



Village of Winnetka

Village Council Regular Meeting

July 19, 2022 at 7:00 PM
Village Hall
510 Green Bay Road

AGENDA

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Quorum**
 - a. August 2, 2022 Regular Meeting
 - b. August 9, 2022 Study Session
 - c. August 16, 2022 Regular Meeting
- 4. Public Comments**
- 5. Reports**
- 6. Approval of Agenda**
- 7. Consent Agenda**
 - a. Approval of Village Council Minutes
 - i. June 7, 2022 Regular Meeting
 - ii. June 14, 2022 Study Session
 - b. Approval of Warrant List dated May 17, 2022 - May 30, 2022
 - c. Approval of Warrant List dated May 31, 2022 - June 13, 2022
 - d. Approval of Warrant List dated June 14, 2022 - June 27, 2022
 - e. Approval of Outdoor Seating Application for Jimoto
- 8. Ordinances and Resolutions**
 - a. Ordinance No. MC-2-2022: Refuse Curbside - Village Code Update (Introduction)
- 9. Old Business**

NOTICE

All agenda materials are available at villageofwinnetka.org (Governance > Agendas & Minutes); the Reference Desk at the Winnetka Library; or in the Manager's Office at Village Hall (2nd floor).

The Village of Winnetka, in compliance with the Americans with Disabilities Act, requests that all persons with disabilities who require certain accommodations to allow them to observe and/or participate in this meeting or have questions about the accessibility of the meeting or facilities, contact the Village ADA Coordinator, 510 Green Bay Road, Winnetka, Illinois 60093, 847-716-3543; T.D.D. 847-501-6041.

10. New Business

- a. Annual Comprehensive Financial Report (ACFR)

11. Appointments

12. Closed Session

13. Adjournment

**MINUTES
WINNETKA VILLAGE COUNCIL
REGULAR MEETING
June 7, 2022**

(Approved: xx)

A record of a legally convened regular meeting of the Council of the Village of Winnetka, which was held at Council Chambers on Tuesday, June 7, 2022, at 7:00 PM.

- 1) Call to Order. President Pro Tem Bob Dearborn called the meeting to order at 7:01 PM. Assistant Village Manager Kristin Kazenas called the roll. Present: Trustees Rob Apatoff, Andy Cripe, Tine Dalman, Bob Dearborn, and Kim Mancini. Absent: President Christopher Rintz and John Swierk. Also present: Village Clerk Berina Gradjan, Community Development Director David Schoon, Water & Electric Director Brian Keys, Engineering Director Jim Bernahl, Fire Chief John Ripka, Village Attorney Peter Friedman, and approximately 47 persons in the audience.
- 2) Pledge of Allegiance. President Rintz led the group in the Pledge of Allegiance.
- 3) Quorum.
 - a) June 14, 2022 Study Session. All of the Council members present said they expect to attend.
 - b) June 21, 2022 Regular Meeting. All of the Council members present said they expect to attend.
- 4) Life Saving Awards Presentation

Police Chief Marc Hornstein recognizes and presents the Life Saving Award to Officers Dan Timmers, Logan Jernigan, and Firemedic Katie Schmidly for their life saving actions on March 18, 2022, rescuing two drowning teens at the Tower Road pier.
- 5) Public Comment.
 - i) Stephanie Heraty informs Council of a petition created around the Winnetka Park District issue, indicates that the residents are not opposed to Elder and Centennial improvement plan, however, they are opposed to the deviated plans including a steel walls that will restrict shoreline access and lakefront.
 - ii) Randy Winchurch requests a withdrawal of the letter of support on behalf of the Village indicating that the letter is a breaking barrier in trust between Village officials and the Village community.
 - iii) Judy Rau thanks the Council for their service and President Rintz's letter to the Winnetka community. However, Ms. Val indicates that the lack of transparency and altered plans is devolving into a lack of trust and restricting the community of access to the shoreline.
 - iv) Jim Rau commends the elegance of the initial designs, however, indicates that he opposed to the final plans.

- v) Lori Peterson expresses her disappointment in proposed final plans and believes that the steel walls will shed national negative light on the Village and the mistreatment of the shoreline. Ms. Peterson urges Council not to support the plans.
- vi) Paul Constant is concerned regarding the forces of nature, the maintenance of the walls, and urges Council to reconsider their stance on the plans moving forward.
- vii) Chris Ailas reflects on a previous owners request for a privacy screen that was brought before the Village and suggests Council consider a similar approach.
- viii) Elaiza Earls expresses her support regarding the initial plans, however, is opposed to the steel walls indicating that they will restrict the natural beauty of the shoreline.
- ix) Beth Kisha believes that the steel walls will set a bad precedent along the shoreline.
- x) Ron White reflects on historic decisions that the Park District Board has made and indicates that he is opposed to the plans regarding the steel walls.
- xi) Tom Brown believes that the Village Council serves as the community guardians that preserve the history, spirit, and community of Winnetka and believes that the steel walls will provide a cage-like feeling.
- xii) Colleen Root commends the number of community members that have taken a stance against the plans. Ms. Root confirms that as a Park District Board Commissioner, she was astounded by the plans when provided for review and urges Council to consider an ordinance that will regulate the height of walls along the lakefront.
- xiii) Park District Board of Commissioners President Warren James confirms that there is no unwritten agreement only an exchange agreement that is posted for the public to access. While Mr. Warren confirms that there has been extensive negotiations, the Park District Board is seeking the best possible outcome and encourages members of the community to join the Park District meetings.

Trustee Cripe enters the meeting at 7:41 pm.
- xiv) Katie Stevens suggests that due to the proposed changes in the plans, the Park District Board has the ability to terminate the deal and indicates that she is not in favor of the steel walls to be place along the shoreline.
- xv) Irene Smith indicates that she does not believe that the letter sent by President Rintz reflects the support of the Village Council. Ms. Smith believes that the plan sets a terrible precedent and urges Council to preserve and protect the shorelines.
- xvi) John Nickels reflects on the trust that the community has instilled in the Council and commends the vision and unity that is stood for and urges Council to stand up for what the community believes is the right thing.
- xvii) John Ruth suggests that Council review the Village ordinance and jurisdictions related to the matter.
- xviii) Suzy Schriber, former Park District Board Commissioner, believes that there should be a thoughtful and respectful approach to the issue and states that the waters of the great lakes are federal property and financial spendings and grants received have to represent the taxpayers of the United States.

- xix) Vicky Apatoff believes that there has been a lack of transparency between the Park District Board and members of the community, indicating that she is opposed to the plans that were released.
- xx) Warren James invites and urges members of the public to the Park District meeting.
- xxi) Theresa Lucas, owner of Good Grapes, expresses her observations regarding the ongoing Streetscape construction, indicating that she has been frustrated with the progress and the revenue loss experienced in combination with Village wide events. Ms. Lucas suggests that Council dedicate a day to chestnut court businesses to celebrate the completion of the project and requests the closure of chestnut court on July 14th.

The Village Trustees confirm their individual letters of submissions to the Illinois Department of Natural Resources and Army Corps of Engineers stating their opposition to the revised plans proposing steel walls.

6) Reports:

a) Trustees.

- i) Trustee Mancini states that the Plan Commission met in preparation for their presentation of the progress on the 2040 Comprehensive Plan to the Village Council.
- ii) Trustee Apatoff commends the success and vibrancy of opening day at the Farmers Market and thanks the Garden Guild of Winnetka for the beautiful preparation of flowers.
- iii) Trustee Cripe commends the Memorial Day parade.

b) Attorney. None.

c) Village Manager. None.

d) Village President. None.

7) Approval of the Agenda. Trustee Mancini, seconded by Trustee Cripe, moved to approve the Agenda. By voice vote, the motion carried.

8) Consent Agenda

a) Village Council Minutes.

- i. May 3, 2022, Regular Meeting
- ii. May 10, 2022 Study Session
- iii. May 17, 2022 Regular Meeting

b) Approval of Warrant List dated May 3, 2022 – May 16, 2022 in the amount of \$1,409,498.87.

a) Resolution No. R-67-2022 – Approving an Intergovernmental Agreement with the Board of Education of New Trier Township High District No. 203 (Adoption)

b) Resolution No. R-68-2022 – Approving an Outdoor Dining Agreement with Good Grapes LLC (Adoption)

c) Resolution No. R-70-2022 – Liquor License Lakeside Foods (Adoption)

- d) Resolution No. R-72-2022 – Approving a Change Order to a Contract with Northern Divers USA Inc. (Adoption)
- e) Resolution No. R-76-2022 – Advanced Metering Consulting Services (Adoption)
- f) Resolution No. R-77-2022 – Approving an Outdoor Dining Agreement with Paradise Food Italia LLC D/B/A Tocco (Adoption)

Consideration of Resolution No. R-73-2022: MOA Winnetka Park District Cherry Street Beach Security Monitoring Agreement is deferred to a future date.

Trustee Dalman, seconded by Trustee Mancini, moved to approve the foregoing items on the Consent Agenda by omnibus vote. By roll call vote, the motion carried. Ayes: Trustees Apatoff, Cripe, Dalman, Dearborn, and Mancini. Nays: None. Absent: Trustee Swierk.

9) Ordinances and Resolutions:

- a) Resolution No. R-65-2022: Waiving Competitive Bidding and Approving the Purchase of Line Truck from Altec Industries, Inc. (Adoption)

Water and Electric Director Brian Keys informs Council that due to the extended manufacturing lead times and disruption of supply chain issues for line trucks, Village staff is recommending approval to award a contract to proceed with the purchase of a line truck. Village staff is anticipating a delivery date in early 2025.

Trustee Cripe commends the forward thinking of Village staff to accommodate budgeting and supplies for the Water and Electric Department.

Council deliberates future plans regarding the line truck, cost fluctuations, and compatibility regarding the bidding process.

Trustee Apatoff, seconded by Trustee Mancini, moved to adopt Resolution No. R-65-2022. By roll call vote, the motion carried. Ayes: Trustees Apatoff, Cripe, Dalman, Dearborn, and Mancini. Nays: None. Absent: Trustee Swierk.

- b) Resolution No. R-71-2022: Streetscape Phase 5 Design (Adoption)

Consideration of Resolution No. R-71-2022 is deferred to the June 21st meeting.

Teresa Lucas suggest that Council increases communication regarding the streetscape planning with West Elm Business owners.

10) Old Business. None.

11) New Business. None.

11) Appointments. None.

12) Adjournment. Trustee Apatoff, seconded by Trustee Cripe, moved to adjourn the meeting. By roll call vote, the motion carried. Ayes: Trustees Apatoff, Cripe, Dalman, Dearborn, and Mancini. Nays: None. Absent: Trustee John Swierk. The meeting adjourned at 8:43 PM.

Recording Secretary

**MINUTES
WINNETKA VILLAGE COUNCIL
STUDY SESSION**

June 14, 2022

(Approved: xx)

A record of a legally convened meeting of the Council of the Village of Winnetka, which was held at Council Chambers on Tuesday, June 14, 2022, at 7:00 PM.

- 1) Call to Order. President Rintz called the meeting to order at 7:03 PM. Assistant Village Manager Kazenas called the roll of the Village Council. Present: Trustees Rob Apatoff, Andy Cripe, Bob Dearborn, Kim Mancini, and John Swierk. Absent: Trustee Tina Dalman. Also present: Assistant Village Manager Kristin Kazenas, Village Attorney Braeden Llord, Deputy Village Clerk Berina Gradjan, Deputy Police Chief Brian O'Connell, and Police Chief Marc Hornstein, and 0 persons in the audience.

- 2) Public Comment.

Trustee Apatoff, liaison to the Chamber of Commerce, addressed matters regarding the Bike ordinance and informs Council that businesses have strong concerns that young bikers are not attentive to signage and feel that there is a lack of education regarding the ordinance.

- 3) Automated License Plate Readers.

Police Chief Marc Hornstein states that the goals for the Automated License Plate Reader are ultimately used for crime prevention, alerting officers of missing persons, endangered elderly, and AMBER alerts.

Chief Hornstein identifies the various technological features of the Automated License Plate Reader and informs Council on how these features can benefit crime prevention measures by the Winnetka Police Department while assisting surrounding municipalities in crime identification. Chief Hornstein briefs Council on crime rates in the northern and western suburbs as well as the types of crimes committed within the Village.

Marc Hornstein reviews the process of data storage that is obtained, how surrounding municipalities that use the system reference the data, and what the regional approach is with Automated License Plate Reader.

Flock Safety representative and Council review costs related matters, the installation process, software diagnostics, and expenditure.

Council discusses the overall success rate of the Automated License Plate Reader and privacy concerns related to the general public. President Rintz believes that while the Automated License Plate Reader is beneficial, the written policy should be revised and reviewed with the Village Attorney before the policy is implemented. Council consensus was Village staff should proceed with the purchase of the Automated License Plate Reader and work with the Village Attorney to draft an updated policy which addresses the privacy concerns placing clean restrictions on the use of the data and ensuring that the data collected by Flock is deleted every 30 days.

- 4) Adjournment. Trustee Dearborn, seconded by Trustee Apatoff, moved to adjourn the Village Council meeting. By roll call vote, the motion carried. Ayes: Trustees Apatoff, Cripe,

Dearborn, Mancini, and Swierk. Nays: None. Absent: Trustee Tina Dalman. The meeting adjourned at 8:16 PM.

Recording Secretary



Agenda Item Executive Summary

TITLE: Approval of Warrant List dated May 17, 2022 - May 30, 2022

PRESENTER: Robert M. Bahan

AGENDA DATE: July 19, 2022

CONSENT: Yes

ITEM TYPE: Consent Agenda

ITEM HISTORY:

None.

