,206,357	431,450	-	2,637,807	-
General Obligation Bonds	125,000	-	125,000	-	-
Alternate Revenue Bonds	335,000	-	335,000	-	-
	<u>\$ 4,343,760</u>	<u>\$ 485,428</u>	<u>\$ 567,956</u>	<u>\$ 4,261,232</u>	<u>\$ 162,343</u>
Business-Type Activities					
Compensated Absences	\$ 599,105	\$ 2,314	\$ 4,627	\$ 596,792	\$ 59,679
General Obligation Bonds	9,000,000	7,500,000	-	16,500,000	675,000
Landfill Post-Closure Costs	938,259	-	-	938,259	10,000
	<u>\$ 10,537,364</u>	<u>\$ 7,502,314</u>	<u>\$ 4,627</u>	<u>\$ 18,035,051</u>	<u>\$ 744,679</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

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

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

Landfill Closure Costs

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

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.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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	Business-Type Activities	
	General Obligation Bonds	
	Principal	Interest
2015	\$ 675,000	\$ 657,150
2016	680,000	643,650
2017	685,000	630,050
2018	695,000	616,350
2019	705,000	602,450
2020	720,000	588,350
2021	735,000	559,550
2022	755,000	530,150
2023	780,000	499,950
2024	-	468,750
2025	-	468,750
2026	-	468,750
2027	-	468,750
2028	-	468,750
2029	-	468,750
2030	-	468,750
2031	-	468,750
2032	-	468,750
2033	-	468,750
2034	-	468,750
2035	-	468,750
2036	-	468,750
2037	-	468,750
2038 - 42	-	1,441,750
2043 - 46	10,070,000	1,665,032
Total	<u>\$ 16,500,000</u>	<u>\$ 14,996,932</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET POSITION/FUND BALANCE

Net Position Classifications

Net investment in capital assets was comprised of the following as of December 31, 2014:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 48,774,440</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 38,137,421
Plus Unspent Bond Proceeds	13,773,765
Less Capital Related Debt:	
General Obligation Bonds of 2013	(9,000,000)
General Obligation Bonds of 2014	<u>(7,500,000)</u>
Net Investment in Capital Assets	<u>\$ 35,411,186</u>

Fund Balance Classifications

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 these funds to future infrastructure improvement projects and downtown redevelopment based on Board approved expenditures as determined through the annual budget process.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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	Capital Projects Village Facilities	Nonmajor	Totals
Fund Balances				
Restricted				
Awards	\$ 716	\$ -	\$ -	\$ 716
Tax Escrow	90,495	-	-	90,495
Road Improvements	-	-	1,951,329	1,951,329
Foreign Fire	-	-	89,317	89,317
	<u>91,211</u>	<u>-</u>	<u>2,040,646</u>	<u>2,131,857</u>
Assigned				
Infrastructure Improvement Projects	-	418,520	-	418,520
Downtown Redevelopment	-	-	323,206	323,206
	<u>-</u>	<u>418,520</u>	<u>323,206</u>	<u>741,726</u>
Unassigned	<u>18,080,699</u>	<u>-</u>	<u>(126,377)</u>	<u>17,954,322</u>
Total Fund Balances	<u>\$ 18,171,910</u>	<u>\$ 418,520</u>	<u>\$ 2,237,475</u>	<u>\$ 20,827,905</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

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 2014 from the coverage amounts in effect for 2013. 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 2014 and 2013.

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

	Workers' Compensation	Health	Liability	Totals
Claims Payable - March 31, 2013	\$ 1,319,650	\$ 538,182	\$ 82,000	\$ 1,939,832
Incurred Claims	316,435	2,033,545	44,996	2,394,976
Claims Paid	(275,753)	(2,316,727)	(1,996)	(2,594,476)
Claims Payable - December 31, 2013	1,360,332	255,000	125,000	1,740,332
Incurred Claims	343,669	3,240,095	353,652	3,937,416
Claims Paid	(383,474)	(3,240,095)	(31,644)	(3,655,213)
Claims Payable - December 31, 2014	\$ 1,320,527	\$ 255,000	\$ 447,008	\$ 2,022,535

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

High-Level Excess Liability Pool

The Village is a member of the High-Level Excess Liability Pool (the POOL) which consists of 13 Illinois Municipalities. The purpose of the POOL is to act as a joint self-insurance pool for the purpose of seeking the prevention of lessening of liability claims for injuries to persons or property of claims for errors and omissions made against the members and other parties included within the scope of coverage of the POOL. The coverage provided by the POOL is \$13,000,000 per occurrence and aggregate of each member, with a self-insured retention of \$2,000,000 per member. The POOL retains \$4,000,000 per occurrence for claims and purchases \$9,000,000 excess insurance for claims above this level.

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

COMMITMENTS

High-Level Excess Liability Pool

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

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

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

CONTINGENT LIABILITIES

Litigation

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

Grants

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

High-Level Excess Liability Pool

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Illinois Municipal Electric Agency (IMEA)

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

JOINT VENTURES

Illinois Municipal Electric Agency (IMEA)

Description of Jointly Governed Organizations

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

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

The Village is a fully participating member of IMEA, which consists of 33 members, 32 of which are fully participating. Fully participating members obtain wholesale electricity from IMEA at a reduced price and are also responsible for the outstanding debt of IMEA.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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 \$1,174 million of long-term debt outstanding and \$37 million due in the current fiscal year ending April 30, 2014. 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 \$46 million for debt principal outstanding through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2014.

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, 2014, in millions of dollars:

Operating Revenues	\$ 327.1
Operating Expenses	<u>250.1</u>
Net Operating Income	77.0
Other Nonoperating Expenses (Net)	<u>(59.4)</u>
Change in Net Position	<u><u>\$ 17.6</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 December 31, 2014

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

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. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited 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. For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited 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 96 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 2014 was 15.72 percent.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Police Pension Plan

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2014, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	29
Inactive Plan Members Entitled to but not yet Receiving Benefits	3
Employees	
Vested	16
Nonvested	<u>10</u>
Total	<u><u>58</u></u>

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Police Pension Plan – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2013, the Village's contribution was 44.9% of covered payroll.

Firefighters' Pension Plan

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Firefighters' Pension Plan – Continued

Plan Membership. At December 31, 2014, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	30
Inactive Plan Members Entitled to but not yet Receiving Benefits	-
Employees	
Vested	15
Nonvested	<u>10</u>
Total	<u>55</u>

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter 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 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Firefighters' Pension Plan – Continued

Contributions. Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2014, the Village's contribution was 54.8% of covered payroll.

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. At year-end, the Police Pension Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in T. Rowe Price Mutual Funds of \$2,130,979 and Harbor International Mutual Funds of \$2,361,312. In addition, the Firefighters' Pension Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Harbor International Mutual Funds of \$1,478,168 and T. Rowe Price Mutual Funds of \$3,093,286. Information for IMRF is not available.

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

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2014, using the following actuarial methods and assumptions:

	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/2014	12/31/2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value	Market Value
Actuarial Assumptions		
Interest Rate	6.25%	6.25%
Salary Increases	5.50%	5.50%
Cost of Living Adjustments	3.00%	3.00%
Inflation	3.00%	3.00%

Mortality rates were based on the RP-2000 Mortality Table. The actuarial assumptions used in the December 31, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

The discount rate used to measure the total pension liability was 6.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liabilities calculated using the discount rate as well as what the net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Police Pension			
Net Pension Liability	\$ 17,138,726	\$ 12,307,046	\$ 8,292,992
	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Firefighters' Pension			
Net Pension Liability	\$ 17,852,149	\$ 13,335,541	\$ 9,548,947

Net Pension Liability

The components of the net pension liability of the Village's Plans as of December 31, 2014, calculated in accordance with GASB Statement No. 67, were as follows:

	Police Pension	Firefighters' Pension	Totals
Total Pension Liability	\$ 37,819,237	\$ 37,209,033	\$ 75,028,270
Plan Fiduciary Net Position	25,512,191	23,873,492	49,385,683
Village's Net Pension Liability	\$ 12,307,046	\$ 13,335,541	\$ 25,642,587
Plan Fiduciary Net Position as a Percentage of the total Pension Liability	67.5%	64.2%	65.8%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the required supplementary information for additional information related to the funded status of the Fund.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	15.72%	44.88%	54.82%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2014	12/31/2014	12/31/2014
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	29 Years	18 Years	18 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	.40 to 10.00%	5.50%	5.50%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Net Pension Obligation (Asset)

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

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 1,089,023	\$ 1,315,341	\$ 2,404,364
Interest on the (NPA)	(25,779)	(25,876)	(51,655)
Adjustment to the ARC	18,203	18,160	36,363
Annual Pension Cost	1,081,447	1,307,625	2,389,072
Actual Contribution	1,095,000	1,321,000	2,416,000
Increase in the (NPA)	(13,553)	(13,375)	(26,928)
(NPA) - Beginning	(394,466)	(417,732)	(812,198)
(NPA) - Ending	\$ (408,019)	\$ (431,107)	\$ (839,126)

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

The trend information for each plan is as follows:

	Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2013	\$ 1,369,449	\$ 986,974	\$ 1,104,217
	2013*	1,500,974	754,316	890,713
	2014	1,480,607	1,081,447	1,307,625
Actual Contributions	2013	\$ 1,369,449	\$ 997,534	\$ 1,113,794
	2013*	1,500,974	735,448	893,545
	2014	1,480,607	1,095,000	1,321,000
Percentage of APC Contributed	2013	100.00%	101.07%	100.87%
	2013*	100.00%	97.50%	100.32%
	2014	100.00%	101.25%	101.02%
Net Pension (Asset)	2013	\$ -	\$ (413,334)	\$ (414,900)
	2013*	-	(394,466)	(417,732)
	2014	-	(408,019)	(431,107)

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The funded status for each plan is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC as disclosed in the NPO calculation.

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/14	12/31/14	12/31/14
Percent Funded	69.80%	67.46%	64.16%
Actuarial Accrued Liability for Benefits	\$34,846,402	\$37,819,237	\$37,209,033
Actuarial Value of Assets	\$24,323,965	\$25,512,191	\$23,873,494
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$10,522,437)	(\$12,307,046)	(\$13,335,539)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$9,418,999	\$2,440,019	\$2,409,734
Ratio of UAAL to Covered Payroll	111.72%	504.38%	553.40%

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

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

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2014, retirees contributed \$445,932. Active employees do not contribute to the plan until retirement.

At December 31, 2014, membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	44
Active Employees	<u>151</u>
Total	<u>195</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF WINNETKA, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of December 31, 2014 was calculated as follows:

Annual Required Contribution	\$ 790,842
Interest on the NOPEBO	88,254
Adjustment to the ARC	<u>(55,159)</u>
Annual OPEB Cost	823,937
Actual Contribution	<u>392,487</u>
Increase in the NOPEBO	431,450
NOPEBO - Beginning	<u>2,206,357</u>
NOPEBO - Ending	<u><u>\$ 2,637,807</u></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
2013	\$ 466,331	\$ 370,271	79.40%	\$ 1,881,521
2013*	602,539	277,703	46.09%	2,206,357
2014	823,934	392,487	47.64%	2,637,804

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress.