EXECUTIVE SUMMARY:

The Warrant List dated May 17, 2022 - May 30, 2022.

RECOMMENDATION:

Consider approving the Warrant List dated May 17, 2022 - May 30, 2022.

ATTACHMENTS:

None



Agenda Item Executive Summary

TITLE: Approval of Warrant List dated May 31, 2022 - June 13, 2022

PRESENTER: Robert M. Bahan

AGENDA DATE: July 19, 2022

CONSENT: Yes

ITEM TYPE: Consent Agenda

ITEM HISTORY:

None.

EXECUTIVE SUMMARY:

The Warrant List dated May 31, 2022 - June 13, 2022

RECOMMENDATION:

Consider approving the Warrant List dated May 31, 2022 - June 13, 2022

ATTACHMENTS:

None



Agenda Item Executive Summary

TITLE: Approval of Warrant List dated June 14, 2022 - June 27, 2022

PRESENTER: Robert M. Bahan

AGENDA DATE: July 19, 2022

CONSENT: Yes

ITEM TYPE: Consent Agenda

ITEM HISTORY:

None.

EXECUTIVE SUMMARY:

The Warrant List dated June 14, 2022 - June 27, 2022

RECOMMENDATION:

Consider approving Warrant List dated June 14, 2022 - June 27, 2022

ATTACHMENTS:

None



Agenda Item Executive Summary

TITLE: Approval of Outdoor Seating Application for Jimoto

PRESENTER: Kristin Kazenas

AGENDA DATE: July 19, 2022

CONSENT: Yes

ITEM TYPE: Consent Agenda

ITEM HISTORY:

Annual outdoor seating permit approval, as required for commercial use of Village sidewalks (Village Code Section 12.04.070).

EXECUTIVE SUMMARY:

The Village Code requires Village Council permission for businesses to operate on public sidewalks. Jimoto has applied for an outdoor seating permit. The applicant submitted a proposed layout sketch and a certificate of insurance showing at least \$1,000,000/ occurrence and \$2,000,000 general aggregate liability, naming the Village as an additional insured.

The Village's insurance broker is in the process of reviewing and approving the insurance certificate, and Public Works Director Gio McLean has reviewed and approved the requested site plan. Staff will work with the applicant to assure appropriate passage of pedestrians.

RECOMMENDATION:

Consider approval of the 2022 Outdoor Seating Permit application.

ATTACHMENTS:

None



Agenda Item Executive Summary

TITLE: Ordinance No. MC-2-2022: Refuse Curbside - Village Code Update (Introduction)

PRESENTER: Diana Puga

AGENDA DATE: July 19, 2022

CONSENT: No

ITEM TYPE: Ordinances and Resolutions

ITEM HISTORY:

In June 2021, the Village introduced a curbside refuse service option for residential customers. This service was offered as an alternative to the traditional backdoor service option and included a number of new features, including the ability to "right-size" the service and corresponding cost to a customer's actual need. Since the initial introduction, roughly 62% of all residential customers have transitioned to curbside service. Over the past year, staff has closely observed the program and surveyed a number of neighboring communities (including the Villages of Glenview, Glencoe, Kenilworth, Northbrook, Northfield and Wilmette) on their standards and practices for curbside service. Based on these observations and the information collected from the surveyed communities, staff is now recommending changes to the Village Code to codify curbside service and establish the applicable standards to be utilized for the program. Additionally, staff has identified other minor changes that are needed to the Village Code to clarify definitions and practices related to refuse and recycling.

EXECUTIVE SUMMARY:

The recommended changes to Chapter 8.16 (entitled "Garbage and Refuse") of the Village Code include the following:

- The insertion of a definition of "recycling" under Section 8.16.010 ("Definitions") to clearly delineate the difference between the collection processes and standards for refuse and recycling.
- The insertion of a new Section D under Section 8.16.060 ("Receptacles for Refuse") establishing the responsibility of the occupant of any given premises to maintain his or her receptacles in good order and repair or replace them as needed. As backdoor customers have always owned their own containers, this was an established practice. This change simply codifies this practice across all customer types.
- The addition of language under Section 8.16.080 ("Location of Receptacles") to establish where such receptacles should be stored in order to preserve the aesthetics of the community. This section further clarifies that receptacles should be outside of any enclosures to ensure that they are seen and can be collected. This practice helps minimize the chance of a missed collection. Standards for the storage of receptacles are common in the area.
- An amendment to Section 8.16.090 ("Open Burning") to prohibit the burning of yardwaste or other rubbish as part of any permitted open burns.

- The insertion of language under Section 8.16.110 ("Responsibilities of Owner") directing when containers should be placed out and returned to their storage locations for both curbside and backdoor service in order to ensure collection. This section would also establish a special collection fee for missed collections that resulted from improper placement. This \$35 special collection fee is adopted in the annual Utility Services Resolution.
- The addition of a new Section 8.16.140 ("Location of Receptacles") directing where receptacles for each service type should be placed in order to ensure collection. This clarification is necessary to create standards for curbside and backdoor service as well as codify current practice for recycling collection.
- The addition of a new section 8.16.150 ("Disposal of Large and Bulk items") to codify the "special collection" process the Village has utilized for a number of years for large and bulk items. The proposed language is consistent with that used for the curbside program.

In order to preserve the aesthetics and cleanliness of the community, staff recommends adoption of an ordinance amending Chapter 8.16 of the Winnetka Village Code concerning garbage and refuse regulations.

RECOMMENDATION:

Consider Ordinance MC-2-2022 to amend the Village Code Chapter 18.6 Garbage and Refuse Regulations.

ATTACHMENTS:

1. Ordinance No. MC-2-2022 - Amending Chapter 8.16 of the Winnetka Village Code Concerning Garbage and Refuse Regulations

**AN ORDINANCE AMENDING CHAPTER 8.16 OF THE WINNETKA
VILLAGE CODE CONCERNING GARBAGE AND REFUSE REGULATIONS**

WHEREAS, the Village of Winnetka is a home rule municipality in accordance with Article VII, Section 6 of the Constitution of the State of Illinois of 1970 and has the authority to exercise any power and perform any function pertaining to its government and affairs; and

WHEREAS, Chapter 8.16 of the “Winnetka Village Code,” as amended (*“Village Code”*), regulates the disposal and collection of garbage and refuse in the Village (*“Refuse Regulations”*); and

WHEREAS, the Village Council desires to amend the Refuse Regulations to more efficiently manage the disposal and collection of refuse in the Village, protect property values, and the beauty of the Village; and

WHEREAS, the Village Council has determined that amending the Refuse Regulations as set forth in this Ordinance is in the best interests of the Village;

NOW, THEREFORE, the Council of the Village of Winnetka does ordain as follows:

SECTION 1: RECITALS. The foregoing recitals are hereby incorporated into this Section as the findings of the Village Council, as if fully set forth herein.

SECTION 2: AMENDMENT TO SECTION 8.16.010 OF THE VILLAGE CODE. Section 8.16.010, titled “Definitions,” of Chapter 8.16, titled “Garbage and Refuse,” of Title 8, titled, “Health and Safety,” of the Village Code shall be amended to read as follows:

“Section 8.16.010 Definitions.

Terms used in this chapter have the following meanings:

* * *

“Recycling” means a method, technique, or process designed to remove any contaminant from waste so as to render that waste reusable, or any process by which materials that would otherwise be disposed of or discarded are collected, separated, or processed and returned to the economic mainstream in the form of raw materials or products. Recyclable materials include plastic bottles and containers, food and beverage cans and containers, paper, cardboard and paperboard, glass bottles and containers that can be processed as recyclable materials.

* * *

Additions are bold and double-underlined; deletions are struck through

SECTION 3: AMENDMENT TO SECTION 8.16.060 OF THE VILLAGE CODE.

Section 8.16.060, titled “Receptacles for Refuse,” of Chapter 8.16, titled “Garbage and Refuse,” of Title 8, titled, “Health and Safety,” of the Village Code shall be amended to read as follows:

“Section 8.16.060 Receptacles for Refuse.

The occupant of any premises in the Village shall provide and maintain in clean and good repair receptacles adequate in size and number to store all garbage, ashes and household rubbish which accumulate between collections. Such receptacles shall be of the following material, construction, and capacity:

* * *

- D. It shall be the duty of every occupant of any premises in the Village to always maintain all refuse receptacles in good order and repair. Filthy, leaking, or defective receptacles shall be cleaned, repaired, or replaced by the owner or occupant of the residential dwelling at their expense as directed by the Director of Public Works or its designee.”**

SECTION 4: AMENDMENT TO SECTION 8.16.080 OF THE VILLAGE CODE.

Section 8.16.080, titled “Location of Receptacles,” of Chapter 8.16, titled “Garbage and Refuse,” of Title 8, titled, “Health and Safety,” of the Village Code shall be amended to read as follows:

“Section 8.16.080 Location of Receptacles.

All receptacles for garbage, ashes, household rubbish, yard waste, and recycling shall be stored behind the rear of the home, inside the garage, within an opaque wall or fence enclosure, or behind another means of screening so as not to be visible from a public or private sidewalk or street on non-collection days.

All receptacles for garbage, ashes, and household rubbish to be collected by the Department of Public Works shall be placed outdoors, **outside of enclosures and structures, on collection day(s)**, in an acceptable place on the premises and at ground level. During the winter, all receptacles shall be accessible by a shoveled path when necessary.”

SECTION 5: AMENDMENT TO SECTION 8.16.090 OF THE VILLAGE CODE.

Section 8.16.090, titled “Open Burning,” of Chapter 8.16, titled “Garbage and Refuse,” of Title 8, titled, “Health and Safety,” of the Village Code shall be amended to read as follows:

“Section 8.16.090 Open Burning.

- A. Open burning is prohibited anywhere in the Village, whether on public or private property, unless such burning is in connection with outdoor grills,

Additions are bold and double-underlined; deletions are struck through

barbecues, small recreational fires or fireplaces and such burning is not otherwise prohibited by law; provided, however, that no yard waste, garbage, ash, or household rubbish (other than logs or untreated wood products) shall be burned in such cases.

- B. Any person who violates this section shall be subject to a fine of not less than one hundred dollars (\$100.00) nor more than seven hundred fifty dollars (\$750.00)."

SECTION 6: AMENDMENT TO SECTION 8.16.110 OF THE VILLAGE CODE.

Section 8.16.110, titled "Responsibilities of Owner," of Chapter 8.16, titled "Garbage and Refuse," of Title 8, titled, "Health and Safety," of the Village Code shall be amended to read as follows:

"Section 8.16.110 Responsibilities of Owner.

- A. Every owner of premises in the Village shall be prima facie responsible, with respect to such premises, for compliance with the provisions of this chapter and the rules and regulations adopted pursuant to this chapter; such owner also shall be subject to any penalties imposed for violations of this chapter, rules or regulations with respect to such premises.

- B. **It shall be the duty of every occupant of any premises in the Village to place their refuse, recycling, and yard waste on the curb for collection no earlier than 7:00 p.m. the evening before the day of collection and no later than 7:00 a.m. on the day of collection. For backdoor collection service, all refuse receptacles must be accessible no later than 7:00 a.m. on the day of collection.**

1. **Occupants must remove their refuse, recycling, and yard waste receptacles from the curb by 7:00 a.m. the morning following collection day, unless a missed collection has been reported. In the event of a missed collection, and provided that the occupant reported the missed collection, the occupant must remove their refuse, recycling, and yard waste receptacles from the curb within 24 hours of the collection of their refuse, recycling, and yard waste.**

2. **Occupants that do not comply with this Section may be assessed a fee for the refuse collector to return to the premises to complete collection service, which fee shall be set in the Village's annual fee resolution setting for the rates and fees for Utility Services."**

Additions are bold and double-underlined; deletions are struck through

SECTION 7: ADOPTION OF NEW SECTION 8.16.140 OF THE VILLAGE CODE.

Chapter 8.16, titled “Garbage and Refuse,” of Title 8, titled, “Health and Safety,” of the Village Code shall be amended to add a new Section 8.16.140 which shall be and read as follows:

“Section 8.16.140 Location of Receptacles.

- A. Backdoor Service. Any owner or occupant who subscribes to backdoor refuse collection service shall place their refuse receptacles on collection days: (i) on the side of their residence or in front of the garage on their premises at ground level; (ii) outdoors; and (iii) free from enclosures or structures.**
- B. Curbside Service. Any owner or occupant who subscribes to curbside refuse collection service shall place their Village-issued refuse receptacle for collection on collection days on the curb or parkway of their property. Receptacles must be oriented so the lid opens on the street side with the handle facing the residence on the property.**
- C. Recycling Service. All owners and occupants shall place their recycling receptacles on the curb or parkway of their property. Recycling receptacles must be oriented so the lid opens on the street side with the handle facing the residence on the property.”**

SECTION 8: ADOPTION OF NEW SECTION 8.16.150 OF THE VILLAGE CODE.

Chapter 8.16, titled “Garbage and Refuse,” of Title 8, titled, “Health and Safety,” of the Village Code shall be amended to add a new Section 8.16.150 which shall be and read as follows:

“Section 8.16.150 Disposal of Large and Bulk Items.

- A. Any person or business disposing of a large or bulk item not practical for regular refuse collection must coordinate a special collection with the Public Works Department prior to placing items on the curb or parkway. For large or bulk items to be eligible for collection by the Village or the Village’s designated refuse collector, the items must be of a manageable size and weight so that two persons may lift and place such items into the refuse truck without risk of injury.**
- B. Any person or business with a confirmed special collection may place their large or bulk item(s) on the curb, parkway, or alley no earlier than 7:00 p.m. the evening before a confirmed special collection, and no later than 7:00 a.m. on the day of the scheduled collection.**

Additions are bold and double-underlined; deletions are struck through

C. In the event of snow or inclement weather, large or bulk items placed on the curb will require the owner or occupant to remove any snow on the items and clear a path through the snow if necessary.”