The funded status of the plan as of March 31, 2013, the date of the most recent actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 10,445,501
Actuarial Value of Plan Assets	\$ -
Unfunded Actuarial Accrued Liability (UAAL)	\$ 10,445,501
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.00%
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 December 31, 2014, 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:

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

- Schedule of Employer Contributions
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability
 - Police Pension Fund
 - Firefighters' Pension Fund

- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund

- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF WINNETKA, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2014

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)
2009	\$ 22,265,972	\$ 33,894,578	65.69%	\$ 11,628,606	\$ 9,478,345	122.69%
2010	20,802,213	32,850,427	63.32%	12,048,214	9,219,084	130.69%
2011	18,957,680	31,616,240	59.96%	12,658,560	9,171,723	138.02%
2012	20,220,827	32,259,991	62.68%	12,039,164	9,009,532	133.63%
2013	23,158,341	33,809,226	68.50%	10,650,885	9,416,399	113.11%
2014	24,323,965	34,846,402	69.80%	10,522,437	9,418,999	111.72%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
3/31/10	\$ 1,081,479	\$ 1,081,479	100.00%
3/31/11	1,299,891	1,299,891	100.00%
3/31/12	1,362,001	1,362,001	100.00%
3/31/13	1,369,449	1,369,449	100.00%
12/31/13 *	1,500,974	1,500,974	100.00%
12/31/14	1,480,667	1,480,667	100.00%

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2014**

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 Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
3/31/10	\$ 18,904,231	\$ 29,630,253	63.80%	\$ 10,726,022	\$ 2,338,042	458.76%
3/31/11	20,377,515	30,118,976	67.66%	9,741,461	2,292,457	424.94%
3/31/12	21,321,703	31,240,020	68.25%	9,918,317	2,277,911	435.41%
3/31/13	22,592,558	32,771,168	68.94%	10,178,610	2,405,882	423.07%
12/31/13 *	24,445,682	34,385,224	71.09%	9,939,542	2,373,914	418.70%
12/31/14	25,512,191	37,819,237	67.46%	12,307,046	2,440,019	504.38%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
3/31/10	\$ 736,000	\$ 672,538	109.44%
3/31/11	1,011,480	1,006,480	100.50%
3/31/12	964,387	958,022	100.66%
3/31/13	997,534	992,534	100.50%
12/31/13 *	735,448	756,864	97.17%
12/31/14	1,095,000	1,089,023	100.55%

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2014

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
3/31/10	\$ 17,798,993	\$ 28,882,320	61.63%	\$ 11,083,327	\$ 2,086,790	531.12%
3/31/11	18,822,037	30,960,065	60.79%	12,138,028	1,785,796	679.70%
3/31/12	19,447,295	31,767,269	61.22%	12,319,974	2,042,804	603.09%
3/31/13	20,742,984	33,634,153	61.67%	12,891,169	2,185,912	589.74%
12/31/13 *	22,656,625	34,438,062	65.79%	11,781,437	2,233,182	527.56%
12/31/14	23,873,494	37,209,033	64.16%	13,335,539	2,409,734	553.40%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contribution	Percent Contributed
3/31/10	\$ 840,000	\$ 795,495	105.59%
3/31/11	941,668	936,668	100.53%
3/31/12	945,074	938,956	100.65%
3/31/13	1,113,794	1,108,794	100.45%
12/31/13 *	893,545	893,273	100.03%
12/31/14	1,321,000	1,315,341	100.43%

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Other Post-Employment Benefit Plan

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2014**

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
3/31/10	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
3/31/11	-	7,853,132	0.00%	7,853,132	14,172,302	55.41%
3/31/12	N/A	N/A	N/A	N/A	N/A	N/A
3/31/13	-	10,445,501	0.00%	10,445,501	14,020,233	74.50%
12/31/13 *	N/A	N/A	N/A	N/A	N/A	N/A
12/31/14	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Percent Contributed
3/31/10	\$ 278,400	\$ 454,427	61.26%
3/31/11	278,400	454,427	61.26%
3/31/12	278,400	454,428	61.26%
3/31/13	370,271	454,427	81.48%
12/31/13 *	277,703	593,132	46.82%
12/31/14	392,487	790,842	49.63%

The Village is required to have an actuarial valuation performed triennially.

* For the nine months ended December 31, 2013.

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2014**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 1,089,023	\$ 1,095,000	\$ 5,977	\$ 2,440,019	44.9%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	Market Value
Inflation	3.0%
Salary Increases	5.5%
Investment Rate of Return	6.25%
Retirement Age	50-70
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2014**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2014	\$ 1,315,341	\$ 1,321,000	\$ 5,659	\$ 2,409,734	54.8%

Notes to the Required Supplementary Information:

Actuarial Valuation Date	December 31, 2014
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 Years
Asset Valuation Method	Market Value
Inflation	3.0%
Salary Increases	5.5%
Investment Rate of Return	6.25%
Retirement Age	50-70
Mortality	RP 2000 CHBCA

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2014

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 692,981
Interest	2,092,535
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(42,166)
Change of Assumptions	2,499,986
Benefit Payments, Including Refunds of Member Contributions	<u>(1,809,323)</u>
Net Change in Total Pension Liability	3,434,013
Total Pension Liability - Beginning	<u>34,385,224</u>
Total Pension Liability - Ending	<u><u>\$ 37,819,237</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,095,000
Contributions - Members	249,185
Contributions - Other	-
Net Investment Income	1,552,792
Benefit Payments, Including Refunds of Member Contributions	(1,809,324)
Administrative Expense	<u>(21,144)</u>
Net Change in Plan Fiduciary Net Position	1,066,509
Plan Net Position - Beginning	<u>24,445,682</u>
Plan Net Position - Ending	<u><u>\$ 25,512,191</u></u>
Employers Net Pension Liability	<u><u>\$ 12,307,046</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.5%
Covered-Employee Payroll	\$ 2,440,019
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	504.4%

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2014

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 769,947
Interest	2,095,789
Changes in Benefit Terms	-
Differences Between Expected and Actual Experience	(99,297)
Change of Assumptions	1,815,395
Benefit Payments, Including Refunds of Member Contributions	<u>(1,810,863)</u>
Net Change in Total Pension Liability	2,770,971
Total Pension Liability - Beginning	<u>34,438,062</u>
Total Pension Liability - Ending	<u>\$ 37,209,033</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,321,000
Contributions - Members	225,546
Net Investment Income	1,494,221
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)
Administrative Expense	<u>(13,037)</u>
Net Change in Plan Fiduciary Net Position	1,216,867
Plan Net Position - Beginning	<u>22,656,625</u>
Plan Net Position - Ending	<u>\$ 23,873,492</u>
Employers Net Pension Liability	<u>\$ 13,335,541</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.2%
Covered-Employee Payroll	\$ 2,409,734
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	553.4%

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Investment Returns
December 31, 2014**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.25%

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2014

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.57%

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	2014		Nine Months Ended December 31, 2013
	Original and Final Budget	Actual	Actual
Revenues			
Taxes	\$ 13,834,861	\$ 13,736,675	\$ 6,801,935
Licenses and Permits	1,819,000	2,396,870	2,245,978
Intergovernmental	2,400,000	2,884,250	2,350,033
Charges for Services	3,687,105	3,810,622	2,711,133
Fines and Forfeits	200,000	188,961	144,351
Investment Income	40,000	35,155	75,397
Miscellaneous	62,000	336,521	110,640
Total Revenues	<u>22,042,966</u>	<u>23,389,054</u>	<u>14,439,467</u>
Expenditures			
General Government	3,606,213	2,947,643	2,464,557
Public Safety	11,949,024	11,686,047	8,722,403
Community Development	1,655,800	1,665,518	1,243,673
Public Works	5,756,153	5,942,923	4,220,840
Total Expenditures	<u>22,967,190</u>	<u>22,242,131</u>	<u>16,651,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(924,224)</u>	<u>1,146,923</u>	<u>(2,212,006)</u>
Other Financing Sources (Uses)			
Transfers In	1,465,644	1,507,314	1,018,917
Transfers Out	<u>(1,496,000)</u>	<u>(1,332,802)</u>	<u>(7,257,885)</u>
	<u>(30,356)</u>	<u>174,512</u>	<u>(6,238,968)</u>
Net Change in Fund Balance	<u>\$ (954,580)</u>	<u>1,321,435</u>	<u>(8,450,974)</u>
Fund Balance - Beginning		<u>16,850,475</u>	<u>25,301,449</u>
Fund Balance - Ending		<u>\$ 18,171,910</u>	<u>\$ 16,850,475</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
 - Foreign Fire Tax – Special Revenue Fund
 - General Obligation – Debt Service Fund
 - Downtown Redevelopment – Capital Projects Fund
 - Special Service Areas – Capital Projects Fund

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

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

- Fiduciary Funds
 - Combining Statement of Net Position
 - Combining Statement of Changes in Net Position
 - Budgetary Comparison Schedules
 - Police Pension Fund
 - Firefighters' Pension Fund

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

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

SPECIAL REVENUE 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.

Foreign Fire Tax Fund

The Foreign Fire Tax Fund is used to account for the revenue derived from a 2% tax of the gross receipts from out-of-state businesses engaged in providing fire insurance within the Village.

DEBT SERVICE FUND

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

General Obligation Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

CAPITAL PROJECTS FUNDS

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

Village Facilities Fund

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

Downtown Redevelopment Fund

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

Special Service Areas Fund

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

ENTERPRISE FUNDS

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

Electric Fund

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

Water Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

ENTERPRISE FUNDS – Continued

Refuse Fund

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

Storm Sewer Fund

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

Sanitary Sewer Fund

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

INTERNAL SERVICE FUNDS

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

Data Processing Fund

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

Workers' Compensation Insurance Fund

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUNDS – Continued

Health Insurance Fund

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

Liability Insurance Fund

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

Fleet Fund

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

TRUST FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 12,984,861	\$ 12,716,031
Natural Gas	250,000	558,631
Telecommunications Tax	600,000	462,013
	13,834,861	13,736,675
Licenses and Permits		
Licenses		
Vehicle	295,000	307,496
Dog	10,000	9,928
Liquor	11,000	25,458
Other	3,000	3,911
Permits		
Building	1,500,000	1,924,632
Sewer, Sidewalks, and Miscellaneous Compliance Fees	-	120,635
	-	4,810
	1,819,000	2,396,870
Intergovernmental		
General Sales Tax	1,300,000	1,589,475
Illinois State Income Tax	950,000	1,106,344
Corporate Property Replacement Tax	90,000	114,799
Grants	60,000	73,632
	2,400,000	2,884,250
Charges for Services		
Administrative Charges	1,772,400	1,772,400
Franchise Fees	240,000	305,042
Public Safety Services	966,073	966,405
Ambulance Fees	136,500	154,705
False Alarm Charges	18,000	11,250
Parking	160,400	165,917
Property Rental	348,732	258,623
State Route Maintenance	45,000	176,280
	3,687,105	3,810,622

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Fines and Forfeits		
Justice Fines and Costs	\$ 200,000	\$ 188,961
Investment Income	40,000	35,155
Miscellaneous		
Proceeds from Sale of Personal Property	5,000	10,625
Pole Rental	52,000	64,775
Miscellaneous	5,000	261,121
	62,000	336,521
Total Revenues	\$ 22,042,966	\$ 23,389,054