SECTION 9: SEVERABILITY. If any provision of this Ordinance or part thereof is held invalid by a court of competent jurisdiction, the remaining provisions of this Ordinance shall remain in full force and effect, and shall be interpreted, applied, and enforced so as to achieve, as near as may be, the purpose and intent of this Ordinance to the greatest extent permitted by applicable law.

SECTION 10: EFFECTIVE DATE. This Ordinance will be in full force and effect upon its passage and approval in the manner provided by law.

PASSED this ____ of _____, 2022, pursuant to the following roll call vote:

AYES: _____

NAYS: _____

ABSENT: _____

APPROVED this ____ day of _____, 2022.

Signed:

Village President

Countersigned:

Village Clerk

Published by authority of the
President and Board of Trustees of
the Village of Winnetka, Illinois,
this ____ day of _____,
2022.

Introduced: July 19, 2022

Passed and Approved: _____, 2022

Additions are bold and double-underlined; deletions are struck through



Agenda Item Executive Summary

TITLE: Annual Comprehensive Financial Report (ACFR)

PRESENTER: Tim Sloth

AGENDA DATE: July 19, 2022

CONSENT: No

ITEM TYPE: New Business

ITEM HISTORY:

The Village is required by the State of Illinois to have an audit of its financial statements by an independent auditor following the close of each fiscal year. The audit culminates with the production of the Comprehensive Annual Financial Report (Annual Report). A representative from the Village's accounting firm of Lauterbach and Amen, will be present at the meeting to provide a summary of the report and answer any questions.

EXECUTIVE SUMMARY:

The Annual Report is the Village's final accounting of the fiscal year ending December 31, 2021 and is summarized into four parts:

Transmittal Letter: The purpose of the Transmittal Letter is to provide a broader and more subjective overview of factors impacting the community, supporting, but not reproducing, the information included in the Management's Discussion and Analysis addressed below.

Independent Auditor's Report: This independent auditors report identifies the scope of the audit review and their opinion as to whether the municipality's financial data is fairly presented.

Management Discussion and Analysis (MD&A): The purpose of the MD&A is to introduce users to basic financial statements with a narrative, introduction, overview and analysis of those statements. The MD&A is required supplemental information and as such may address only the specific technical topics identified by GAAP (Generally Accepted Accounting Principles).

Financial Statements: This section includes both the Government-Wide and Fund Financial Statements and the accompanying notes.

The overall financial position of the Village remains strong. The General Fund Balance increased \$3.43 million to \$20.03 million, 118.7% of budgeted expenditures and exceeding policy parameters.

RECOMMENDATION:

Review Annual Report with the Village Auditor and Staff.

ATTACHMENTS:

1. Annual Comprehensive Financial Report (ACFR)



THE VILLAGE OF Winnetka

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDING:
DECEMBER 31, 2021

20 21



510 Green Bay Road | Winnetka, IL 60093
847-501-6000 | www.villageofwinnetka.org

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VILLAGE OF WINNETKA, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2021

Prepared by:
Finance Department

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Winnetka, including:

- List of Principal Officials
- Organizational Chart
- Letter of Transmittal from the Finance Director
- GFOA Certificate of Achievement for Excellence in Financial Reporting

VILLAGE OF WINNETKA, ILLINOIS

List of Principal Officials December 31, 2021

LEGISLATIVE

Christopher Rintz, Village President

Andrew Cripe, Trustee

Kim Mancini, Trustee

Robert Dearborn, Trustee

John Swierk, Trustee

Tina Dalman, Trustee

Rob Apatoff, Trustee

ADMINISTRATIVE

Robert M. Bahan, Village Manager

Kristin Kazenas, Assistant Village Manager

Timothy J. Sloth, CPA, Finance Director

Giovanni McClean, Director of Public Works

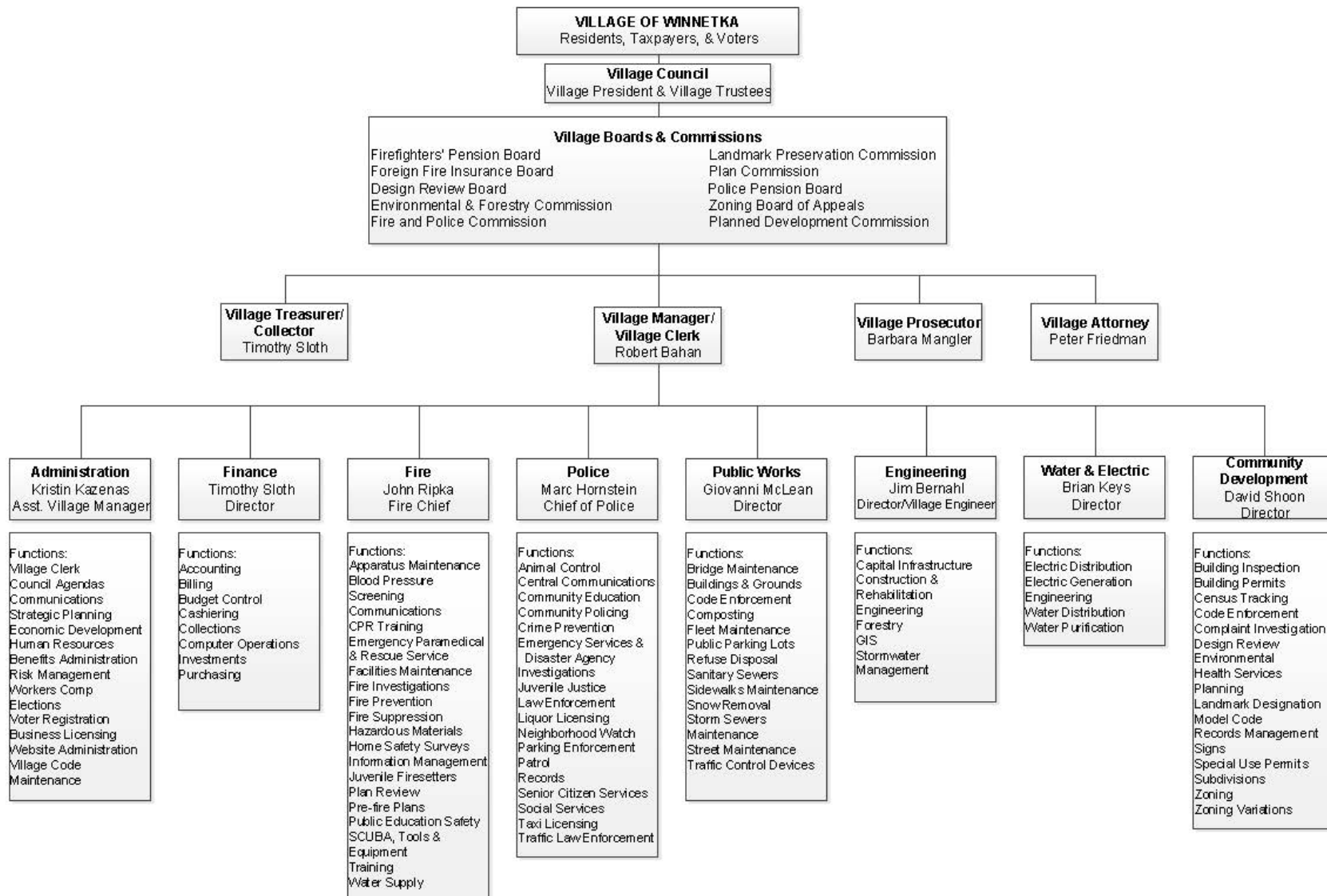
Brian L. Keys, Director of Water & Electric

John Ripka, Fire Chief

Marc Hornstein, Chief of Police

David Schoon, Director of Community Development

James Bernahl, Director of Engineering





July 12, 2022

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

The Annual Comprehensive Financial Report (Annual Report) of the Village of Winnetka, Illinois for the fiscal year ended December 31, 2021, 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 that 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 Annual Report 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 organizational 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 (GASB) 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. According to the latest United States Census, the population of the Village is 12,744 which is an increase of 557 people or 4.6% compared to the 2010 Census.

There are three commercial business districts within the Village, all located adjacent to three commuter rail stations. The Village is one of the most affluent in the Chicago area, having a median household income of over \$250,000. The Village obtained an Aaa bond rating from Moody's Investors Service in 1989 on General Obligation debt issued. At that time, the Village was only one of three communities having an Aaa bond rating within the State of Illinois based solely upon the merits of the Community. Moody's has reaffirmed this rating on several occasions, most recently in January 2020.

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 Annual Report also includes the financial activity of the Police and Firefighters' Pension Funds. Separate statutory pension boards control both 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 Intergovernmental Personnel Benefit Cooperative. 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 based on 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/deferred outflows, liabilities/deferred inflows, 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 how 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 ensure that the assets of the Village are safeguarded against any material loss, theft, or misuse. These controls ensure that the financial statements are in conformity with generally accepted accounting principles (GAAP). 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 57% of General Fund revenues for the year ending December 31, 2021. Intergovernmental revenues increased significantly (28%) in the current year compared to the previous fiscal period. Sales and Use tax revenues for this fiscal year totaled \$2,271,898. Sales and Use tax for the previous period totaled \$1,760,984. Income tax revenue also increased from 2020 to 2021 going from \$1,324,348 to \$1,614,048. Investment income Village-wide (excluding pensions) generally decreased in 2021 compared to the previous year due to the Federal Reserve interest rate cuts in 2020. The Village utilizes a five-year capital plan to prioritize future capital expenses and maintains sufficient cash balances to buffer unexpected items.

The Village continues to carefully evaluate productivity and changes in service levels to minimize 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 generally decreased the number of full-time employees over the last several years to control personnel costs. The Village has limited control over some expenses including pensions and insurance costs. The Village operated on a balanced budget and has not utilized fund balance to pay for any operating expenses.

The Village property taxes account for less than 13% 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.

In 2020, the Village of Winnetka, along with the entire world, was impacted by the novel coronavirus (COVID-19), a global pandemic. The financial implications of this public health emergency were significant, with regional, national, and global impacts on the economy resulting from the stay-at-home orders implemented earlier in 2020 and continued social distancing restrictions that remained intact for the remainder of the year.

Fiscal year 2021 has been a good year to do business in Winnetka. Village shops and restaurants have been able to operate throughout the full year with minor pandemic restrictions compared to 2020. Good weather during the summer allowed for significant opportunities for locals to take advantage of Winnetka's many outdoor dining establishments. Sales tax increased almost 50% for the first two quarters of 2021 compared to the same period of 2020 and exceeded pre-pandemic levels as well. Over the last 12 months, the Winnetka real estate market has heated up significantly. Depending on the indicator, property values have increased between 10 to 20% over the last year. With the pandemic receding, there is reason to be optimistic about the Village's economic prospects going forward. However, inflation concerns are real and will need to be factored into future economic planning. The Consumer Price Index report showed a 12-month percentage change of 7% for December 2021.

Significant Budgetary Variations

General Fund revenues totaled \$26,055,108 which is \$941,062 more than budgeted. The primary reason for this variation is permit revenue, and intergovernmental revenue collections. In 2021, building permit revenue totaled \$1,825,701 or \$400,701 over budget. In 2020, building permits were down significantly due to the pandemic. The 2021 budget was adjusted accordingly, and permit revenue exceeded the lowered expectations. Intergovernmental revenues including sales, income and personal property replacement taxes totaled \$4,427,649 which was \$1,569,995 over budget. Similar to permit revenue the 2021 budget was lowered due to lower revenues in 2020. Intergovernmental revenues came back stronger than anticipated and exceeded the budget. Property taxes were budgeted at \$15,161,833 with \$14,725,491 or 97% collected. Charges for services, fines and forfeitures and investment income all lagged budgeted expectations.

On the expense side all operating departments operated under budget.

Fund Balances

The fund balance in the General Fund has remained consistent or increased over the past several years.

General Fund Balances (in millions of dollars)			
Year	Unassigned Fund Balance	Budgeted Expenditures	Unassigned Fund Balance as a Percentage of Budgeted Expenditures
2015	\$18.94	\$24.63	76.9%
2016	\$20.32	\$24.24	83.8%
2017	\$20.67	\$25.12	82.3%
2018	\$22.28	\$25.80	86.4%
2019	\$24.65	\$26.30	95.1%
2020	\$25.85	\$25.93	98.3%
2021	\$30.03	\$25.30	118.7%

During the 2021 budget presentation staff developed a comprehensive cash flow analysis for the \$75.7 million (2020 dollars) 5-year stormwater capital project. The cash flow included an \$11 million transfer from the general fund and subsequent \$1 million annual transfers from the General fund to the Stormwater fund. In total, \$15 million of the fund balance presented above is planned to be transferred to the Stormwater fund over the next five years for capital projects.

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.

Residential electric rates increased 2.2% on average in 2021 to account for ongoing capital improvements to the distribution system and the purchased power recovery adjustment was set for most of the year at \$0.00.

The retail water rate was increased 8.5%, primarily to fund capital improvements to the Village's water distribution system. Sanitary sewer rates were increased 5% to fund sewer repairs.

The Village's Refuse Fund no longer receives revenue from property taxes. For 2021 there were no changes to the monthly collection fees for weekly pickup.

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 is a function of impervious surface per property and was calculated by an outside engineering firm.

Comparative operating information for the five utilities for the years ended December 31, 2021 and December 31, 2020, are presented below. The electric rates shown are an average of residential summer and winter rates.