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 244,500	\$ 143,773
General Administration	3,361,713	2,803,870
Total General Government	<u>3,606,213</u>	<u>2,947,643</u>
Public Safety		
Police Department		
Administration	3,798,559	2,715,435
Public Service Officers	204,244	213,805
General and Criminal Records	175,006	193,820
Communication System	378,118	331,715
Investigation	323,136	327,640
Uniform Patrol	1,985,846	2,859,422
Total Police Department	<u>6,864,909</u>	<u>6,641,837</u>
Fire Department		
Administration	2,274,265	1,963,478
Training	87,134	43,995
Communications	169,708	155,827
Community Services	3,450	132
Life Safety	61,850	58,183
Firefighting Force	2,148,216	2,433,833
Ambulance Service	339,492	388,762
Total Fire Department	<u>5,084,115</u>	<u>5,044,210</u>
Total Public Safety	<u>11,949,024</u>	<u>11,686,047</u>
Community Development		
Community Development Department	1,655,800	1,665,518
Public Works		
Public Works Department	5,756,153	5,942,923
Total Expenditures	<u>\$ 22,967,190</u>	<u>\$ 22,242,131</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
General Government		
Public Affairs		
Legal		
Contractual Services	\$ 60,000	\$ 3,875
Surety Bonds and Insurance		
Contractual Services	45,500	35,957
Sundry		
Commodities	139,000	103,819
Contractual Services	-	122
	<u>139,000</u>	<u>103,941</u>
Total Public Affairs	<u>244,500</u>	<u>143,773</u>
General Administration		
Office of the Manager and Clerk		
Salaries	662,999	686,829
Personnel Costs	233,534	177,653
Contractual Services	107,100	69,332
Commodities	24,840	82,088
	<u>1,028,473</u>	<u>1,015,902</u>
Legal Expense		
Contractual Services	<u>(265,320)</u>	<u>(227,303)</u>
Financial Administration		
Salaries	1,190,675	1,125,814
Personnel Costs	473,261	514,142
Contractual Services	117,164	148,081
Commodities	99,950	100,261
Vehicle Expense	4,610	4,610
Training	3,900	4,376
Equipment	709,000	117,987
	<u>2,598,560</u>	<u>2,015,271</u>
Total General Administration	<u>3,361,713</u>	<u>2,803,870</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
General Government - Continued		
Total General Government	\$ 3,606,213	\$ 2,947,643
Public Safety		
Police Department		
Administration		
Salaries	650,692	651,292
Personnel Costs	1,839,800	1,025,691
Contractual Services	646,839	547,771
Supplies	243,900	347,532
Vehicle Expense	143,728	605
Training	113,600	43,923
Equipment	160,000	98,621
	<u>3,798,559</u>	<u>2,715,435</u>
Public Service Officers		
Salaries	204,244	211,202
Personnel Costs	-	2,603
	<u>204,244</u>	<u>213,805</u>
General and Criminal Records		
Salaries	175,006	179,611
Personnel Costs	-	14,209
	<u>175,006</u>	<u>193,820</u>
Communication System		
Salaries	378,118	342,345
Personnel Costs	-	(10,630)
	<u>378,118</u>	<u>331,715</u>
Investigation		
Salaries	323,136	324,390
Personnel Costs	-	3,250
	<u>323,136</u>	<u>327,640</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Public Safety - Continued		
Police Department - Continued		
Uniform Patrol		
Salaries	\$ 1,985,846	\$ 2,002,916
Personnel Costs	-	856,506
	1,985,846	2,859,422
Total Police Department	6,864,909	6,641,837
Fire Department		
Administration		
Salaries	331,314	341,627
Personnel Costs	1,689,488	1,421,968
Contractual Services	181,700	114,396
Supplies	15,250	13,726
Vehicle Expense	56,513	71,761
	2,274,265	1,963,478
Training		
Salaries	56,800	23,365
Personnel Costs	-	140
Training	30,334	20,490
	87,134	43,995
Communications		
Contractual Services	169,708	155,827
Community Services		
Salaries	2,500	-
Training	950	132
	3,450	132

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Life Safety		
Salaries	\$ 53,400	\$ 50,117
Personnel Costs	-	290
Contractual Services	1,450	243
Supplies	7,000	7,533
	<u>61,850</u>	<u>58,183</u>
Firefighting Force		
Salaries	2,039,171	2,051,124
Personnel Costs	-	321,496
Contractual Services	10,750	-
Supplies	98,295	61,213
	<u>2,148,216</u>	<u>2,433,833</u>
Ambulance Service		
Salaries	304,602	330,823
Personnel Costs	-	43,610
Contractual Services	11,000	1,030
Supplies	10,600	11,515
Training	13,290	1,784
	<u>339,492</u>	<u>388,762</u>
Total Fire Department	<u>5,084,115</u>	<u>5,044,210</u>
Total Public Safety	<u>11,949,024</u>	<u>11,686,047</u>
Community Development		
Community Development Department		
Salaries	649,930	678,650
Personnel Costs	283,020	273,509
Contractual Services	698,500	684,467
Supplies	18,700	22,964
Training	5,650	3,928
Vehicle Expense	-	2,000
Total Community Development	<u>1,655,800</u>	<u>1,665,518</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Public Works		
Public Works Department		
Administration		
Salaries	\$ 335,654	\$ 391,159
Personnel Costs	657,672	726,690
Contractual Services	537,000	493,727
Supplies	34,000	23,170
Vehicle Expense	13,500	225,204
Training	225,204	10,705
Equipment	940,000	736,459
	<u>2,743,030</u>	<u>2,607,114</u>
Engineering		
Salaries	178,044	180,007
Personnel Costs	-	2,177
Contractual Services	15,000	13,236
Supplies	-	440
	<u>193,044</u>	<u>195,860</u>
Street Maintenance		
Salaries	741,893	905,962
Personnel Costs	-	(1,253)
Contractual Services	243,000	208,306
	<u>984,893</u>	<u>1,113,015</u>
Pavement Reconstruction		
Equipment/Reconstruction	<u>1,200,000</u>	<u>1,570,051</u>
Drainage		
Salaries	-	(668)
Personnel Costs	-	(47)
Contractual Services	-	64
	<u>-</u>	<u>(651)</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

**Schedule of Detailed Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014**

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Snow Removal and Ice Control		
Salaries	\$ 80,000	\$ 22,508
Personnel Costs	-	(222)
Contractual Services	-	688
Supplies	122,320	115,621
	<u>202,320</u>	<u>138,595</u>
Forestry		
Salaries	100,866	113,437
Personnel Costs	-	2,376
Supplies	332,000	203,126
	<u>432,866</u>	<u>318,939</u>
Total Public Works	<u>5,756,153</u>	<u>5,942,923</u>
Total Expenditures	<u>\$ 22,967,190</u>	<u>\$ 22,242,131</u>

VILLAGE OF WINNETKA, ILLINOIS

Village Facilities - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 3,000	\$ 1,112
Expenditures		
Capital Outlay	315,000	98,285
Net Change in Fund Balance	<u>\$ (312,000)</u>	(97,173)
Fund Balance - Beginning		<u>515,693</u>
Fund Balance - Ending		<u>\$ 418,520</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

**Combining Balance Sheet
December 31, 2014**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet
December 31, 2014

	Special Revenue	
	Motor Fuel Tax	Foreign Fire Tax
ASSETS		
Cash and Investments	\$ 1,945,052	\$ 96,003
Due from Other Governments	30,690	-
Total Assets	<u>1,975,742</u>	<u>96,003</u>
LIABILITIES		
Accounts Payable	24,413	6,686
Due to Other Funds	-	-
Total Liabilities	<u>24,413</u>	<u>6,686</u>
FUND BALANCES		
Restricted	1,951,329	89,317
Assigned	-	-
Unassigned	-	-
Total Fund Balances	<u>1,951,329</u>	<u>89,317</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,975,742</u>	<u>\$ 96,003</u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ -	\$ 395,368	\$ 25,768	\$ 2,462,191
-	-	-	30,690
-	395,368	25,768	2,492,881
-	72,162	-	103,261
-	-	152,145	152,145
-	72,162	152,145	255,406
-	-	-	2,040,646
-	323,206	-	323,206
-	-	(126,377)	(126,377)
-	323,206	(126,377)	2,237,475
\$ -	\$ 395,368	\$ 25,768	\$ 2,492,881

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2014

	Special Revenue	
	Motor Fuel Tax	Foreign Fire Tax
Revenues		
Taxes	\$ -	\$ -
Intergovernmental	301,906	78,413
Investment Income	285	277
Total Revenues	<u>302,191</u>	<u>78,690</u>
Expenditures		
Public Safety	-	161,175
Community Development	-	-
Public Works	38,126	-
Debt Service		
Principal Retirement	-	-
Interest and Fiscal Charges	-	-
Total Expenditures	<u>38,126</u>	<u>161,175</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>264,065</u>	<u>(82,485)</u>
Other Financing Sources (Uses)		
Transfers In	-	171,802
Transfers Out	-	-
	<u>-</u>	<u>171,802</u>
Net Change in Fund Balances	264,065	89,317
Fund Balances - Beginning	<u>1,687,264</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,951,329</u>	<u>\$ 89,317</u>

Debt Service General Obligation	Capital Projects		Totals
	Downtown Redevelopment	Special Service Areas	
\$ 134,928	\$ -	\$ 44,852	\$ 179,780
-	-	-	380,319
905	971	24	2,462
135,833	971	44,876	562,561
-	-	-	161,175
-	394,326	-	394,326
-	-	-	38,126
460,000	-	-	460,000
17,777	-	-	17,777
477,777	394,326	-	1,071,404
(341,944)	(393,355)	44,876	(508,843)
-	400,000	-	571,802
(3,918)	-	-	(3,918)
(3,918)	400,000	-	567,884
(345,862)	6,645	44,876	59,041
345,862	316,561	(171,253)	2,178,434
\$ -	\$ 323,206	\$ (126,377)	\$ 2,237,475

VILLAGE OF WINNETKA, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 310,000	\$ 301,906
Investment Income	10,000	285
Total Revenues	<u>320,000</u>	<u>302,191</u>
Expenditures		
Public Works		
Street - Traffic Signal Maintenance and Improvement	<u>760,000</u>	<u>38,126</u>
Net Change in Fund Balance	<u>\$ (440,000)</u>	264,065
Fund Balance - Beginning		<u>1,687,264</u>
Fund Balance - Ending		<u>\$ 1,951,329</u>

VILLAGE OF WINNETKA, ILLINOIS

Foreign Fire Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Foreign Fire Insurance Tax	\$ 75,000	\$ 78,413
Investment Income	-	277
Total Revenues	<u>75,000</u>	<u>78,690</u>
Expenditures		
Public Safety		
Supplies	<u>75,000</u>	<u>161,175</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(82,485)
Other Financing Sources		
Transfers In		<u>171,802</u>
Net Change in Fund Balance	<u>\$ -</u>	89,317
Fund Balance - Beginning		<u>-</u>
Fund Balance - Ending		<u>\$ 89,317</u>

VILLAGE OF WINNETKA, ILLINOIS

General Obligation - Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 137,616	\$ 134,928
Investment Income	500	905
Total Revenues	<u>138,116</u>	<u>135,833</u>
Expenditures		
Debt Service		
Principal Retirement	460,000	460,000
Interest and Fiscal Charges	21,948	17,777
Total Expenditures	<u>481,948</u>	<u>477,777</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(343,832)</u>	<u>(341,944)</u>
Other Financing Sources (Uses)		
Transfers In	335,000	-
Transfers Out	-	(3,918)
	<u>335,000</u>	<u>(3,918)</u>
Net Change in Fund Balance	<u>\$ (8,832)</u>	(345,862)
Fund Balance - Beginning		<u>345,862</u>
Fund Balance - Ending		<u>\$ -</u>