**Utility Operating Results in Thousands of Dollars
For December 2021 and 2020**

	2021 Budget	2021 Actual	% Change	2020 Actual
Electric				
Rate Per Kwh	\$0.1288	\$0.1288	1.1%	\$0.1274
Operating Revenues	\$17,305,461	\$18,525,140	6.4%	\$17,409,245
Operating Expenses	\$14,894,304	\$15,166,320	7.4%	\$14,116,772
Operating Income	\$2,411,157	\$3,358,820		\$3,292,473
Water				
Rate Per 1,000 Cft.	\$42.50	\$41.50	6.9%	\$39.75
Operating Revenues	\$5,264,323	\$6,576,310	21.8%	\$5,398,677
Operating Expenses	\$3,797,376	\$3,069,487	4.9%	\$2,925,582
Operating Income	\$1,466,947	\$3,506,823		\$2,473,095
Refuse				
Operating Revenues	\$2,640,000	\$2,645,013	(3.5%)	\$2,739,537
Operating Expenses	\$2,434,485	\$1,971,445	(3.1%)	\$2,034,605
Operating (loss)	\$25,515	\$673,568		\$704,932
Sanitary Sewer				
Rate Per 1,000 Cft.	\$18.51	\$18.50	5.0%	\$17.63
Operating Revenues	\$ 1,412,003	\$ 1,656,312	9.4%	\$1,514,299
Operating Expenses	\$ 1,014,158	\$ 672,676	(18.1%)	\$820,888
Operating Income	\$ 397,845	\$ 983,636		\$693,411
Storm Sewer				
Rate Per ERU	\$ 21.83	\$ 21.83	N/A	\$21.83
Operating Revenues	\$ 2,004,824	\$ 2,010,580	1.9%	\$1,973,535
Operating Expenses	\$ 664,224	\$ 413,596	(2.5%)	\$424,115
Operating Income	\$ 1,340,600	\$ 1,596,984		\$1,549,420

Note: GASB 68 non-cash pension liability expenditures are not included in the "Operating Expenses" totals to allow for a year-to-year comparison.

More details can be found in the MD&A section.

Electric operating revenues for December 31, 2021, were 6.4% greater than the previous period while operating expenses for December 31, 2021, are 7.4% greater than the previous period due to an increase in purchased power. Total operating expenses were 101.8% of budget.

Water revenue increased 21.8% from the prior period due to rate increases during the fiscal year along with increased consumption. Operating expenses increased 4.9% from the previous fiscal year but were only 80.8% of the budget.

Refuse operating revenues were down 3.5% compared to the previous year while expenses decreased 3.1% from the previous period.

Sanitary Sewer revenues are generated by a charge assessed from water use. Sewer revenues increased 9.4% compared to 2020 driven by rate increases of 5% and increased consumption. Expenses decreased 18.0% compared to the previous year and were favorable to budgeted expectations.

Stormwater Sewer revenues were consistent were 1.9% higher than last year due to increased impervious surface area within the Village. Expenses decreased slightly 2.5% compared to last year.

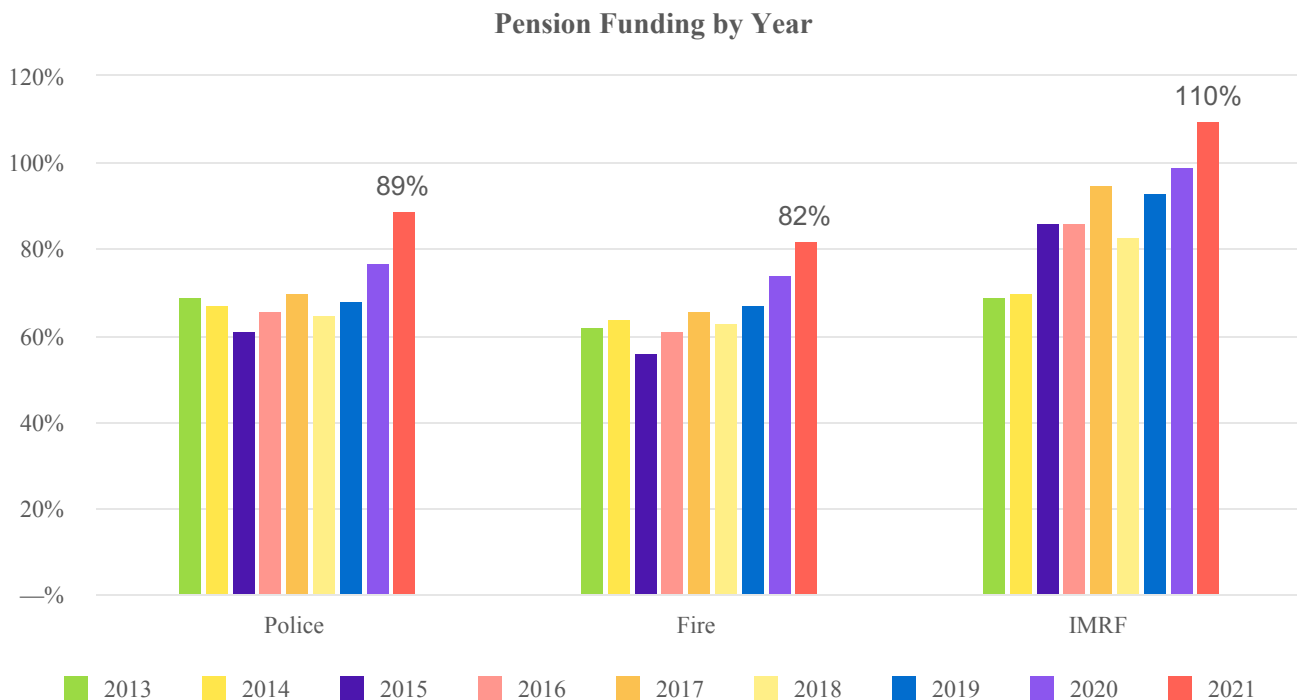
Pension Trust Funds

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. Qualified employees not participating in one of the public safety pension funds are required to participate in the Illinois Municipal Retirement Fund (IMRF). IMRF establishes a Village contribution percentage annually with employees contributing a fixed 4.5% on almost all types of income. The Village's IMRF plan and IMRF as a State-wide organization are both well-funded and healthy.

The Police and Fire Pension Funds are locally administered by two boards comprised of active employees, beneficiaries, and Village appointees. The Boards are empowered by statute to exercise full control of their respective funds by hiring investment consultants, investment managers, and actuaries. Since the employee contributions to these plans are fixed between 9%-10% of regular wages by the Illinois Pension Code, the Village is required to make up the difference in reaching an actuarially determined total contribution amount for existing benefit payments to retirees in addition to paying down the unfunded liabilities of each fund.

Both funds experienced an increase in the funding ratio in 2021 with the Fire Pension increasing from 74% funded to 82% funded while the Police Pension increased from 77% funded to 89% funded.

The funding ratio from December 2013 to December 2021 is shown below:



In 2021, the Village began funding both plans to be in-line with the State's mandate of achieving a 90% funding level by December 31, 2040, which differs from the previous funding of being 100% funded by December 31, 2035. The Village funded based on a conservative 6.25% assumed rate of return.

In 2021, both pension funds changed their actuarial assumptions from targeting 100% funding by December 31, 2035 utilizing a 6.25% assumed rate of return to targeting 100% funded utilizing a rolling amortization period of 15 years (versus a set date of December 31, 2035). The funds also increased their assumed rate of return from 6.25% to 6.75%. The Village will consider these assumptions, along with State of Illinois statutes as it sets future funding targets.

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 Village's Annual Budget and 5-Year Capital Improvement Plan that can be viewed in the Fiscal Transparency section of the Village's website (<http://villageofwinnetka.org>) or at the local library.

Independent Audit

Illinois State Statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Lauterbach & Amen, LLP, 668 North River Road, Naperville, Illinois 60563 was selected by the Village Board of Trustees to conduct the annual audit for fiscal year 2021. 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.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report for the year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

To be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

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 to Dell Duckworth, Accounting Manager and Anthony Vasquez, 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,



Timothy J. Sloth, CPA
Director of Finance



Government Finance Officers Association

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

Presented to

**Village of Winnetka
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information
- Supplemental Schedule

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

July 12, 2022

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

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Villages ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Winnetka, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises of the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S
DISCUSSION AND ANALYSIS
DECEMBER 31, 2021

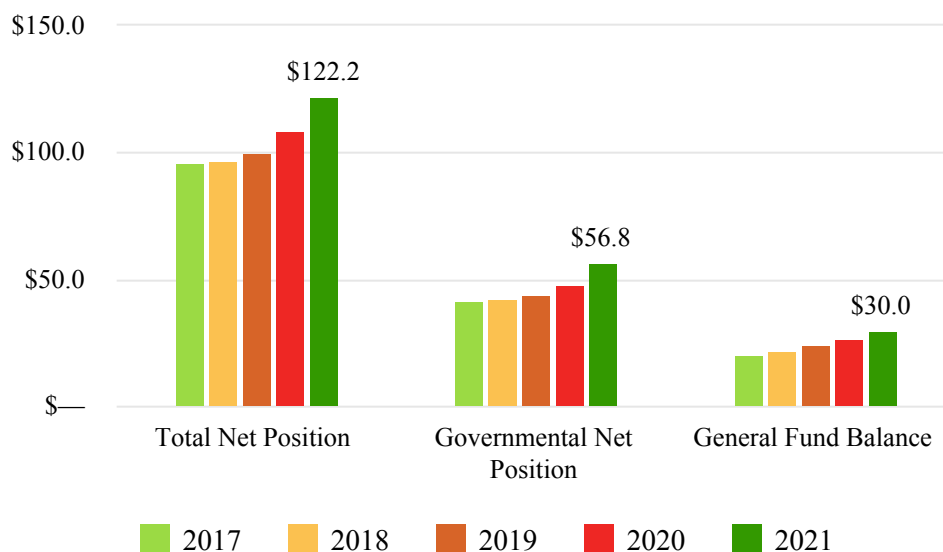
The Management Discussion and Analysis (MDA) section of the Village of Winnetka's Annual Comprehensive Financial Report presents discussion and analysis of the Village's financial activities during the Fiscal Year ending December 31, 2021. This section should be used in conjunction with the transmittal letter at the front of this report and with the Village's financial statements that follow this section. Where appropriate the MD&A refers to specific pages in the Annual Comprehensive Financial Report for additional information.

The management's 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.

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 debt service?).

FINANCIAL HIGHLIGHTS

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



Government-wide net position increased slightly in the current audit year due to a higher cash position at year end and capital asset additions. On a normal revenue and expense basis, the Village had a positive experience for the fiscal year ended 12/31/21. This is highlighted most notably in the unrestricted fund balance in the General Fund, which rose from \$26,596,414 to \$30,027,257 and represents 118.7 percent 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/deferred outflows 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.

Deferrals - Deferred Outflows and Deferred Inflows

The Governmental Accounting Standards Board (GASB) defines deferrals as neither assets nor liabilities, but inflows or outflows of resources that are to be recognized in a different period. Deferred outflows will raise an entity's net position because they are resources that the Village is holding that will be paid out in a future period (e.g. pension contributions). Conversely, deferred inflows reduce an entity's net position because even though they are resources expected to be collected by the Village in the future, they are not currently the Village's control.

The most easily recognizable deferred inflow is property taxes. When the Village files its annual tax levy, an enforceable lien is attached to all subject properties in its jurisdiction. The dollars levied are not collected immediately, and in the case of the Village of Winnetka, there is a delay between the levy filing and actually collecting the tax dollars for a given levy year. This delay extends across fiscal years, which is why the future year's tax levy amount is recognized as a deferred inflow of resources.

To better track inter-period equity (net position over time), GASB recommends a discussion of net position consisting solely of assets and liabilities; however, deferrals are still required to be shown on an agency's statement of net position.

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

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.

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STATEMENT OF NET POSITION

Dec-21		Dec-20		Dec-21	Dec-20
Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government

Assets

Current and Other Assets	\$62,119,237	38,691,199	53,890,503	33,645,546	100,810,436	87,536,049
Capital Assets	49,547,092	48,830,318	49,150,525	46,492,051	98,377,410	95,642,576
Total Assets	111,666,329	87,521,517	103,041,028	80,137,597	199,187,846	183,178,625
Deferred Outflows	3,287,541	1,612,774	4,273,682	1,900,787	4,900,315	6,174,469
Total Assets/Deferred Outflows	114,953,870	89,134,291	107,314,710	82,038,384	204,088,161	189,353,094

Liabilities

Current Liabilities	2,934,383	2,990,735	2,921,642	2,736,025	5,925,118	5,657,667
Long-Term Liabilities	18,723,938	14,578,610	29,237,773	15,183,187	33,302,548	44,420,960
Total Liabilities	21,658,321	17,569,345	32,159,415	17,919,212	39,227,666	50,078,627
Deferred Inflows	36,510,760	6,176,603	26,868,015	3,765,745	42,687,363	30,633,760
Total Liabilities/Deferred Inflows	58,169,081	23,745,948	59,027,430	21,684,957	81,915,029	80,712,387

Net Position

Net Investment in						
Capital Assets	59,200,472	48,015,012	49,150,525	38,685,364	107,215,484	87,835,889
Restricted	3,390,907	—	3,372,574	—	3,390,907	3,372,574
Unrestricted	(5,806,590)	17,373,331	(4,235,819)	21,668,063	11,566,741	17,432,244
Total Net Position	56,784,789	65,388,343	48,287,280	60,353,427	122,173,132	108,640,707

Government-wide net position saw an increase due most notably to a higher cash position at year end. The Village's overall net position increased from a balance of \$108,640,707 in 2020 to \$122,173,132 in 2021. Net position for governmental activities increased \$8,497,509. Charges for services increased \$1,778,078 coupled with a decreases in expenditures in general government of \$1,904,539, public safety of \$2,125,943, and public works of \$573,028. The net position for the business-type activities increased by \$5,034,916. Charges for services increased \$2,315,525 from the prior year.