VILLAGE OF WINNETKA, ILLINOIS

Downtown Redevelopment - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 1,000	\$ 971
Expenditures		
Community Development		
Miscellaneous	450,000	394,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	(449,000)	(393,355)
Other Financing Sources		
Transfers In	200,000	400,000
Net Change in Fund Balance	<u>\$ (249,000)</u>	6,645
Fund Balance - Beginning		<u>316,561</u>
Fund Balance - Ending		<u>\$ 323,206</u>

VILLAGE OF WINNETKA, ILLINOIS

Special Service Areas - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 42,275	\$ 44,852
Investment Income	-	24
Total Revenues	42,275	44,876
Expenditures		
Capital Outlay		
Construction	-	-
Net Change in Fund Balance	<u>\$ 42,275</u>	44,876
Fund Balance - Beginning		<u>(171,253)</u>
Fund Balance - Ending		<u>\$ (126,377)</u>

VILLAGE OF WINNETKA, ILLINOIS

Electric - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 15,253,036	\$ 14,515,763
Miscellaneous	90,000	221,587
Total Operating Revenues	<u>15,343,036</u>	<u>14,737,350</u>
Operating Expenses		
Administration		
General and Administrative	2,732,457	2,789,687
Operations		
Generation	9,113,520	8,654,350
Distribution	1,420,326	1,504,977
Depreciation	1,600,000	1,648,165
Total Operating Expenses	<u>14,866,303</u>	<u>14,597,179</u>
Operating Income	<u>476,733</u>	<u>140,171</u>
Nonoperating Revenues (Expenses)		
Investment Income	15,000	14,899
Rental Income	239,962	519,893
Other Income	-	80,303
Disposal of Capital Assets	10,000	(49,509)
	<u>264,962</u>	<u>565,586</u>
Income Before Transfers	741,695	705,757
Transfers Out	<u>(1,064,616)</u>	<u>(1,064,616)</u>
Change in Net Position	<u>\$ (322,921)</u>	(358,859)
Net Position - Beginning		<u>28,199,040</u>
Net Position - Ending		<u>\$ 27,840,181</u>

VILLAGE OF WINNETKA, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 3,923,346	\$ 3,347,412
Miscellaneous	12,500	109,853
Total Operating Revenues	<u>3,935,846</u>	<u>3,457,265</u>
Operating Expenses		
Administration		
General and Administrative	1,469,884	1,430,317
Operations		
Pumping	777,633	702,828
Distribution	505,016	448,252
Depreciation	440,000	486,179
Total Operating Expenses	<u>3,192,533</u>	<u>3,067,576</u>
Operating Income	<u>743,313</u>	<u>389,689</u>
Nonoperating Revenues (Expenses)		
Investment Income	1,500	3,996
Other Income	-	41,630
Disposal of Capital Assets	-	(5,505)
	<u>1,500</u>	<u>40,121</u>
Income Before Transfers	744,813	429,810
Transfers Out	<u>(331,080)</u>	<u>(331,080)</u>
Change in Net Position	<u>\$ 413,733</u>	98,730
Net Position - Beginning		<u>11,962,306</u>
Net Position - Ending		<u>\$ 12,061,036</u>

VILLAGE OF WINNETKA, ILLINOIS

Refuse - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 535,000	\$ 535,051
Miscellaneous	-	1,076
Total Operating Revenues	<u>535,000</u>	<u>536,127</u>
Operating Expenses		
Administration		
General and Administrative	127,080	127,080
Operations		
Collection	1,335,878	1,325,955
Disposal	385,008	253,207
Recycling	307,050	469,717
Landfill Monitoring	113,000	145,025
Depreciation	135,000	134,218
Total Operating Expenses	<u>2,403,016</u>	<u>2,455,202</u>
Operating Income (Loss)	<u>(1,868,016)</u>	<u>(1,919,075)</u>
Nonoperating Revenues		
Property Taxes	1,100,000	1,076,358
Investment Income	2,300	1,946
	<u>1,102,300</u>	<u>1,078,304</u>
Income (Loss) Before Transfers	<u>(765,716)</u>	<u>(840,771)</u>
Transfers In	550,000	550,000
Transfers Out	(49,200)	(49,200)
	<u>500,800</u>	<u>500,800</u>
Change in Net Position	<u>\$ (264,916)</u>	(339,971)
Net Position - Beginning		<u>1,460,991</u>
Net Position - Ending		<u>\$ 1,121,020</u>

VILLAGE OF WINNETKA, ILLINOIS

Storm Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 869,709	\$ 941,417
Operating Expenses		
Operations	487,707	358,943
Depreciation	-	49,784
Total Operating Expenses	487,707	408,727
Operating Income (Loss)	382,002	532,690
Nonoperating Revenues (Expenses)		
Investment Income	41,250	50,061
Grants	-	134,794
Interest Expense	(1,005,000)	(671,516)
	(963,750)	(486,661)
Income (Loss) Before Transfers	(581,748)	46,029
Transfers In	211,000	211,000
Change in Net Position	\$ (370,748)	257,029
Net Position - Beginning		8,159,987
Net Position - Ending		\$ 8,417,016

VILLAGE OF WINNETKA, ILLINOIS

Sanitary Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,069,414	\$ 874,447
Operating Expenses		
Administration		
General and Administrative	140,040	140,040
Operations	652,803	416,295
Depreciation	80,000	106,952
Total Operating Expenses	872,843	663,287
Operating Income	196,571	211,160
Nonoperating Revenues		
Investment Income	1,200	2,211
Income Before Transfers	197,771	213,371
Transfers Out	(58,500)	(58,500)
Change in Net Position	\$ 139,271	154,871
Net Position - Beginning		3,076,130
Net Position - Ending		\$ 3,231,001

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Net Position
December 31, 2014

	<u>Data Processing</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 821,257
Receivables - Net of Allowances	
Accounts	-
Inventories	-
Total Current Assets	<u>821,257</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Noncurrent Assets	<u>-</u>
Total Assets	<u>821,257</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	5,769
Accrued Payroll	-
Claims Payable	-
Total Current Liabilities	<u>5,769</u>
Noncurrent Liabilities	
Claims Payable	<u>-</u>
Total Liabilities	<u>5,769</u>
NET POSITION	
Investment in Capital Assets	-
Unrestricted	<u>815,488</u>
Total Net Position	<u>\$ 815,488</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 2,182,627	\$ 1,663,753	\$ 2,465,019	\$ 63,746	\$ 7,196,402
-	3,743	14,290	6,522	24,555
-	-	-	36,307	36,307
2,182,627	1,667,496	2,479,309	106,575	7,257,264
-	-	-	13,590	313,188
-	-	-	(13,590)	(313,188)
-	-	-	-	-
2,182,627	1,667,496	2,479,309	106,575	7,257,264
-	-	-	18,856	24,625
-	-	-	13,630	13,630
660,264	255,000	111,752	-	1,027,016
660,264	255,000	111,752	32,486	1,065,271
660,263	-	335,256	-	995,519
1,320,527	255,000	447,008	32,486	2,060,790
-	-	-	-	-
862,100	1,412,496	2,032,301	74,089	5,196,474
\$ 862,100	\$ 1,412,496	\$ 2,032,301	\$ 74,089	\$ 5,196,474

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position
For the Fiscal Year Ended December 31, 2014

	<u>Data Processing</u>
Operating Revenues	
Interfund Services	<u>\$ 331,732</u>
Operating Expenses	
Administration	43,440
Operations	292,239
Depreciation	-
Total Operating Expenses	<u>335,679</u>
Operating Income (Loss)	(3,947)
Nonoperating Revenues	
Investment Income	<u>1,726</u>
Change in Net Position	(2,221)
Net Position - Beginning	<u>817,709</u>
Net Position - Ending	<u>\$ 815,488</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 547,078	\$ 2,996,393	\$ 18,053	\$ 917,752	\$ 4,811,008
-	18,750	41,075	42,824	146,089
446,846	3,576,936	349,336	900,831	5,566,188
-	-	-	1,699	1,699
446,846	3,595,686	390,411	945,354	5,713,976
100,232	(599,293)	(372,358)	(27,602)	(902,968)
4,555	3,966	5,150	491	15,888
104,787	(595,327)	(367,208)	(27,111)	(887,080)
757,313	2,007,823	2,399,509	101,200	6,083,554
\$ 862,100	\$ 1,412,496	\$ 2,032,301	\$ 74,089	\$ 5,196,474

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2014

	<u>Data Processing</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 332,030
Payments to Suppliers	(190,981)
Payments to Employees	(140,112)
	<u>937</u>
Cash Flows from Investing Activities	
Interest Received	<u>1,726</u>
Net Change in Cash and Cash Equivalents	2,663
Cash and Cash Equivalents - Beginning	<u>818,594</u>
Cash and Cash Equivalents - Ending	<u><u>\$ 821,257</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	\$ (3,947)
Adjustments to Reconcile Operating Income to Net	
Cash Provided by (Used in) Operating Activities	
Depreciation	-
(Increase) Decrease in Current Assets	298
Increase (Decrease) in Current Liabilities	<u>4,586</u>
Net Cash Provided by Operating Activities	<u><u>\$ 937</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
\$ 547,873 (486,651)	\$ 3,007,017 (3,595,686)	\$ 4,692 (69,403)	\$ 916,897 (665,159)	\$ 4,808,509 (5,007,880)
-	-	-	(266,124)	(406,236)
61,222	(588,669)	(64,711)	(14,386)	(605,607)
4,555	3,966	5,150	491	15,888
65,777	(584,703)	(59,561)	(13,895)	(589,719)
2,116,850	2,248,456	2,524,580	77,641	7,786,121
\$ 2,182,627	\$ 1,663,753	\$ 2,465,019	\$ 63,746	\$ 7,196,402
\$ 100,232	\$ (599,293)	\$ (372,358)	\$ (27,602)	\$ (902,968)
-	-	-	1,699	1,699
795	10,624	(13,361)	(855)	(2,499)
(39,805)	-	321,008	12,372	298,161
\$ 61,222	\$ (588,669)	\$ (64,711)	\$ (14,386)	\$ (605,607)

VILLAGE OF WINNETKA, ILLINOIS

Data Processing - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 328,200	\$ 331,732
Operating Expenses		
Administration	60,816	43,440
Operations	365,354	292,239
Depreciation	35,000	-
Total Operating Expenses	<u>461,170</u>	<u>335,679</u>
Operating Income (Loss)	(132,970)	(3,947)
Nonoperating Revenues		
Investment Income	<u>8,000</u>	<u>1,726</u>
Change in Net Position	<u>\$ (124,970)</u>	(2,221)
Net Position - Beginning		<u>817,709</u>
Net Position - Ending		<u>\$ 815,488</u>

VILLAGE OF WINNETKA, ILLINOIS

Workers' Compensation Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 528,492	\$ 547,078
Operating Expenses		
Operations	683,000	446,846
Operating Income (Loss)	(154,508)	100,232
Nonoperating Revenues		
Investment Income	4,000	4,555
Change in Net Position	<u>\$ (150,508)</u>	104,787
Net Position - Beginning		<u>757,313</u>
Net Position - Ending		<u>\$ 862,100</u>

VILLAGE OF WINNETKA, ILLINOIS

Health Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 3,021,400	\$ 2,996,393
Operating Expenses		
Administration	649,000	18,750
Operations	2,633,500	3,576,936
Total Operating Expenses	3,282,500	3,595,686
Operating Income (Loss)	(261,100)	(599,293)
Nonoperating Revenues		
Investment Income	15,000	3,966
Change in Net Position	<u>\$ (246,100)</u>	(595,327)
Net Position - Beginning		<u>2,007,823</u>
Net Position - Ending		<u>\$ 1,412,496</u>