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

STATEMENT OF ACTIVITIES

Dec-21		Dec-20		Dec-21	Dec-20
Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government

Revenue:

Program Revenues:

Charges for Services	\$ 7,883,856	31,413,355	6,105,778	29,097,830	39,297,211	35,203,608
Operating Grants	783,286	—	993,798	—	783,286	993,798

General Revenues:

Property Taxes	14,750,187	—	14,695,733	—	14,750,187	14,695,733
Sales Taxes	2,271,900	—	1,760,984	—	2,271,900	1,760,984
Investment Income	(111,292)	(144,707)	841,226	152,094	(255,999)	993,320
Others	2,998,735	280,850	2,489,386	626,510	3,279,585	3,115,896
Total Revenues	28,576,672	31,549,498	26,886,905	29,876,434	60,126,170	56,763,339

Expenses:

General Government	1,687,288	—	3,591,828	—	1,687,288	3,591,828
Public Safety	10,201,045	—	12,326,987	—	10,201,045	12,326,987
Community Development	1,604,896	—	1,589,877	—	1,604,896	1,589,877
Public Works	6,434,348	—	7,007,376	—	6,434,348	7,007,376
Electric	—	18,600,967	—	16,190,947	18,600,967	16,190,947
Water	—	3,645,073	—	3,054,726	3,645,073	3,054,726
Sewer	—	810,888	—	899,368	810,888	899,368
Refuse	—	2,460,060	—	1,895,606	2,460,060	1,895,606
Storm Sewer	—	1,149,180	—	1,471,321	1,149,180	1,471,321
Total Expenses	19,927,577	26,666,168	24,516,068	23,511,968	46,593,745	48,028,036

Increase (decrease) in Net

Position before Transfers	8,649,095	4,883,330	2,370,837	6,364,466	13,532,425	8,735,303
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Transfers

(151,586)	151,586	1,894,887	(1,894,887)	—	—
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Increase (Decrease) in

Net Position	8,497,509	5,034,916	4,265,724	4,469,579	13,532,425	8,735,303
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Net Position - Beginning

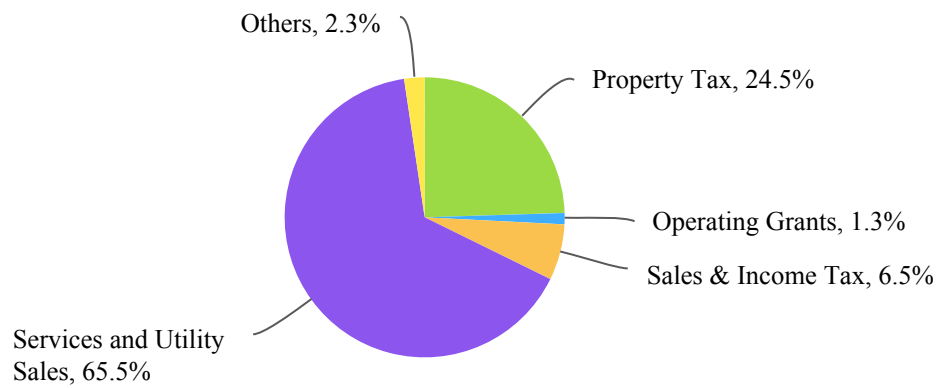
48,287,280	60,353,427	44,021,556	55,883,848	108,640,707	99,905,404
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Net Position - Ending

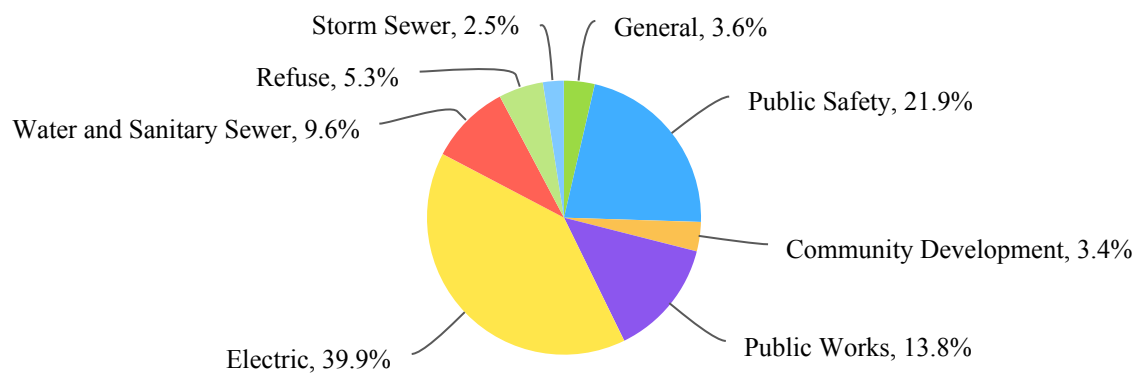
56,784,789	65,388,343	48,287,280	60,353,427	122,173,132	108,640,707
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The following two graphs aggregate by major type the Village's revenues and expenses at the government-wide level, based on the information above.

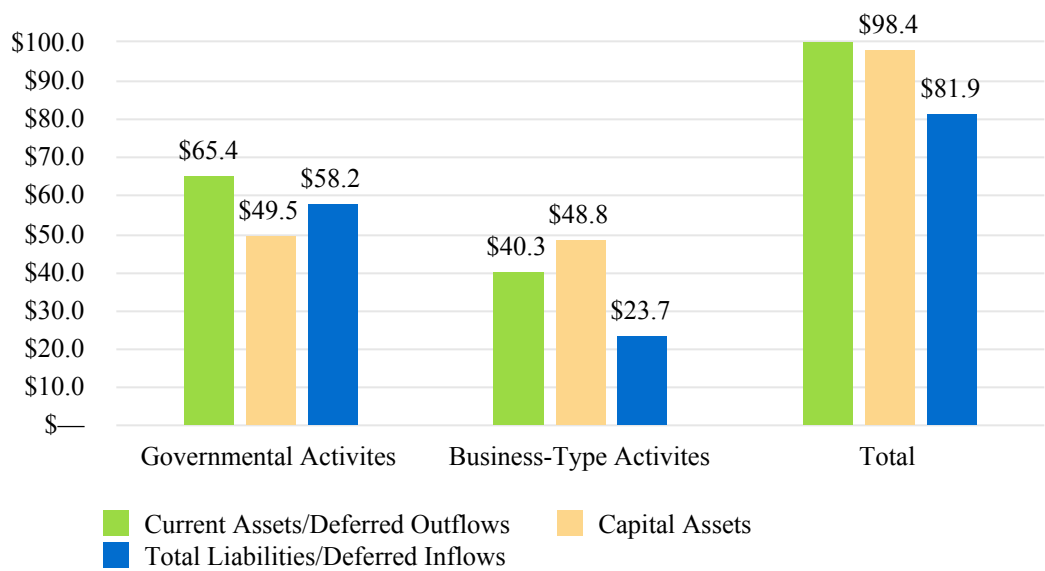
Government-Wide Revenues by Type



Government-Wide Expenses by Type



Below is a graph that compares current and capital assets to the liabilities for governmental and business-type funds.



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 \$34,475,359, an increase of \$3,220,375 from the prior year. This increase is attributable to a favorable revenue and operating expenditure experience for the General Fund and unspent Motor Fuel Tax (MFT) Fund revenue.

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 \$3,430,843 from \$26,596,414 to \$30,027,257. This increase is the result of favorable revenues and operating cost experience. The Village Council approved a budget surplus of \$59,028; however at the end of the fiscal year the net change in fund balance was \$3,430,843. This increase is attributable to an increase in charges for services of \$1,528,178, taxes of \$110,410, and intergovernmental of \$931,996.

The General Fund cash balance of \$31,517,754 remains above the minimum policy amount established by the Village Council.

The Village 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.

The Village Facilities Fund has a fund balance of \$180,275, which is available for future capital related improvements projects throughout the Village. In FY 2021, this fund decreased by \$7,005. This is primarily due to capital outlay expenditures of \$7,366.

Within the governmental funds, GASB 68 pension expenses/(revenues) included \$1,454,767 for IMRF (General Government), \$1,256,878 for Police Pension (Public Safety), and \$1,385,927 for Fire Pension (Public Safety).

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 increased 2.2% (residential) in the current year. The water rate increased 8.5% and the sewer rate was increased 5% to pay for system improvements. The Village also maintains a stormwater utility fee of \$21.83 per ERU (Equivalent Run-Off Unit) per month.

The Village's combined internal service funds' net position was \$3,365,905. The total for workers' compensation, liability, and health insurance risks retained by the Village was \$2,445,586, a \$586,858 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. The chart below shows the different departments within the General Fund comparing budget to actual amounts. All departments ended the year under budget. The Village's conservative budgeting for expenses, along with favorable operating expenditure experience, has contributed to the departments ending the year under budget.

	Budget	Actual
Department		
General Government	\$ 3,178,904	3,176,510
Police Department	7,572,831	6,920,345
Fire Department	6,154,397	5,954,442
Community Development	1,714,489	1,586,009
Public Works	6,369,344	5,269,227
Contingency	300,000	—
Total	25,289,965	22,906,533

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, 2021 was \$49,547,092, up \$396,567 from the prior year.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2021 was \$48,830,318, up \$2,338,267 from the prior year.

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

Long-Term Debt

At the end of the fiscal year, the Village had total bonded debt outstanding of \$11,845,000. This entire amount is General Obligation Bonds which are usually funded from property taxes. However, it is anticipated that the annual debt service will continue to 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 2020.

Economic Factors

The local Village economy remained steady in 2021. 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.

The Village's current population of 12,475 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, 2021

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position December 31, 2021

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 40,198,749	29,619,286	69,818,035
Receivables - Net of Allowances			
Taxes	15,236,127	—	15,236,127
Accounts	115,058	3,756,186	3,871,244
Notes	205,300	—	205,300
Internal Balances	500,000	(500,000)	—
Prepays/Inventories	275,062	1,315,181	1,590,243
Due from Other Governments	762,251	—	762,251
Total Current Assets	57,292,547	34,190,653	91,483,200
Noncurrent Assets			
Capital Assets			
Nondepreciable	13,680,000	1,413,852	15,093,852
Depreciable	74,273,824	116,481,428	190,755,252
Accumulated Depreciation	(38,406,732)	(69,064,962)	(107,471,694)
Total Noncurrent Assets	49,547,092	48,830,318	98,377,410
Other Assets			
Net Pension Asset - IMRF	4,826,690	4,500,546	9,327,236
Total Assets	111,666,329	87,521,517	199,187,846
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	742,243	692,088	1,434,331
Deferred Items - Police Pension	744,068	—	744,068
Deferred Items - Firefighters' Pension	1,454,924	—	1,454,924
Deferred Items - RBP	346,306	178,897	525,203
Unamortized Loss on Refunding	—	741,789	741,789
Total Deferred Outflows of Resources	3,287,541	1,612,774	4,900,315
Total Assets and Deferred Outflows of Resources	114,953,870	89,134,291	204,088,161

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,264,728	1,904,983	3,169,711
Accrued Payroll	64,806	135,290	200,096
Accrued Interest Payable	—	12,708	12,708
Deposits Payable	1,003,605	392,592	1,396,197
Claims Payable	463,549	—	463,549
Current Portion of Long-Term Liabilities	137,695	545,162	682,857
Total Current Liabilities	2,934,383	2,990,735	5,925,118
Noncurrent Liabilities			
Claims Payable	580,459	—	580,459
Compensated Absences	1,239,254	451,454	1,690,708
Net Pension Liability - Police Pension	4,936,336	—	4,936,336
Net Pension Liability - Firefighters' Pension	8,911,483	—	8,911,483
Total OPEB Liability - RBP	3,056,406	1,578,888	4,635,294
General Obligation Bonds Payable - Net	—	11,610,009	11,610,009
Landfill Post-Closure Costs	—	938,259	938,259
Total Noncurrent Liabilities	18,723,938	14,578,610	33,302,548
Total Liabilities	21,658,321	17,569,345	39,227,666
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	6,558,904	6,115,714	12,674,618
Deferred Items - Police Pension	7,901,068	—	7,901,068
Deferred Items - Firefighters' Pension	5,858,783	—	5,858,783
Deferred Items - RBP	117,869	60,889	178,758
Property Taxes	15,236,127	—	15,236,127
Grants	838,009	—	838,009
Total Deferred Inflows of Resources	36,510,760	6,176,603	42,687,363
Total Liabilities and Deferred Inflows of Resources	58,169,081	23,745,948	81,915,029
NET POSITION			
Net Investment in Capital Assets	59,200,472	48,015,012	107,215,484
Restricted - Highways and Streets	3,217,781	—	3,217,781
Restricted - Foreign Fire Tax	173,126	—	173,126
Unrestricted (Deficit)	(5,806,590)	17,373,331	11,566,741
Total Net Position	56,784,789	65,388,343	122,173,132