VILLAGE OF WINNETKA, ILLINOIS

Liability Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ -	\$ 18,053
Operating Expenses		
Administration	42,000	41,075
Operations	195,000	349,336
Total Operating Expenses	<u>237,000</u>	<u>390,411</u>
Operating Income (Loss)	(237,000)	(372,358)
Nonoperating Revenues		
Investment Income	<u>5,000</u>	<u>5,150</u>
Change in Net Position	<u>\$ (232,000)</u>	(367,208)
Net Position - Beginning		<u>2,399,509</u>
Net Position - Ending		<u>\$ 2,032,301</u>

VILLAGE OF WINNETKA, ILLINOIS

Fleet - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 904,900	\$ 917,752
Operating Expenses		
Administration	44,000	42,824
Operations	855,123	900,831
Depreciation	-	1,699
Total Operating Expenses	899,123	945,354
Operating Income (Loss)	5,777	(27,602)
Nonoperating Revenues		
Investment Income	-	491
Change in Net Position	\$ 5,777	(27,111)
Net Position - Beginning		101,200
Net Position - Ending		\$ 74,089

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Net Position
December 31, 2014

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,576,961	\$ 1,166,078	\$ 2,743,039
Investments			
U.S. Government and Agency Obligations	4,566,614	4,443,955	9,010,569
Municipal Bonds	25,943	10,377	36,320
Common Stock	10,373,078	10,167,282	20,540,360
Corporate Bonds	3,716,579	3,648,060	7,364,639
Mutual Funds	5,377,618	4,571,455	9,949,073
Illinois Funds	25,630	28,904	54,534
Receivables			
Accrued Interest	58,973	58,359	117,332
Total Assets	25,721,396	24,094,470	49,815,866
LIABILITIES			
Accounts Payable	18,761	26,674	45,435
Due to Other Funds	190,444	194,304	384,748
Total Liabilities	209,205	220,978	430,183
NET POSITION			
Held in Trust for Pension Benefits	\$ 25,512,191	\$ 23,873,492	\$ 49,385,683

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Position
For the Fiscal Year Ended December 31, 2014

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,095,000	\$ 1,321,000	\$ 2,416,000
Contributions - Plan Members	249,185	225,546	474,731
Total Contributions	1,344,185	1,546,546	2,890,731
Investment Income			
Interest Earned	211,654	497,302	708,956
Net Change in Fair Value	1,449,557	1,112,666	2,562,223
	1,661,211	1,609,968	3,271,179
Less Investment Expenses	(108,419)	(115,747)	(224,166)
Net Investment Income	1,552,792	1,494,221	3,047,013
Total Additions	2,896,977	3,040,767	5,937,744
Deductions			
Administration	21,144	13,037	34,181
Benefits and Refunds	1,809,324	1,810,863	3,620,187
Total Deductions	1,830,468	1,823,900	3,654,368
Change in Net Position	1,066,509	1,216,867	2,283,376
Net Position - Beginning	24,445,682	22,656,625	47,102,307
Net Position - Ending	\$ 25,512,191	\$ 23,873,492	\$ 49,385,683

VILLAGE OF WINNETKA, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,095,000	\$ 1,095,000
Contributions - Plan Members	250,000	249,185
Total Contributions	<u>1,345,000</u>	<u>1,344,185</u>
Investment Income		
Interest Earned	1,400,000	211,654
Net Change in Fair Value	-	1,449,557
	<u>1,400,000</u>	<u>1,661,211</u>
Less Investment Expenses	-	(108,419)
Net Investment Income	<u>1,400,000</u>	<u>1,552,792</u>
Total Additions	<u>2,745,000</u>	<u>2,896,977</u>
Deductions		
Administration	49,500	21,144
Benefits and Refunds	2,030,000	1,809,324
Total Deductions	<u>2,079,500</u>	<u>1,830,468</u>
Change in Net Position	<u>\$ 665,500</u>	1,066,509
Net Position - Beginning		<u>24,445,682</u>
Net Position - Ending		<u>\$ 25,512,191</u>

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,321,000	\$ 1,321,000
Contributions - Plan Members	210,000	225,546
Total Contributions	<u>1,531,000</u>	<u>1,546,546</u>
Investment Income		
Interest Earned	1,250,000	497,302
Net Change in Fair Value	-	1,112,666
	<u>1,250,000</u>	<u>1,609,968</u>
Less Investment Expenses	-	(115,747)
Net Investment Income	<u>1,250,000</u>	<u>1,494,221</u>
Total Additions	<u>2,781,000</u>	<u>3,040,767</u>
Deductions		
Administration	49,500	13,037
Benefits and Refunds	2,030,000	1,810,863
Total Deductions	<u>2,079,500</u>	<u>1,823,900</u>
Change in Net Position	<u>\$ 701,500</u>	1,216,867
Net Position - Beginning		<u>22,656,625</u>
Net Position - Ending		<u>\$ 23,873,492</u>

SUPPLEMENTAL SCHEDULES

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013

December 31, 2014

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2015	\$ 675,000	\$ 312,050	\$ 987,050	2015	\$ 156,025	2015	\$ 156,025
2016	680,000	298,550	978,550	2016	149,275	2016	149,275
2017	685,000	284,950	969,950	2017	142,475	2017	142,475
2018	695,000	271,250	966,250	2018	135,625	2018	135,625
2019	705,000	257,350	962,350	2019	128,675	2019	128,675
2020	-	243,250	243,250	2020	121,625	2020	121,625
2021	-	243,250	243,250	2021	121,625	2021	121,625
2022	-	243,250	243,250	2022	121,625	2022	121,625
2023	-	243,250	243,250	2023	121,625	2023	121,625
2024	-	243,250	243,250	2024	121,625	2024	121,625
2025	-	243,250	243,250	2025	121,625	2025	121,625
2026	-	243,250	243,250	2026	121,625	2026	121,625
2027	-	243,250	243,250	2027	121,625	2027	121,625
2028	-	243,250	243,250	2028	121,625	2028	121,625
2029	-	243,250	243,250	2029	121,625	2029	121,625
2030	-	243,250	243,250	2030	121,625	2030	121,625
2031	-	243,250	243,250	2031	121,625	2031	121,625
2032	-	243,250	243,250	2032	121,625	2032	121,625
2033	-	243,250	243,250	2033	121,625	2033	121,625
2034	-	243,250	243,250	2034	121,625	2034	121,625
2035	-	243,250	243,250	2035	121,625	2035	121,625
2036	-	243,250	243,250	2036	121,625	2036	121,625
2037	-	243,250	243,250	2037	121,625	2037	121,625
2038-42	-	1,216,250	1,216,250	2038-42	608,125	2038-42	608,125
2043-46	5,560,000	736,532	6,296,532	2043-46	368,266	2043-46	368,266
	<u>\$ 9,000,000</u>	<u>\$ 7,755,432</u>	<u>\$ 16,755,432</u>		<u>\$ 3,877,716</u>		<u>\$ 3,877,716</u>

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2014

December 31, 2014

Date of Issue	January 7, 2014
Date of Maturity	December 15, 2043
Authorized Issue	\$7,500,000
Denomination of Bonds	\$5,000
Interest Rates	2.10% to 4.75%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	BOSC, Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2015	\$ -	\$ 345,100	\$ 345,100	2015	\$ 172,550	2015	\$ 172,550
2016	-	345,100	345,100	2016	172,550	2016	172,550
2017	-	345,100	345,100	2017	172,550	2017	172,550
2018	-	345,100	345,100	2018	172,550	2018	172,550
2019	-	345,100	345,100	2019	172,550	2019	172,550
2020	720,000	345,100	1,065,100	2020	172,550	2020	172,550
2021	735,000	316,300	1,051,300	2021	158,150	2021	158,150
2022	755,000	286,900	1,041,900	2022	143,450	2022	143,450
2023	780,000	256,700	1,036,700	2023	128,350	2023	128,350
2024	-	225,500	225,500	2024	112,750	2024	112,750
2025	-	225,500	225,500	2025	112,750	2025	112,750
2026	-	225,500	225,500	2026	112,750	2026	112,750
2027	-	225,500	225,500	2027	112,750	2027	112,750
2028	-	225,500	225,500	2028	112,750	2028	112,750
2029	-	225,500	225,500	2029	112,750	2029	112,750
2030	-	225,500	225,500	2030	112,750	2030	112,750
2031	-	225,500	225,500	2031	112,750	2031	112,750
2032	-	225,500	225,500	2032	112,750	2032	112,750
2033	-	225,500	225,500	2033	112,750	2033	112,750
2034	-	225,500	225,500	2034	112,750	2034	112,750
2035	-	225,500	225,500	2035	112,750	2035	112,750
2036	-	225,500	225,500	2036	112,750	2036	112,750
2037	-	225,500	225,500	2037	112,750	2037	112,750
2038	-	225,500	225,500	2038	112,750	2038	112,750
2039-43	4,510,000	928,500	5,438,500	2039-43	464,250	2039-43	464,250
	<u>\$ 7,500,000</u>	<u>\$ 7,241,500</u>	<u>\$ 14,741,500</u>		<u>\$ 3,620,750</u>		<u>\$ 3,620,750</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
December 31, 2014 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Net Position by Component - Last Ten Fiscal Years
December 31, 2014 (Unaudited)

	2006	2007	2008	2009
Governmental Activities				
Net Investment in Capital Assets	\$ 34,813,126	\$ 32,660,041	\$ 37,684,272	\$ 38,745,341
Restricted	1,977,229	2,299,340	1,802,873	1,761,144
Unrestricted	20,963,384	25,799,819	25,152,367	25,891,579
Total Governmental Activities Net Position	57,753,739	60,759,200	64,639,512	66,398,064
Business-Type Activities				
Net Investment in Capital Assets	33,187,015	33,993,299	33,747,238	33,408,142
Restricted	-	-	-	-
Unrestricted	8,063,645	8,603,229	9,867,811	10,347,029
Total Business-Type Activities Net Position	41,250,660	42,596,528	43,615,049	43,755,171
Primary Government				
Net Investment in Capital Assets	68,000,141	66,653,340	71,431,510	72,153,483
Restricted	1,977,229	2,299,340	1,802,873	1,761,144
Unrestricted	29,027,029	34,403,048	35,020,178	36,238,608
Total Primary Government Net Position	\$ 99,004,399	\$ 103,355,728	\$ 108,254,561	\$ 110,153,235

*For the nine months ended December 31, 2013.