The 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, 2021

		Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
	Expenses			
Governmental Activities				
General Government	\$ 1,687,288	4,529,350	—	—
Public Safety	10,201,045	1,383,241	286,188	—
Community Development	1,604,896	1,894,245	—	—
Public Works	6,434,348	77,020	497,098	—
Total Governmental Activities	19,927,577	7,883,856	783,286	—
Business-Type Activities				
Electric	18,600,967	18,525,140	—	—
Water	3,645,073	6,576,310	—	—
Refuse	2,460,060	2,645,013	—	—
Storm Sewer	1,149,180	1,656,312	—	—
Sanitary Sewer	810,888	2,010,580	—	—
Total Business-Type Activities	26,666,168	31,413,355	—	—
Total Primary Government	46,593,745	39,297,211	783,286	—

General Revenues

Taxes

Property

Telecommunications

Natural Gas

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Personal Property Replacement

Other Taxes

Interest

Miscellaneous

Transfers - Internal Activity

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Primary Government		
Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
2,842,062	—	2,842,062
(8,531,616)	—	(8,531,616)
289,349	—	289,349
(5,860,230)	—	(5,860,230)
(11,260,435)	—	(11,260,435)
—	(75,827)	(75,827)
—	2,931,237	2,931,237
—	184,953	184,953
—	507,132	507,132
—	1,199,692	1,199,692
—	4,747,187	4,747,187
(11,260,435)	4,747,187	(6,513,248)
14,750,187	—	14,750,187
253,686	—	253,686
400,896	—	400,896
2,271,900	—	2,271,900
1,614,048	—	1,614,048
255,513	—	255,513
374,640	—	374,640
(111,292)	(144,707)	(255,999)
99,952	280,850	380,802
(151,586)	151,586	—
19,757,944	287,729	20,045,673
8,497,509	5,034,916	13,532,425
48,287,280	60,353,427	108,640,707
56,784,789	65,388,343	122,173,132

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

VILLAGE OF WINNETKA, ILLINOIS

Balance Sheet - Governmental Funds December 31, 2021

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 31,517,754	180,275	4,347,910	36,045,939
Receivables - Net of Allowances				
Taxes	15,236,127	—	—	15,236,127
Accounts	93,570	—	—	93,570
Notes	205,300	—	—	205,300
Due from Other Governments	716,932	—	45,319	762,251
Advances from Other Funds	500,000	—	—	500,000
Total Assets	48,269,683	180,275	4,393,229	52,843,187
LIABILITIES				
Accounts Payable	1,107,162	—	125,402	1,232,564
Accrued Payroll	57,523	—	—	57,523
Deposits Payable	1,003,605	—	—	1,003,605
Total Liabilities	2,168,290	—	125,402	2,293,692
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	15,236,127	—	—	15,236,127
Grants	838,009	—	—	838,009
Total Deferred Inflows of Resources	16,074,136	—	—	16,074,136
Total Liabilities and Deferred Inflows of Resources	18,242,426	—	125,402	18,367,828
FUND BALANCES				
Restricted	—	—	3,390,907	3,390,907
Assigned	—	180,275	876,920	1,057,195
Unassigned	30,027,257	—	—	30,027,257
Total Fund Balances	30,027,257	180,275	4,267,827	34,475,359
Total Liabilities, Deferred Inflows of Resources and Fund Balances	48,269,683	180,275	4,393,229	52,843,187

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

VILLAGE OF WINNETKA, ILLINOIS

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

December 31, 2021

Total Governmental Fund Balances	\$ 34,475,359
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.	49,547,092
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.	3,365,905
A net pension asset is not considered to represent a financial resource and therefore is not reported in the funds. Net Pension Asset - IMRF	4,826,690
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(5,816,661)
Deferred Items - Police Pension	(7,157,000)
Deferred Items - Firefighters' Pension	(4,403,859)
Deferred Items - RBP	228,437
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,376,949)
Net Pension Liability - Police Pension	(4,936,336)
Net Pension Liability - Firefighters' Pension	(8,911,483)
Total OPEB Liability - RBP	(3,056,406)
Net Position of Governmental Activities	56,784,789

The 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, 2021

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	\$ 15,380,073	—	24,696	15,404,769
Licenses and Permits	2,267,812	—	—	2,267,812
Intergovernmental	4,427,649	—	871,738	5,299,387
Charges for Services	5,525,618	—	—	5,525,618
Fines and Forfeits	90,426	—	—	90,426
Investment Income	(101,475)	361	2,721	(98,393)
Miscellaneous	99,952	—	—	99,952
Total Revenues	27,690,055	361	899,155	28,589,571
Expenditures				
Current				
General Government	3,176,510	—	—	3,176,510
Public Safety	12,874,787	—	51,285	12,926,072
Community Development	1,586,009	—	—	1,586,009
Public Works	5,269,227	—	—	5,269,227
Capital Outlay	—	7,366	2,252,426	2,259,792
Total Expenditures	22,906,533	7,366	2,303,711	25,217,610
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,783,522	(7,005)	(1,404,556)	3,371,961
Other Financing Sources (Uses)				
Transfers In	297,321	—	1,650,000	1,947,321
Transfers Out	(1,650,000)	—	(448,907)	(2,098,907)
	(1,352,679)	—	1,201,093	(151,586)
Net Change in Fund Balances	3,430,843	(7,005)	(203,463)	3,220,375
Fund Balances - Beginning	26,596,414	187,280	4,471,290	31,254,984
Fund Balances - Ending	30,027,257	180,275	4,267,827	34,475,359

The 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 of the Governmental Funds to the Statement of Activities - Governmental Activities For the Fiscal Year Ended December 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 3,220,375
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Amounts reported for governmental activities in the Statement of Activities
are different because:

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

Capital Outlays	3,554,497
Depreciation Expense	(3,157,930)

The net effect of deferred outflows (inflows) of resources related
to the pensions not reported in the funds.

Change in Deferred Items - IMRF	(2,640,789)
Change in Deferred Items - Police Pension	(4,950,803)
Change in Deferred Items - Firefighters' Pension	(1,999,385)
Change in Deferred Items - RBP	(125,607)

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.

Change in Compensated Absences Payable	45,562
Change in Net Pension Liability - IMRF	4,911,708
Change in Net Pension Liability - Police Pension	6,608,814
Change in Net Pension Liability - Firefighters' Pension	3,550,082
Change in Total OPEB Liability - RBP	93,036

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.	(612,051)
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Changes in Net Position of Governmental Activities	<u>8,497,509</u>
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VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position - Proprietary Funds December 31, 2021

	Business-Type Activities - Enterprise						Governmental Activities
	Electric	Water	Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
ASSETS							
Current Assets							
Cash and Investments	\$ 5,636,940	5,994,986	1,179,138	14,408,745	2,399,477	29,619,286	4,152,810
Receivables - Net of Allowances							
Accounts - Billed	1,234,117	384,744	194,953	144,943	94,564	2,053,321	21,488
Accounts - Unbilled	988,883	225,723	171,161	138,663	72,901	1,597,331	—
Accounts - Other	98,259	6,840	435	—	—	105,534	—
Inventories/Prepays	1,315,181	—	—	—	—	1,315,181	275,062
Total Current Assets	9,273,380	6,612,293	1,545,687	14,692,351	2,566,942	34,690,653	4,449,360
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	69,003	95,005	—	1,249,844	—	1,413,852	—
Depreciable Capital Assets	65,732,761	25,140,138	3,533,760	13,079,781	8,994,988	116,481,428	299,598
	65,801,764	25,235,143	3,533,760	14,329,625	8,994,988	117,895,280	299,598
Accumulated Depreciation	(47,226,652)	(11,870,444)	(2,486,837)	(1,696,245)	(5,784,784)	(69,064,962)	(299,598)
Total Noncurrent Assets	18,575,112	13,364,699	1,046,923	12,633,380	3,210,204	48,830,318	—
Total Assets	27,848,492	19,976,992	2,592,610	27,325,731	5,777,146	83,520,971	4,449,360
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Items - IMRF	346,785	153,555	87,535	56,083	48,130	692,088	—
Deferred Items - RBP	94,938	44,203	22,650	8,897	8,209	178,897	—
Unamortized Loss on Refunding	—	—	—	741,789	—	741,789	—
Total Deferred Outflows of Resources	441,723	197,758	110,185	806,769	56,339	1,612,774	—
Total Assets and Deferred Outflows of Resources	28,290,215	20,174,750	2,702,795	28,132,500	5,833,485	85,133,745	4,449,360

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

	Business-Type Activities - Enterprise						Governmental Activities
	Electric	Water	Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Internal Service
LIABILITIES							
Current Liabilities							
Accounts Payable	\$ 890,190	190,132	37,113	360,583	426,965	1,904,983	32,164
Accrued Payroll	73,670	28,755	18,563	6,117	8,185	135,290	7,283
Accrued Interest Payable	—	—	—	12,708	—	12,708	—
Deposits Payable	392,592	—	—	—	—	392,592	—
Advances to Other Funds	—	500,000	—	—	—	500,000	—
Claims Payable	—	—	—	—	—	—	463,549
Compensated Absences	30,250	14,899	5,013	—	—	50,162	—
General Obligation Bonds Payable	—	—	—	495,000	—	495,000	—
Total Current Liabilities	1,386,702	733,786	60,689	874,408	435,150	3,490,735	502,996
Noncurrent Liabilities							
Claims Payable	—	—	—	—	—	—	580,459
Compensated Absences	272,248	134,092	45,114	—	—	451,454	—
Net Pension Liability - IMRF	(2,255,090)	(998,547)	(569,228)	(364,698)	(312,983)	(4,500,546)	—
Total OPEB Liability - RBP	837,893	390,123	199,898	78,526	72,448	1,578,888	—
General Obligation Bonds Payable - Net	—	—	—	11,610,009	—	11,610,009	—
Landfill Post-Closure Costs	—	—	938,259	—	—	938,259	—
Total Noncurrent Liabilities	(1,144,949)	(474,332)	614,043	11,323,837	(240,535)	10,078,064	580,459
Total Liabilities	241,753	259,454	674,732	12,198,245	194,615	13,568,799	1,083,455
DEFERRED INFLOWS OF RESOURCES							
Deferred Items - IMRF	3,064,402	1,356,908	773,515	495,582	425,307	6,115,714	—
Deferred Items - RBP	32,313	15,045	7,709	3,028	2,794	60,889	—
Total Deferred Inflows of Resources	3,096,715	1,371,953	781,224	498,610	428,101	6,176,603	—
Total Liabilities and Deferred Inflows of Resources	3,338,468	1,631,407	1,455,956	12,696,855	622,716	19,745,402	1,083,455
NET POSITION							
Net Investment in Capital Assets	18,575,112	13,364,699	1,046,923	11,818,074	3,210,204	48,015,012	—
Unrestricted	6,376,635	5,178,644	199,916	3,617,571	2,000,565	17,373,331	3,365,905
Total Net Position	24,951,747	18,543,343	1,246,839	15,435,645	5,210,769	65,388,343	3,365,905

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds For the Fiscal Year Ended December 31, 2021

	Electric	Water
Operating Revenues		
Charges for Services	\$ 18,464,657	6,362,450
Interfund Services	—	—
Miscellaneous	60,483	213,860
Total Operating Revenues	18,525,140	6,576,310
Operating Expenses		
Administration	1,646,456	1,160,628
Operations	15,312,949	1,980,543
Depreciation and Amortization	1,641,562	503,902
Total Operating Expenses	18,600,967	3,645,073
Operating Income (Loss)	(75,827)	2,931,237
Nonoperating Revenues (Expenses)		
Investment Income	(15,272)	(19,050)
Rental Income	207,092	—
Other Income	60,379	12,346
Interest Expense	—	—
	252,199	(6,704)
Income (Loss) Before Transfers	176,372	2,924,533
Transfers In	—	—
Transfers Out	—	(250,000)
	—	(250,000)
Change in Net Position	176,372	2,674,533
Net Position - Beginning	24,775,375	15,868,810
Net Position - Ending	24,951,747	18,543,343

The 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
2,645,013	2,010,580	1,656,312	31,139,012	—
—	—	—	—	5,821,278
—	—	—	274,343	—
2,645,013	2,010,580	1,656,312	31,413,355	5,821,278
73,520	(47,360)	128,103	2,961,347	641,533
2,257,441	554,934	544,573	20,650,440	5,778,897
129,099	299,555	138,212	2,712,330	—
2,460,060	807,129	810,888	26,324,117	6,420,430
184,953	1,203,451	845,424	5,089,238	(599,152)
(1,915)	(107,126)	(1,344)	(144,707)	(12,899)
—	—	—	207,092	—
—	1,033	—	73,758	—
—	(342,051)	—	(342,051)	—
(1,915)	(448,144)	(1,344)	(205,908)	(12,899)
183,038	755,307	844,080	4,883,330	(612,051)
—	401,586	—	401,586	300,000
—	—	—	(250,000)	(300,000)
—	401,586	—	151,586	—
183,038	1,156,893	844,080	5,034,916	(612,051)
1,063,801	14,278,752	4,366,689	60,353,427	3,977,956
1,246,839	15,435,645	5,210,769	65,388,343	3,365,905

The 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, 2021

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 19,882,056	6,558,048
Interfund Services Provided	—	—
Payments to Suppliers	(15,579,017)	(2,559,433)
Payments to Employees	(2,556,570)	(1,136,934)
	1,746,469	2,861,681
Cash Flows from Noncapital Financing Activities		
Transfer In	—	—
Transfers Out	—	(250,000)
	—	(250,000)
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(857,941)	(2,242,661)
Principal Payments	—	—
Interest Payments	—	—
	(857,941)	(2,242,661)
Cash Flows from Investing Activities		
Interest Received	(15,272)	(19,050)
Net Change in Cash and Cash Equivalents	873,256	349,970
Cash and Cash Equivalents - Beginning	4,763,684	5,645,016
Cash and Cash Equivalents - Ending	5,636,940	5,994,986
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(75,827)	2,931,237
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,641,562	503,902
Other Income	267,471	12,346
Other Expense - IMRF and OPEB	(1,127,975)	(375,982)
(Increase) Decrease in Current Assets	1,089,445	(30,608)
Increase (Decrease) in Current Liabilities	(48,207)	(179,214)
Net Cash Provided by Operating Activities	1,746,469	2,861,681