Data Source: Village Records

2010	2011	2012	2013	2013*	2014
\$ 39,588,465	\$ 41,272,890	\$ 44,214,136	\$ 46,280,785	\$ 47,250,543	\$ 48,774,440
1,707,794	1,860,244	2,185,900	2,627,694	2,094,038	2,131,857
27,129,301	29,281,207	28,439,596	28,949,463	20,457,756	20,470,416
68,425,560	72,414,341	74,839,632	77,857,942	69,802,337	71,376,713
33,579,099	34,387,040	34,871,969	35,212,605	35,339,276	35,411,186
-	-	-	-	-	-
8,957,472	8,391,927	8,465,142	11,784,098	17,519,178	17,259,068
42,536,571	42,778,967	43,337,111	46,996,703	52,858,454	52,670,254
73,167,564	75,659,930	79,086,105	81,493,390	82,589,819	84,185,626
1,707,794	1,860,244	2,185,900	2,627,694	2,094,038	2,131,857
36,086,773	37,673,134	36,904,738	40,733,561	37,976,934	37,729,484
\$ 110,962,131	\$ 115,193,308	\$ 118,176,743	\$ 124,854,645	\$ 122,660,791	\$ 124,046,967

VILLAGE OF WINNETKA, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2014 (Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2013*	2014
Expenses										
Governmental Activities										
General Government	\$ 2,970,398	\$ 3,345,715	\$ 3,347,607	\$ 3,492,415	\$ 2,569,120	\$ 1,628,897	\$ 3,588,121	\$ 3,305,269	\$ 2,923,374	\$ 3,926,262
Public Safety	8,558,439	9,013,668	9,235,546	10,293,738	10,957,451	10,882,264	10,732,430	11,291,203	9,179,353	12,316,145
Community Development	1,323,632	1,550,048	1,450,540	1,566,677	1,788,634	1,820,916	1,551,413	2,846,339	1,267,068	1,676,984
Public Works	4,100,796	4,183,995	4,664,528	5,344,087	5,395,988	4,779,063	5,205,126	2,631,500	4,102,763	5,202,568
Interest on Long-Term Debt	129,991	115,817	104,650	91,789	79,805	65,255	51,007	26,102	21,135	14,676
Total Governmental Activities Expenses	17,083,256	18,209,243	18,802,871	20,788,706	20,790,998	19,176,395	21,128,097	20,100,413	17,493,693	23,136,635
Business-Type Activities										
Electric	11,965,426	10,910,399	11,288,590	12,158,948	12,608,750	13,856,192	13,400,738	13,844,657	11,635,540	14,646,688
Water	2,398,154	2,646,584	2,615,963	2,887,512	2,842,671	2,912,047	2,959,737	3,042,665	2,398,945	3,073,081
Refuse	1,801,904	2,522,347	2,611,727	2,627,642	2,808,053	2,350,183	2,239,102	2,317,873	1,837,660	2,455,202
Sewer	729,114	798,850	754,435	833,035	769,672	730,361	785,768	810,211	645,870	1,080,243
Storm Sewer	-	-	-	-	-	-	-	4,996	132,250	663,287
Total Business-Type Activities Expenses	16,894,598	16,878,180	17,270,715	18,507,137	19,029,146	19,848,783	19,385,345	20,020,402	16,650,265	21,918,501
Total Primary Government Expenses	33,977,854	35,087,423	36,073,586	39,295,843	39,820,144	39,025,178	40,513,442	40,120,815	34,143,958	45,055,136
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	2,547,859	2,361,310	2,536,157	2,546,969	2,786,378	2,833,013	2,833,541	2,800,597	2,077,704	2,859,138
Public Safety	945,676	1,122,764	1,196,848	1,353,519	1,365,208	1,360,861	1,361,370	1,419,674	1,040,252	1,487,238
Community Development	1,314,929	1,292,643	1,406,431	1,447,418	1,403,968	1,847,844	1,510,667	1,838,889	1,831,135	1,929,442
Public Works	129,000	139,062	119,763	94,228	97,384	160,764	168,891	187,290	152,371	120,635
Capital Grants/Contributions	-	-	-	-	-	175,318	111,043	85,341	64,841	73,632
Operating Grants/Contributions	437,278	163,391	524,571	155,482	107,452	71,115	53,932	614,646	53,932	-
Total Governmental Activities Program Revenues	5,374,742	5,079,170	5,783,770	5,597,616	5,760,390	6,448,915	6,039,444	6,946,437	5,220,235	6,470,085
Business-Type Activities										
Charges for Services										
Electric	11,893,269	12,034,279	12,483,985	12,999,754	12,836,384	14,998,198	14,570,744	14,959,497	11,030,696	14,737,350
Water	3,215,721	2,615,988	2,892,582	2,790,065	2,818,964	3,164,372	3,150,740	4,138,370	3,099,689	3,457,265
Refuse	518,024	516,321	575,813	555,826	522,719	564,064	615,392	531,817	394,792	536,127
Storm Sewer	861,145	728,179	826,343	770,888	720,332	778,004	731,083	954,368	776,137	874,447
Sanitary Sewer	-	-	-	-	-	-	-	-	-	941,417
Operating Grants/Contributions	-	-	-	-	-	-	-	-	-	134,794
Total Business-Type Activities Program Revenues	16,488,159	15,894,767	16,778,723	17,116,533	16,898,399	19,504,638	19,067,959	20,584,052	15,301,314	20,681,400
Total Primary Government Program Revenues	\$ 21,862,901	\$ 20,973,937	\$ 22,562,493	\$ 22,714,149	\$ 22,658,789	\$ 25,953,553	\$ 25,107,403	\$ 27,530,489	\$ 20,521,549	\$ 27,151,485

	2006	2007	2008	2009	2010	2011	2012	2013	2013*	2014
Net (Expense) Revenue										
Governmental Activities	\$ (11,708,514)	\$ (13,130,073)	\$ (13,019,101)	\$ (15,191,090)	\$ (15,030,608)	\$ (12,727,480)	\$ (15,088,653)	\$ (13,153,976)	\$ (12,273,458)	\$ (16,666,550)
Business-Type Activities	(406,439)	(983,413)	(491,992)	(1,390,604)	(2,130,747)	(344,145)	(317,386)	563,650	(1,348,951)	(1,237,101)
Total Primary Government Net Revenue	<u>(E) (12,114,953)</u>	<u>(14,113,486)</u>	<u>(13,511,093)</u>	<u>(16,581,694)</u>	<u>(17,161,355)</u>	<u>(13,071,625)</u>	<u>(15,406,039)</u>	<u>(12,590,326)</u>	<u>(13,622,409)</u>	<u>(17,903,651)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	9,690,954	9,977,130	10,137,924	10,830,205	11,838,012	11,398,782	12,437,894	12,318,740	6,128,244	12,895,811
Telecommunications	747,739	663,966	733,223	725,308	724,186	666,106	638,596	1,465,846	460,092	462,013
Natural Gas	706,484	639,526	619,871	698,905	462,104	442,334	458,790	295,395	303,383	558,631
Other	59,694	-	-	-	-	-	-	-	-	-
Intergovernmental										
Sales Tax	1,450,993	1,543,234	1,503,118	1,300,836	1,183,995	1,231,060	1,321,062	1,397,198	1,190,192	1,589,475
Income Tax	943,102	1,034,891	1,142,155	1,175,044	991,336	935,697	979,922	1,091,189	882,789	1,106,344
Personal Property Replacement Tax	77,906	129,078	156,986	139,324	129,632	137,053	124,253	122,845	134,784	114,799
Other	-	417,142	413,140	390,133	377,086	433,162	369,074	417,081	305,705	380,319
Investment Income	631,314	1,210,078	1,397,692	973,020	652,287	464,175	364,513	342,022	95,607	54,617
Miscellaneous	426,979	97,109	102,673	194,107	67,305	140,572	79,240	64,442	110,640	336,521
Transfers	492,000	423,380	617,260	522,760	632,160	867,320	740,600	(1,342,472)	(5,393,583)	742,396
Total Governmental Activities	<u>15,227,165</u>	<u>16,135,534</u>	<u>16,824,042</u>	<u>16,949,642</u>	<u>17,058,103</u>	<u>16,716,261</u>	<u>17,513,944</u>	<u>16,172,286</u>	<u>4,217,853</u>	<u>18,240,926</u>
Business-Type Activities										
Property Taxes	1,252,966	1,205,671	1,245,497	1,325,471	1,070,059	1,096,342	1,086,582	1,074,565	1,068,036	1,076,358
Investment Income	263,461	336,565	411,787	281,010	176,909	113,179	84,272	143,444	55,458	73,113
Miscellaneous	(127,037)	546,051	470,489	447,005	297,339	244,340	454,527	535,461	693,625	641,826
Transfers	(492,000)	(423,380)	(617,260)	(522,760)	(632,160)	(867,320)	(740,600)	1,342,472	5,393,583	(742,396)
Total Business-Type Activities	<u>897,390</u>	<u>1,664,907</u>	<u>1,510,513</u>	<u>1,530,726</u>	<u>912,147</u>	<u>586,541</u>	<u>884,781</u>	<u>3,095,942</u>	<u>7,210,702</u>	<u>1,048,901</u>
Total Primary Government	<u>16,124,555</u>	<u>17,800,441</u>	<u>18,334,555</u>	<u>18,480,368</u>	<u>17,970,250</u>	<u>17,302,802</u>	<u>18,398,725</u>	<u>19,268,228</u>	<u>11,428,555</u>	<u>19,289,827</u>
Changes in Net Position										
Governmental Activities	3,518,651	3,005,461	3,804,941	1,758,552	2,027,495	3,988,781	2,425,291	3,018,310	(8,055,605)	1,574,376
Business-Type Activities	490,951	681,494	1,018,521	140,122	(1,218,600)	242,396	567,395	3,659,592	5,861,751	(188,200)
Total Primary Government	<u>\$ 4,009,602</u>	<u>\$ 3,686,955</u>	<u>\$ 4,823,462</u>	<u>\$ 1,898,674</u>	<u>\$ 808,895</u>	<u>\$ 4,231,177</u>	<u>\$ 2,992,686</u>	<u>\$ 6,677,902</u>	<u>\$ (2,193,854)</u>	<u>\$ 1,386,176</u>

*For the nine months ended December 31, 2013.

Data Source: Village Records

VILLAGE OF WINNETKA, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

	2006	2007	2008	2009
General Fund				
Reserved	\$ 65,468	\$ 71,098	\$ 77,816	\$ 86,844
Unreserved	16,745,798	18,612,927	16,530,669	17,908,679
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	16,811,266	18,684,025	16,608,485	17,995,523
All Other Governmental Funds				
Reserved	1,976,513	2,278,055	14,769,479	1,713,163
Unreserved, Reported in:				
Special Revenues Funds	-	-	-	-
Debt Service Funds	-	-	-	-
Capital Projects Funds	1,035,625	1,029,541	5,351,498	5,561,377
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	3,012,138	3,307,596	20,120,977	7,274,540
Total Governmental Funds	\$ 19,823,404	\$ 21,991,621	\$ 36,729,462	\$ 25,270,063

*For the nine months ended December 31, 2013.

Data Source: Village Records

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

2010	2011	2012	2013	2013*	2014
\$ 74,129	\$ -	\$ -	\$ -	\$ -	\$ -
21,251,060	-	-	-	-	-
-	-	1,979	268	2,597	91,211
-	72,672	84,846	69,660	235,815	-
-	22,276,610	24,298,449	25,231,521	16,612,063	18,080,699
21,325,189	22,349,282	24,385,274	25,301,449	16,850,475	18,171,910
1,666,725	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,191,571	-	-	-	-	-
-	1,814,587	2,121,696	2,561,975	2,033,126	2,040,646
-	2,627,027	482,019	394,663	832,254	741,726
-	-	-	(193,267)	(171,253)	(126,377)
4,858,296	4,441,614	2,603,715	2,763,371	2,694,127	2,655,995
\$ 26,183,485	\$ 26,790,896	\$ 26,988,989	\$ 28,064,820	\$ 19,544,602	\$ 20,827,905

VILLAGE OF WINNETKA, ILLINOIS

**General Governmental Revenues by Source - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Source	2006	2007	2008	2009
Taxes	\$ 11,145,177	\$ 11,280,622	\$ 11,491,018	\$ 12,254,418
Licenses and Permits	1,748,642	1,731,017	1,815,270	1,829,281
Intergovernmental	2,942,358	3,287,736	3,739,970	3,160,819
Charges for Services	3,029,324	3,002,103	3,234,434	3,352,175
Fines and Forfeits	186,113	182,659	209,495	260,678
Investment Income	631,314	979,504	1,079,292	766,214
Miscellaneous	426,979	97,109	102,673	194,107
Total	<u>\$ 20,109,907</u>	<u>\$ 20,560,750</u>	<u>\$ 21,672,152</u>	<u>\$ 21,817,692</u>

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

*For the nine months ended December 31, 2013.