The 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
2,706,095	2,025,181	1,658,269	32,829,649	—
—	—	—	—	5,785,886
(1,898,649)	(56,724)	(185,484)	(20,279,307)	(6,375,999)
(646,959)	(219,861)	(274,055)	(4,834,379)	(372,662)
160,487	1,748,596	1,198,730	7,715,963	(962,775)
—	401,586	—	401,586	300,000
—	—	—	(250,000)	(300,000)
—	401,586	—	151,586	—
(6,119)	(1,572,594)	(345,925)	(5,025,240)	—
—	(925,000)	—	(925,000)	—
—	(342,051)	—	(342,051)	—
(6,119)	(2,839,645)	(345,925)	(6,292,291)	—
(1,915)	(107,126)	(1,344)	(144,707)	(12,899)
152,453	(796,589)	851,461	1,430,551	(975,674)
1,026,685	15,205,334	1,548,016	28,188,735	5,128,484
1,179,138	14,408,745	2,399,477	29,619,286	4,152,810
184,953	1,203,451	845,424	5,089,238	(599,152)
129,099	299,555	138,212	2,712,330	—
—	1,033	—	280,850	—
(238,026)	(47,360)	(125,632)	(1,914,975)	—
61,082	13,568	1,957	1,135,444	(35,392)
23,379	278,349	338,769	413,076	(328,231)
160,487	1,748,596	1,198,730	7,715,963	(962,775)

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Fiduciary Net Position December 31, 2021

	Pension Trust
ASSETS	
Cash and Cash Equivalents	\$ 4,880,641
Investments	
U.S. Government Obligations	5,994,022
U.S. Agency Obligations	12,340,561
Corporate Bonds	5,367,221
Mutual Funds	35,424,195
Common Stock	12,011,163
Insurance Contracts	4,586,187
Receivables	
Accrued Interest	82,506
Net Position Restricted for Pensions	80,686,496

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Changes in Fiduciary Net Position For the Fiscal Year Ended December 31, 2021

	Pension Trust
Additions	
Contributions - Employer	\$ 2,642,805
Contributions - Plan Members	513,010
Contributions - Buy Back	<u>150,081</u>
Total Contributions	<u>3,305,896</u>
Investment Income	
Interest Earned	4,720,418
Net Change in Fair Value	<u>3,686,884</u>
	8,407,302
Less Investment Expenses	<u>(205,268)</u>
Net Investment Income	<u>8,202,034</u>
Total Additions	<u>11,507,930</u>
Deductions	
Administration	70,581
Benefits and Refunds	<u>4,958,708</u>
Total Deductions	<u>5,029,289</u>
Change in Fiduciary Net Position	6,478,641
Net Position Restricted for Pensions	
Beginning	<u>74,207,855</u>
Ending	<u><u>80,686,496</u></u>

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Winnetka (Village), Illinois, incorporated in 1869, is a municipal corporation governed by an elected president and six-member Village Council. 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.

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.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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

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

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

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

Fund Financial Statements

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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 Village does not currently utilize debt service funds.

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 Redevelopment Fund and the Special Service Areas Fund.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements - Continued

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 Information Technology 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.).

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.

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

Notes to the Financial Statements
December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING - Continued

Basis of Accounting - Continued

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.

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 generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

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.

Capital Assets

Capital assets purchased or acquired with an original cost of \$50,000 to \$200,000, depending on asset class, or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition 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 acquisition 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 and Equipment	5 - 10 Years
Furniture and Fixtures	7 - 30 Years
Infrastructure	20 - 50 Years
Plants and Equipment	7 - 30 Years
Distribution System	7 - 30 Years
Sewer System	50 Years
Other Equipment	5 - 10 Years

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Deferred Outflows/Inflows of Resources

Deferred outflow/inflow of resources represents an acquisition/reduction of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense)/inflow of resources (revenue) until that future time.

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.

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.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Net Position - Continued

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.”

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 made.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Liability Insurance	\$ 3,495

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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.

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, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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 \$27,711,039 and the bank balances totaled \$28,057,169.

Investments. The Village has the following investment fair values and maturities:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Obligations	\$ 29,799,184	3,811,255	25,987,929	—	—
U.S. Agency Obligations	12,307,812	2,280,040	9,377,595	—	650,177
Totals	42,106,996	6,091,295	35,365,524	—	650,177

The Village has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Fair Value Measurements Using			
	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Obligations	\$ 29,799,184	29,799,184	—	—
U.S. Agency Obligations	12,307,812	—	12,307,812	—
Total Investments by Fair Value Level	42,106,996	29,799,184	12,307,812	—

Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

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

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

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 no investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

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 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, all of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

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.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$3,049,158 and the bank balances totaled \$3,233,507. 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, 2021, 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	\$ 3,106,989	1,248,139	79,592	1,779,258	—
U.S. Agency Obligations	6,300,921	40,148	571,343	530,850	5,158,580
Corporate Bonds	2,584,897	22,730	1,432,408	1,091,355	38,404
Totals	11,992,807	1,311,017	2,083,343	3,401,463	5,196,984

The Fund has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Fair Value Measurements Using			
	Totals	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Obligations	\$ 3,106,989	3,106,989	—	—
U.S. Agency Obligations	6,300,921	—	6,300,921	—
Corporate Bonds	2,584,897	—	2,584,897	—
	11,992,807	3,106,989	8,885,818	—
Equity Securities				
Common Stock	5,866,834	5,866,834	—	—
Mutual Funds	17,595,960	17,595,960	—	—
Insurance Contracts	2,702,541	2,702,541	—	—
	26,165,335	26,165,335	—	—
Total Investments by Fair Value Level	38,158,142	29,272,324	8,885,818	—

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Credit Risk. The Fund'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." At year-end, the Fund's investments in U.S. agency obligations rating was not rated. The corporate bonds were rated Baa3 to Aaa by Moody's at year-end.

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)	0.00%	100.00%
Interest Investments, CD's	0.00%	30.00%
Commercial Paper	0.00%	10.00%
Investment Pools Established by the State Treasurer	0.00%	40.00%
Money Market Mutual Funds	0.00%	40.00%
Equity Investments	0.00%	45.00%
Government Agency Securities	0.00%	80.00%
Government Bonds and Warrants	0.00%	20.00%
Municipal Bonds Rated "a" or Better	0.00%	20.00%

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 \$5,866,834 invested in common stock, \$17,595,960 invested in mutual funds and \$2,702,541 invested in insurance contracts. At year-end, the Fund has over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) invested in Insurance Contracts - Principal Financial of \$2,069,115.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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 - Continued. 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	36.00%	0.90%
Domestic Equities	43.00%	3.23%
International Equities	16.00%	1.36%
Real Estate	5.00%	0.23%
Cash and Cash Equivalents	0.00%	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 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 April 2022 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, 2021 are listed in the table above.

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.66%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Firefighters' Pension Fund - Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,831,483 and the bank balances totaled \$1,995,356. 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, 2021, the Fund's investments are as follows:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Obligations	\$ 2,887,033	1,127,738	73,557	1,685,738	—
U.S. Agency Obligations	6,039,640	37,918	634,060	338,479	5,029,183
Corporate Bonds	2,782,324	75,132	1,653,035	1,006,495	47,662
Totals	11,708,997	1,240,788	2,360,652	3,030,712	5,076,845

The Fund has the following recurring fair value measurements as of December 31, 2021:

Investments by Fair Value Level	Totals	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
U.S. Treasury Obligations	\$ 2,887,033	2,887,033	—	—
U.S. Agency Obligations	6,039,640	—	6,039,640	—
Corporate Bonds	2,782,324	—	2,782,324	—
	11,708,997	2,887,033	8,821,964	—
Equity Securities				
Common Stock	6,144,329	6,144,329	—	—
Mutual Funds	17,828,235	17,828,235	—	—
Insurance Contracts	1,883,646	1,883,646	—	—
	25,856,210	25,856,210	—	—
Total Investments by Fair Value Level	37,565,207	28,743,243	8,821,964	—

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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

Investments - Continued. Debt Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Credit Risk. The Fund'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." At year-end, the Fund's investments in U.S. agency obligations rating was not rated. The corporate bonds were rated Baa3 to Aaa by Moody's at year-end.

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)	0.00%	100.00%
Interest Investments, CD's	0.00%	30.00%
Commercial Paper	0.00%	10.00%
Investment Pools Established by the State Treasurer	0.00%	40.00%
Money Market Mutual Funds	0.00%	40.00%
Equity Investments	0.00%	45.00%
Government Agency Securities	0.00%	80.00%
Government Bonds and Warrants	0.00%	20.00%
Municipal Bonds Rated "a" or Better	0.00%	20.00%

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 \$6,144,329 invested in common stock, \$17,828,235 invested in mutual funds and \$1,883,646 invested in insurance contracts. At year-end, the Fund has no investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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 - Continued. 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	35.00%	0.88%
Domestic Equities	44.00%	3.30%
International Equities	16.00%	1.36%
Real Estate	5.00%	0.23%
Cash and Cash Equivalents	0.00%	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 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 April 2022 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, 2021 are listed in the table above.

Rate of Return

For the year ended December 31, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 12.69%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2021

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 Right of Way	\$ 13,680,000	—	—	13,680,000
Depreciable Capital Assets				
Buildings and Improvements	16,571,927	—	—	16,571,927
Machinery and Equipment	12,202,207	338,423	—	12,540,630
Furniture and Fixtures	965,632	—	—	965,632
Infrastructure	40,979,561	3,216,074	—	44,195,635
	<u>70,719,327</u>	<u>3,554,497</u>	<u>—</u>	<u>74,273,824</u>
Less Accumulated Depreciation				
Buildings and Improvements	5,280,574	292,644	—	5,573,218
Machinery and Equipment	12,022,132	1,015,631	—	13,037,763
Furniture and Fixtures	965,632	—	—	965,632
Infrastructure	16,980,464	1,849,655	—	18,830,119
	<u>35,248,802</u>	<u>3,157,930</u>	<u>—</u>	<u>38,406,732</u>
Total Net Depreciable Capital Assets	<u>35,470,525</u>	<u>396,567</u>	<u>—</u>	<u>35,867,092</u>
Total Net Capital Assets	<u>49,150,525</u>	<u>396,567</u>	<u>—</u>	<u>49,547,092</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 211,535
Public Safety	467,682
Community Development	18,887
Public Works	<u>2,459,826</u>
	<u>3,157,930</u>

VILLAGE OF WINNETKA, ILLINOIS**Notes to the Financial Statements****December 31, 2021****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
Construction in Progress	—	1,249,844	—	1,249,844
	164,008	1,249,844	—	1,413,852
Depreciable Capital Assets				
Buildings	13,427,048	228,441	—	13,655,489
Plants and Equipment	15,531,298	216,441	—	15,747,739
Distribution System	52,143,631	2,596,934	—	54,740,565
Sewer System	19,364,050	668,675	—	20,032,725
Other Equipment	12,240,005	64,905	—	12,304,910
	112,706,032	3,775,396	—	116,481,428
Less Accumulated Depreciation				
Buildings	5,710,361	225,332	—	5,935,693
Plants and Equipment	12,297,491	303,362	—	12,600,853
Distribution System	32,504,709	1,538,181	—	34,042,890
Sewer System	5,576,906	347,450	—	5,924,356
Other Equipment	10,288,522	272,648	—	10,561,170
	66,377,989	2,686,973	—	69,064,962
Total Other Capital Assets	46,328,043	1,088,423	—	47,416,466
Total Capital Assets	46,492,051	2,338,267	—	48,830,318

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities - Continued

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

Electric	\$ 1,641,562
Water	503,902
Refuse	129,099
Storm Sewer	274,198
Sanitary Sewer	<u>138,212</u>
	<u>2,686,973</u>

INTERFUND ADVANCES

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

Receivable Fund	Payable Fund	Amount
General	Water	<u>\$ 500,000</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	Water	\$ 250,000 (1)
General	Nonmajor Governmental	47,321 (1)
Information Technology	Liability Insurance	300,000 (1)
Nonmajor Governmental	General	1,650,000 (2)
Storm Sewer	Motor Fuel Tax	<u>401,586 (1)</u>
		<u>2,648,907</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, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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:

	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
\$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	\$ 735,000	—	735,000	—
\$12,035,000 Taxable General Obligation Refunding Bonds of 2020, due in annual installments of \$190,000 to \$775,000 through December 15, 2040 plus interest at 2.50% to 2.75%.	Storm Sewer	12,035,000	—	190,000	11,845,000
		12,770,000	—	925,000	11,845,000

Landfill Closure Costs

On June 1, 1993, the Village Council 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, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Long-Term Liabilities 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	\$ 1,422,511	45,562	91,124	1,376,949	137,695
Net Pension Liabilities/(Assets)					
IMRF	85,018	—	4,911,708	(4,826,690)	—
Police	11,545,150	—	6,608,814	4,936,336	—
Fire	12,461,565	—	3,550,082	8,911,483	—
Total OPEB Liability - RBP	3,149,442	—	93,036	3,056,406	—
	<u>28,663,686</u>	<u>45,562</u>	<u>15,254,764</u>	<u>13,454,484</u>	<u>137,695</u>
Business-Type Activities					
Compensated Absences	525,652	24,036	48,072	501,616	50,162
IMRF	75,577	—	4,576,123	(4,500,546)	—
Total OPEB Liability - RBP	1,577,570	1,318	—	1,578,888	—
General Obligation Bonds	12,770,000	—	925,000	11,845,000	495,000
Plus: Unamortized Bond Premium	273,694	—	13,685	260,009	—
Landfill Post-Closure Costs	938,259	—	—	938,259	—
	<u>16,160,752</u>	<u>25,354</u>	<u>5,562,880</u>	<u>10,623,226</u>	<u>545,162</u>

For the governmental activities, the compensated absences, the net pension liabilities, and the total OPEB liability are liquidated by the General Fund.