Data Source: Village Records

2010	2011	2012	2013	2013*	2014
\$ 13,024,302	\$ 12,507,222	\$ 13,535,280	\$ 14,079,981	\$ 6,891,719	\$ 13,916,455
1,815,124	2,329,913	2,003,172	2,378,429	2,245,978	2,396,870
2,789,501	2,983,405	2,959,286	3,728,300	2,632,243	3,264,569
3,559,413	3,660,154	3,656,488	3,652,741	2,711,133	3,810,622
278,401	212,415	214,809	215,280	144,351	188,961
498,515	326,643	271,790	260,413	80,397	38,729
67,305	140,572	79,240	64,442	110,640	336,521
<u>\$ 22,032,561</u>	<u>\$ 22,160,324</u>	<u>\$ 22,720,065</u>	<u>\$ 24,379,586</u>	<u>\$ 14,816,461</u>	<u>\$ 23,952,727</u>

VILLAGE OF WINNETKA, ILLINOIS

**General Governmental Expenditures by Function - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Function	2006	2007	2008	2009
General Government	\$ 2,607,429	\$ 2,445,123	\$ 3,133,590	\$ 2,724,881
Public Safety	8,495,269	9,564,301	9,592,638	10,031,367
Community Development	1,360,348	1,543,856	1,441,721	1,557,858
Public Works	4,775,555	4,734,072	5,914,084	5,954,959
Capital Outlay	26,212	57,140	4,497	68,438
Debt Service				
Principal	340,000	350,000	355,000	365,000
Interest and Fiscal Charges	135,140	121,421	110,041	97,348
Total Expenditures	\$ 17,739,953	\$ 18,815,913	\$ 20,551,571	\$ 20,799,851

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

*For the nine months ended December 31, 2013.

Data Source: Village Records

2010	2011	2012	2013	2013*	2014
\$ 2,935,744	\$ 3,160,342	\$ 2,738,434	\$ 3,001,449	\$ 2,464,557	\$ 2,947,643
10,512,961	11,073,179	10,433,116	11,024,520	8,753,436	11,847,222
1,779,641	1,813,451	1,542,096	1,587,389	1,256,959	2,059,844
5,863,861	4,973,356	5,179,881	4,979,279	4,953,498	5,981,049
193,484	788,605	2,901,665	905,843	52,671	98,285
380,000	390,000	410,000	420,000	440,000	460,000
85,608	71,300	57,380	42,803	21,975	17,777
<u>\$ 21,751,299</u>	<u>\$ 22,270,233</u>	<u>\$ 23,262,572</u>	<u>\$ 21,961,283</u>	<u>\$ 17,943,096</u>	<u>\$ 23,411,820</u>

VILLAGE OF WINNETKA, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

	2006	2007	2008	2009
Revenues				
Taxes	\$ 11,145,177	\$ 11,280,622	\$ 11,491,018	\$ 12,254,418
Licenses and Permits	1,748,642	1,731,017	1,815,270	1,829,281
Intergovernmental	2,942,358	3,287,736	3,739,970	3,160,819
Charges for Services and Fees	3,029,324	3,002,103	3,234,434	3,352,175
Fines and Forfeits	186,113	182,659	209,495	260,678
Investment Income	631,314	979,504	1,079,292	766,214
Miscellaneous	426,979	97,109	102,673	194,107
Total Revenues	20,109,907	20,560,750	21,672,152	21,817,692
Expenditures				
General Government	2,607,429	2,445,123	3,133,590	2,724,881
Public Safety	8,495,269	9,564,301	9,592,638	10,031,367
Community Development	1,360,348	1,543,856	1,441,721	1,557,858
Public Works	4,775,555	4,734,072	5,914,084	5,954,959
Capital Outlay	26,212	57,140	4,497	68,438
Debt Service				
Principal	340,000	350,000	355,000	365,000
Interest and Fiscal Charges	135,140	121,421	110,041	97,348
Total Expenditures	17,739,953	18,815,913	20,551,571	20,799,851
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,369,954	1,744,837	1,120,581	1,017,841
Other Financing Sources (Uses)				
Transfers In	1,687,800	1,922,605	5,751,960	1,759,160
Transfers Out	(1,195,800)	(1,499,225)	(5,134,700)	(1,236,400)
	492,000	423,380	617,260	522,760
Net Change in Fund Balances	\$ 2,861,954	\$ 2,168,217	\$ 1,737,841	\$ 1,540,601
Debt Service as a Percentage of Noncapital Expenditures	2.68%	2.51%	2.63%	2.50%

*For the nine months ended December 31, 2013.

Data Source: Village Records

2010	2011	2012	2013	2013*	2014
\$ 13,024,302	\$ 12,507,222	\$ 13,535,280	\$ 14,079,981	\$ 6,891,719	\$ 13,916,455
1,815,124	2,329,913	2,003,172	2,378,429	2,245,978	2,396,870
2,789,501	2,983,405	2,959,286	3,728,300	2,632,243	3,264,569
3,559,413	3,660,154	3,656,488	3,652,741	2,711,133	3,810,622
278,401	212,415	214,809	215,280	144,351	188,961
498,515	326,643	271,790	260,413	80,397	38,729
67,305	140,572	79,240	64,442	110,640	336,521
22,032,561	22,160,324	22,720,065	24,379,586	14,816,461	23,952,727
2,935,744	3,160,342	2,738,434	3,001,449	2,464,557	2,947,643
10,512,961	11,073,179	10,433,116	11,024,520	8,753,436	11,847,222
1,779,641	1,813,451	1,542,096	1,587,389	1,256,959	2,059,844
5,863,861	4,973,356	5,179,881	4,979,279	4,953,498	5,981,049
193,484	788,605	2,901,665	905,843	52,671	98,285
380,000	390,000	410,000	420,000	440,000	460,000
85,608	71,300	57,380	42,803	21,975	17,777
21,751,299	22,270,233	23,262,572	21,961,283	17,943,096	23,411,820
281,262	(109,909)	(542,507)	2,418,303	(3,126,635)	540,907
3,778,842	2,081,380	2,380,360	2,447,833	1,864,302	2,079,116
(3,146,682)	(1,364,060)	(1,639,760)	(3,790,305)	(7,257,885)	(1,336,720)
632,160	717,320	740,600	(1,342,472)	(5,393,583)	742,396
\$ 913,422	\$ 607,411	\$ 198,093	\$ 1,075,831	\$ (8,520,218)	\$ 1,283,303
2.36%	2.37%	2.44%	2.48%	2.94%	2.34%

VILLAGE OF WINNETKA, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2014 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property
2004	\$ 1,056,937,074	\$ 59,857,051
2005	1,127,591,329	63,669,610
2006	1,136,516,914	61,840,702
2007	1,593,445,073	74,717,663
2008	1,687,972,130	75,156,391
2009	1,794,991,734	72,103,545
2010	1,527,772,751	71,278,854
2011	1,374,421,539	59,890,282
2012	1,278,359,179	54,724,248
2013	1,169,861,689	49,963,175

Data Source: Cook County Clerk

	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$	5,419,548	\$ 1,122,213,673	\$ 213,166	\$ 1,122,426,839	0.936
	4,516,514	1,195,777,463	201,024	1,195,978,487	0.918
	4,476,177	1,202,833,793	200,414	1,203,034,207	0.951
	4,157,725	1,672,320,461	219,708	1,672,540,169	0.716
	4,351,536	1,767,480,057	239,890	1,767,719,947	0.710
	4,415,767	1,871,511,046	288,245	1,871,799,291	0.682
	6,179,959	1,605,231,564	359,555	1,605,591,119	0.817
	5,560,414	1,439,872,235	381,855	1,440,254,090	1.558
	4,084,556	1,337,167,983	431,535	1,337,599,518	1.667
	3,845,561	1,223,670,425	532,312	1,224,202,737	1.847

VILLAGE OF WINNETKA, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2014 (Unaudited)**

	2004	2005	2006	2007
Village of Winnetka				
General Corporate Rate	0.936	0.918	0.951	0.716
Special Service Area #3	-	-	-	-
Special Service Area #4	-	-	-	-
Special Service Area #5	-	-	-	-
Total Direct Tax Rate	0.936	0.918	0.951	0.716
Overlapping Rates				
Cook County	0.471	0.421	0.397	0.446
Elections	-	0.014	-	0.012
Cook County Hospital	0.122	0.112	0.103	-
Forest Preserve	0.060	0.060	0.057	0.053
TB Sanitarium	0.001	0.005	0.005	-
Metropolitan Water Reclamation District	0.347	0.315	0.284	0.263
Mosquito Abatement District	0.008	0.008	0.009	0.008
New Trier Township	0.039	0.039	0.042	0.034
New Trier High School	1.621	1.577	1.662	1.299
Community College 535	0.161	0.158	0.166	0.141
Winnetka School District (36)	2.534	2.356	2.608	2.083
Winnetka Public Library	0.131	0.129	0.132	0.101
Winnetka Park District	0.307	0.302	0.316	0.239
Total Direct and Overlapping Tax Rates	6.738	6.414	6.732	5.395

Data Source: Cook County Clerk

2008	2009	2010	2011	2012	2013
0.710	0.682	0.817	0.936	1.038	1.162
-	-	-	0.383	0.397	0.437
-	-	-	0.128	0.117	0.131
-	-	-	0.111	0.115	0.117
0.710	0.682	0.817	1.558	1.667	1.847
0.415	0.394	0.423	0.462	0.531	0.560
-	0.021	-	0.025	-	0.031
-	-	-	-	-	-
0.051	0.049	0.051	0.058	0.063	0.069
-	-	-	-	-	-
0.252	0.261	0.274	0.320	0.370	0.417
0.008	0.008	0.009	0.010	0.010	0.007
0.034	0.033	0.037	0.042	0.047	0.061
1.290	1.237	1.474	1.674	1.864	2.111
0.140	0.140	0.160	0.196	0.219	0.256
2.083	1.985	2.432	2.782	3.094	3.331
0.120	0.139	0.164	0.187	0.203	0.230
0.239	0.228	0.271	0.310	0.347	0.391
5.342	5.177	6.112	7.624	8.415	9.311

VILLAGE OF WINNETKA, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2014 (Unaudited)

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Individual	\$ 3,250,732	1	0.266%			
Individual	3,181,210	2	0.260%			
Individual	3,160,502	3	0.258%			
AH2 Signal Hill LTD	2,721,789	4	0.222%			
Individual	2,662,100	5	0.217%			
Individual	2,581,892	6	0.211%			
Individual	2,402,198	7	0.196%			
Hulsizer & Makowiec	2,291,074	8	0.187%			
Individual	2,205,498	9	0.180%			
Gould & Rathner LLC	2,064,489	10	0.169%			
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>\$ 26,521,484</u>		<u>2.166%</u>	<u>\$ 15,112,895</u>		<u>1.730%</u>

Data Source: Cook County Tax Extension Office

Note: Based on the 2013 EAV of \$1,224,202,737.

VILLAGE OF WINNETKA, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2006	2005	\$ 10,969,000	\$ 10,936,819	99.71%	\$ N/A	\$ 10,936,819	99.71%
2007	2006	11,435,181	11,301,039	98.83%	N/A	11,301,039	98.83%
2008	2007	11,966,028	11,910,130	99.53%	N/A	11,910,130	99.53%
2009	2008	12,535,304	12,046,185	96.10%	N/A	12,046,185	96.10%
2010	2009	12,748,404	12,570,984	98.61%	N/A	12,570,984	98.61%
2011	2010	13,105,359	12,932,664	98.68%	N/A	12,932,664	98.68%
2012	2011	13,472,400	13,341,410	99.03%	N/A	13,341,410	99.03%
2013	2012	13,875,587	6,703,878	48.31%	N/A	6,703,878	48.31%
2013*	2012	13,875,587	6,551,164	47.21%	N/A	6,551,164	47.21%
2014	2013	14,222,477	13,927,317	97.92%	N/A	13,927,317	97.92%

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

*For the nine months ended December 31, 2013.

N/A - Currently Not Available

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of Outstanding Debt by Type - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Fiscal Year	Governmental Activities	Business-Type Activates	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds			
2006	\$ 3,570,000	\$ -	\$ 3,570,000	2.13%	\$ 287.46
2007	3,220,000	-	3,220,000	1.92%	259.28
2008	2,865,000	-	2,865,000	1.71%	230.69
2009	2,500,000	-	2,500,000	1.49%	201.30
2010	2,120,000	-	2,120,000	1.27%	170.71
2011	1,730,000	-	1,730,000	1.03%	139.30
2012	1,320,000	-	1,320,000	0.63%	108.31
2013	900,000	-	900,000	0.43%	73.85
2013*	460,000	9,000,000	9,460,000	4.53%	776.24
2014	-	16,500,000	16,500,000	7.81%	1,328.29

*For the nine months ended December 31, 2013.

Data Source: Village's Records

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

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

VILLAGE OF WINNETKA, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available For Debt Service	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2006	\$ 3,570,000	\$ 240,652	\$ 3,329,348	0.28%	\$ 268.09
2007	3,220,000	273,130	2,946,870	0.24%	237.29
2008	2,865,000	285,790	2,579,210	0.15%	207.68
2009	2,500,000	308,315	2,191,685	0.12%	176.48
2010	2,120,000	330,709	1,789,291	0.10%	144.08
2011	1,730,000	345,512	1,384,488	0.09%	111.48
2012	1,320,000	362,824	957,176	0.07%	78.54
2013	900,000	389,638	510,362	0.04%	41.88
2013*	9,460,000	342,761	9,117,239	0.68%	748.11
2014	16,500,000	-	16,500,000	1.35%	1,328.29

*For the nine months ended December 31, 2013.

Data Source: Village Records

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

(1) See the Schedule of Assessed Value and Actual Value of Taxable Property for equalized assessed value data.

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

VILLAGE OF WINNETKA, ILLINOIS

**Schedule of Direct and Overlapping Governmental Activities Bonded Debt
December 31, 2014 (Unaudited)**

Governmental Unit	(1) Gross Debt	(2) Percentage to Debt Applicable to Village	(3) Village's Share of Debt
Village of Winnetka	\$ -	100.00%	\$ 0
School Districts:			
New Trier High School	101,480,000	26.47%	26,861,756
Oakton Community College No. 535	35,370,000	6.18%	2,185,866
School District No. 36 (Winnetka)	48,671,191	97.98%	47,688,033
School District No. 37 (Avoca)	4,450,546	6.55%	291,511
School District No. 38 (Kenilworth)	8,340,000	9.35%	779,790
Total School Districts	198,311,737		77,806,956
Other Agencies:			
Cook County	3,466,835,000	0.95%	32,934,933
Forest Preserve District	172,535,000	0.95%	1,639,083
Metropolitan Water Reclamation	2,642,374,005	0.97%	25,631,028
Glencoe Park District	10,260,000	0.83%	85,158
Winnetka Park District	6,200,000	91.31%	5,661,220
Total Other Agencies	6,298,204,005		65,951,421
Total Overlapping Debt	6,496,515,742		143,758,377
Total Direct and Overlapping Debt	\$ 6,496,515,742		\$ 143,758,377

(1) The 2014 information is not available as of the date of this report. 2013 data shown.

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

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

Data Source: Cook County Tax Extension Office

VILLAGE OF WINNETKA, ILLINOIS

Legal Debt Margin December 31, 2014 (Unaudited)

The Village is a home rule municipality.

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

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

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

VILLAGE OF WINNETKA, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Fiscal Year	Property and Sales Tax Revenues	Principal	Interest	Coverage
2006	\$ 12,472,819	\$ 340,000	\$ 134,104	26.31
2007	12,855,113	350,000	121,421	27.27
2008	13,043,525	355,000	110,041	28.05
2009	13,595,836	365,000	97,348	29.41
2010	14,221,698	380,000	85,608	30.54
2011	13,863,237	390,000	71,300	30.05
2012	14,969,791	410,000	57,380	32.03
2013	13,715,938	420,000	42,803	29.64
2013*	7,318,436	440,000	21,975	15.84
2014	14,485,286	460,000	16,447	30.40

*For the nine months ended December 31, 2013.

Data Source: Village Records

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

VILLAGE OF WINNETKA, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2014 (Unaudited)

Fiscal Year	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
2006	12,419	\$ 167,458	\$ 84,134	39.8	4,527	0.8%
2007	12,419	167,458	84,134	39.8	4,527	0.8%
2008	12,419	167,458	84,134	39.8	4,527	0.8%
2009	12,419	167,458	84,134	39.8	4,527	0.8%
2010	12,419	167,458	84,134	39.8	4,527	0.8%
2011	12,419	167,458	84,134	39.8	4,527	0.8%
2012	12,187	207,955	104,440	42.8	4,453	3.5%
2013	12,187	208,750	102,867	42.8	4,453	3.5%
2013*	12,187	208,750	102,867	42.8	4,453	3.5%
2014	12,422	211,250	100,440	41.8	5,153	3.5%

*For the nine months ended December 31, 2013.

Data Sources

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

VILLAGE OF WINNETKA, ILLINOIS

**Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago
December 31, 2014 (Unaudited)**

Employer	2014			2004		
	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%	162	3	3.30%
Dyson, Dyson & Dunn, Inc.	150	4	3.02%			
North Shore Country Day School	115	5	2.31%	115	4	2.34%
Coldwell Banker	113	6	2.27%	72	7	1.47%
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	8	0.91%	41	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>1,369</u>		<u>27.94%</u>

Data Sources: 2013 Illinois Manufacturers Directory, 2013 Illinois Services Directory and a selective telephone survey.

*Note: Total employment was determined by staff estimation.

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Function	2006	2007	2008	2009
General Government				
Administration	5.0	5.0	5.0	5.0
Finance	16.0	15.0	15.0	15.0
Public Works	22.0	22.0	22.0	20.0
Police	37.0	37.0	37.0	37.0
Fire	24.0	25.0	25.0	25.0
Community Development	10.0	10.0	10.0	10.0
Water	7.0	7.0	7.0	7.0
Sewer	4.0	4.0	4.0	4.0
Stormwater Sewer	-	-	-	-
Electric	29.0	27.0	27.0	27.0
Refuse	9.0	10.0	10.0	10.0
Total	163.0	162.0	162.0	160.0

*For the nine months ended December 31, 2013.

Data Source: Village Records

2010	2011	2012	2013	2013*	2014
5.0	5.0	5.0	5.0	5.0	5.0
15.0	14.0	14.0	14.0	14.0	14.0
19.5	18.5	18.0	18.0	18.0	18.5
37.0	36.0	36.0	36.0	36.0	35.0
25.0	25.0	25.0	25.0	26.0	26.0
10.0	10.0	10.0	10.0	8.0	7.0
7.0	7.0	7.0	7.0	7.0	7.0
4.0	4.0	3.5	3.5	3.5	2.5
-	-	-	-	-	2.5
26.5	26.5	26.3	26.3	26.3	26.3
10.0	7.0	7.0	7.0	7.0	7.0
159.0	153.0	151.8	151.8	150.8	150.8

VILLAGE OF WINNETKA, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Function/Program	2006	2007	2008	2009
Public Works				
Forestry				
Number of Parkway Trees Planted	145	363	375	500
Fleet Services				
Number of Vehicles Maintained	136	136	136	136
Preventative Maintenance Services	420	264	340	N/A
Public Safety				
Fire				
Calls for Service	2,354	2,565	2,521	2,500
Number of Training Hours	7,289	7,324	6,930	7,300
ISO Rating	4	4	4	4
Police				
Part I Crime	136	124	127	172
Part II Crime	417	225	143	139
Calls for Service	10,224	10,452	8,824	8,326
State Tickets Issued	4,849	3,579	3,551	3,653
Compliance Tickets Issued	364	463	466	428
Community Development				
Number of Building Permits Issued	1,473	1,364	895	777
Number of Building Inspections	4,072	3,910	2,975	2,225
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	17,500	17,500	17,650	20,410
Annual Resurfacing Program (\$)	787,905	950,565	1,004,945	950,000
Water and Sewer				
Water Meters Read	37,500	37,500	37,500	37,500
Total Distribution Pumpage (1,000 Gallons)	1,326,804	1,162,627	1,284,583	1,253,601
Sanitary Sewer Repairs	12	20	5	12

N/A - Currently Not Available

*For the nine months ended December 31, 2013.

Data Source: Village Records

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

2010	2011	2012	2013	2013*	2014
252	315	300	297	N/A	N/A
136	136	136	136	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A
2,230	2,200	2,250	2,250	N/A	2,150
7,009	6,500	7,000	7,000	N/A	7,250
4	4	4	4	3	3
158	134	N/A	N/A	N/A	N/A
174	154	N/A	N/A	N/A	N/A
8,393	7,908	N/A	N/A	N/A	N/A
3,468	2,658	N/A	N/A	N/A	N/A
356	306	N/A	N/A	N/A	N/A
936	1,030	N/A	N/A	N/A	N/A
2,450	2,348	N/A	N/A	N/A	N/A
33,299	25,000	25,000	25,377	N/A	N/A
1,000,000	1,100,000	1,150,000	1,150,000	1,008,890	N/A
37,500	37,500	37,500	37,500	N/A	N/A
1,286,670	1,279,192	1,113,878	1,290,813	937,610	1,035,500
24	14	14	12	N/A	N/A

VILLAGE OF WINNETKA, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

Function/Program	2006	2007	2008	2009
Police				
Stations	1	1	1	1
Patrol Units	9	9	9	9
Fire Stations	1	1	1	1
Public Works				
Streets (Miles)	52	52	52	52
Sidewalks (Miles)	80	80	80	80
Streetlights	867	867	867	867
Water and Sewer				
Water Mains (Miles)	70	71	71	71
Fire Hydrants	664	664	665	665
Sanitary Sewers (Miles)	47	47	47	47

*For the nine months ended December 31, 2013.

Data Source: Village Records

2010	2011	2012	2013	2013*	2014
1	1	1	1	1	1
9	9	9	9	9	9
1	1	1	1	1	1
52	52	52	52	52	52
80	80	80	80	80	80
867	867	867	867	867	867
71	71	71	71	71	71
665	666	666	667	667	667
47	47	47	47	47	47