For the business-type activities, compensated absences, the net pension liability, and the total OPEB liability 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. The Refuse Fund makes payments on the landfill post-closure costs.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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
2021	\$ 495,000	304,980
2022	505,000	292,605
2023	515,000	279,980
2024	535,000	267,105
2025	545,000	253,730
2026	560,000	240,105
2027	575,000	226,105
2028	585,000	211,730
2029	600,000	197,105
2030	615,000	182,105
2031	630,000	166,730
2032	650,000	150,980
2033	665,000	134,730
2034	680,000	118,105
2035	700,000	100,425
2036	720,000	82,225
2037	740,000	62,425
2038	755,000	42,075
2039	775,000	21,312
Totals	11,845,000	3,334,557

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2021:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	<u>\$ 49,547,092</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	48,830,318
Plus: Unspent Bond Proceeds	10,547,914
Unamortized Loss on Refunding	741,789
Less Capital Related Debt:	
Taxable General Obligation Refunding Bonds of 2020	(11,845,000)
Unamortized Premium	<u>(260,009)</u>
Net Investment in Capital Assets	<u>48,015,012</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.

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

Restricted Fund Balance. Consists of resources that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Village Council; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

Assigned Fund Balance. Consists of amounts that are constrained by the Village Council's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Village Council itself or b) a body or official to which the Village Council has delegated the authority to assign amounts to be used for specific purposes. The Village's highest level of decision-making authority is the Village Council, who is authorized to assign amounts to a specific purpose.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The Village's policy manual states that the General Fund should maintain a minimum cash balance equal to 33.33% to 50% of budgeted operating expenditures plus 100% of the cash needed to fund all pension plans at the 90% funded level.

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
Restricted				
Highways and Streets	\$ —	—	3,217,781	3,217,781
Foreign Fire Tax	—	—	173,126	173,126
	—	—	3,390,907	3,390,907
Assigned				
Infrastructure Improvement Projects	—	180,275	—	180,275
Downtown Redevelopment	—	—	827,027	827,027
Special Service Areas	—	—	49,893	49,893
	—	180,275	876,920	1,057,195
Unassigned	30,027,257	—	—	30,027,257
Total Fund Balances	30,027,257	180,275	4,267,827	34,475,359

PROPERTY TAXES

Property taxes for 2021 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 2021 tax levy is intended to fund expenditures for the 2021 fiscal year, these taxes are deferred as of December 31, 2021.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

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 are provided for through a managed self-insurance program. Under this program the Village is self-insured for the first \$100,000 for liability and property claims, and \$250,000 for workers' compensation claims. Commercial insurance is carried for amounts in excess of the self-insured amounts. The Village purchases liability and property insurance through the Illinois County Risk Management Trust and utilizes this agency to manage these claims. There were no reductions in insurance limits during 2021 from the coverage amounts in effect for 2019. The Village's self-insurance activities are reported in the Health Insurance, General Liability Insurance and Workers' Compensation internal service funds. All of the Villages claims are considered noncurrent liabilities.

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 2021 and 2020.

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

	Workers'		
	Compensation	Liability	Totals
Claims Payable - December 31, 2019	\$ 1,211,378	115,000	1,326,378
Incurred Claims	378,566	736,481	1,115,047
Claims Paid	(387,268)	(736,481)	(1,123,749)
Claims Payable - December 31, 2020	1,202,676	115,000	1,317,676
Incurred Claims	174,199	609,695	783,894
Claims Paid	(449,777)	(607,785)	(1,057,562)
Claims Payable - December 31, 2021	927,098	116,910	1,044,008

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT - Continued

Intergovernmental Personnel Benefit Cooperative (IPBC)

Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

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 attorneys, 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.

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.

Financial Impact from COVID-19

In March 2020, the World Health Organization declared the COVID-19 virus a public health emergency. As of the date of this report, the extent of the impact of COVID-19 on the Village's operations and financial position cannot be determined.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES

Illinois Municipal Electric Agency (IMEA)

Description of Jointly Governed Organizations

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

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

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

IMEA has four 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 \$831 million of long-term debt outstanding and \$43 million due in the current fiscal year ending April 30, 2021. Based on the Village's percentage of the overall demand of IMEA, projected kilowatt hour sales, and debt outstanding, it is projected that the Village will pay about \$44 million for debt principal outstanding through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2021.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Illinois Municipal Electric Agency (IMEA) - Continued

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

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

* Per April 30, 2021 financial statements.

Summary of Operating Revenues, Operating Expenses and Changes in Net Position for the year ended April 30, 2021, in millions of dollars:

Operating Revenues	\$ 321.9
Operating Expenses	<u>253.3</u>
Net Operating Income	68.6
Other Nonoperating Expenses (Net)	<u>(37.9)</u>
Change in Net Position	<u><u>30.7</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.

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 3 Providence Way, Des Plaines, Illinois 60016.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

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.

The aggregate amounts recognized for the pension plans is:

	Pension (Revenue)	Net Pension Liability	Deferred Outflows	Deferred Inflows
IMRF	\$ (2,791,780)	(9,327,236)	1,434,331	12,674,618
Police Pension	(401,133)	4,936,336	744,068	7,901,068
Firefighters' Pension	(164,770)	8,911,483	1,454,924	5,858,783
	(3,357,683)	4,520,583	3,633,323	26,434,469

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. All employees (other than those covered by the Police and Firefighters' Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Benefits Provided. IMRF provides two tiers of pension benefits. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	170
Inactive Plan Members Entitled to but not yet Receiving Benefits	45
Active Plan Members	<u>95</u>
Total	<u>310</u>

Contributions. As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the year-ended December 31, 2021, the Village's contribution was 14.69% of covered payroll.

Net Pension Liability/(Asset). The Village's net pension liability/(asset) was measured as of December 31, 2021. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.25%
Inflation	2.25%

For nondisabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.00%	2.00%
Domestic Equities	39.00%	4.50%
International Equities	15.00%	5.75%
Real Estate	10.00%	5.90%
Blended	10.00%	4.30% - 8.10%
Cash and Cash Equivalents	1.00%	1.70%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, 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.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	\$ 9,694,224	(9,327,236)	(7,540,495)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/ (A) - (B)
Balances at December 31, 2020	\$ 88,485,482	88,324,887	160,595
Changes for the Year:			
Service Cost	895,986	—	895,986
Interest on the Total Pension Liability	6,215,634	—	6,215,634
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	786,466	—	786,466
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,454,767	(1,454,767)
Contributions - Employees	—	445,610	(445,610)
Net Investment Income	—	15,397,830	(15,397,830)
Benefit Payments, including Refunds of Employee Contributions	(6,401,191)	(6,401,191)	—
Other (Net Transfer)	—	87,710	(87,710)
Net Changes	1,496,895	10,984,726	(9,487,831)
Balances at December 31, 2021	89,982,377	99,309,613	(9,327,236)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Village recognized pension revenue of \$2,791,780. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,434,331	(70,177)	1,364,154
Change in Assumptions	—	(223,961)	(223,961)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(12,380,480)	(12,380,480)
Total Deferred Amounts Related to IMRF	1,434,331	(12,674,618)	(11,240,287)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (2,196,155)
2023	(4,329,824)
2024	(2,883,457)
2025	(1,830,851)
2026	—
Thereafter	—
Totals	(11,240,287)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLAN - Continued

Police Pension Plan

Plan Descriptions

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, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	32
Inactive Plan Members Entitled to but not yet Receiving Benefits	9
Active Plan Members	<u>26</u>
Total	<u><u>67</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 $\frac{1}{2}$ 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 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, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - 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 48 consecutive months of service within the last 60 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 $\frac{1}{2}$ 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 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 or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding 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, 2021, the Village's contribution was 45.65% of covered payroll.

Concentrations. At year-end, the Pension Plan has over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments) invested in Insurance Contracts - Principal Financial of \$2,069,115.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	Service Based
Cost of Living Adjustments	2.50%
Inflation	3.00%

PubS-2010 Employee mortality, unadjusted, with generational improvements with Scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, while the prior valuation was 6.25%. 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, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the net pension liability/(asset) of the Village calculated using the discount rate as well as what the Village's net pension liability/(asset) 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability/(Asset) \$	11,078,621	4,936,336	(104,593)

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 49,692,306	38,147,156	11,545,150
Changes for the Year:			
Service Cost	679,789	—	679,789
Interest on the Total Pension Liability	3,071,328	—	3,071,328
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(1,233,854)	—	(1,233,854)
Changes of Assumptions	(3,561,909)	—	(3,561,909)
Contributions - Employer	—	1,256,878	(1,256,878)
Contributions - Employees	—	272,834	(272,834)
Net Investment Income	—	4,067,163	(4,067,163)
Benefit Payments, Including Refunds of Employee Contributions	(2,461,692)	(2,461,692)	—
Other (Net Transfer)	—	(32,707)	32,707
Net Changes	(3,506,338)	3,102,476	(6,608,814)
Balances at December 31, 2021	46,185,968	41,249,632	4,936,336

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Village recognized pension revenue of \$401,133. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 512,019	(1,051,592)	(539,573)
Change in Assumptions	232,049	(2,968,260)	(2,736,211)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(3,881,216)	(3,881,216)
Total Deferred Amounts Related to Police Pension	744,068	(7,901,068)	(7,157,000)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (1,350,941)
2023	(2,064,209)
2024	(1,800,640)
2025	(1,141,916)
2026	(799,294)
Thereafter	—
Total	(7,157,000)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan

Plan Descriptions

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.

Plan Membership. At December 31, 2021, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	36
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>21</u>
Total	<u><u>61</u></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.

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - 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 firefighter during the 48 consecutive months of service within the last 60 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 firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

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, 2021, the Village's contribution was 54.56% of covered payroll.

Significant Investments. At year end, the Pension Plan does not have any investments over 5 percent of net plan position available for retirement benefits (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2021, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.75%
Salary Increases	Service Based
Cost of Living Adjustments	2.25%
Inflation	3.00%

Mortality rates are based on the PubS-2010 Employee mortality, unadjusted, with generational improvements with Scale MP-2021.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%, while the prior valuation was 6.25%. 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, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - 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 net pension liability of the Village calculated using the discount rate as well as what the Village's net pension liability 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 15,318,591	8,911,483	3,645,770

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2020	\$ 48,522,264	36,060,699	12,461,565
Changes for the Year:			
Service Cost	819,686	—	819,686
Interest on the Total Pension Liability	3,005,840	—	3,005,840
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	944,049	—	944,049
Changes of Assumptions	(2,596,557)	—	(2,596,557)
Contributions - Employer	—	1,385,927	(1,385,927)
Contributions - Employees	—	240,176	(240,176)
Contributions - Buy Back	150,081	150,081	—
Net Investment Income	—	4,134,871	(4,134,871)
Benefit Payments, Including Refunds of Employee Contributions	2,497,016	2,497,016	—
Other (Net Transfer)	—	(37,874)	37,874
Net Changes	4,820,115	8,370,197	(3,550,082)
Balances at December 31, 2021	53,342,379	44,430,896	8,911,483

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2021, the Village recognized pension revenue of \$164,770. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 1,031,784	(430,395)	601,389
Change in Assumptions	423,140	(2,139,614)	(1,716,474)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(3,288,774)	(3,288,774)
Total Deferred Amounts Related to Firefighters' Pension	1,454,924	(5,858,783)	(4,403,859)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2022	\$ (1,107,361)
2023	(1,285,568)
2024	(1,299,472)
2025	(711,458)
2026	—
Thereafter	—
Total	(4,403,859)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan Description. The Village's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the Village. RBP is a single-employer defined benefit OPEB plan administered by the Village. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the Village Board. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided. RBP provides medical benefits for retirees and their dependents. Retirees pay the full cost of the premium. Coverage can continue when Medicare eligible. Coverage for dependents can continue upon the death of the retiree given that contributions continue.

Public Safety employees that suffer a catastrophic injury or are killed in the line of duty receive fully paid health insurance lifetime coverage for the employee, their spouse, and for each dependent child until the child reaches the age of majority under the Public Safety Employee Benefit Act.

Plan Membership. As of December 31, 2021, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	44
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>152</u>
Total	<u><u>196</u></u>

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Total OPEB Liability - Continued

Actuarial Assumptions and Other Inputs - Continued.

Inflation	3.00%
Salary Increases	3.50%
Discount Rate	2.25%
Healthcare Cost Trend Rates	5.50% for 2020 decreasing to an ultimate rate of 4.50% for 2035 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

The discount rate was based on the S&P Municipal Bond 20 Year High-Grade Rate Index.

Mortality rates were based on the RP-2014 Annuitant Mortality Tables projected generationally from 2015 using Scale MP-2017.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at December 31, 2020	<u>\$ 4,727,012</u>
Changes for the Year:	
Service Cost	245,754
Interest on the Total OPEB Liability	88,126
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(103,789)
Benefit Payments	(321,809)
Other Changes	—
Net Changes	<u>(91,718)</u>
Balance at December 31, 2021	<u><u>4,635,294</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The discount rate used to measure the total pension liability was 2.25%, while the prior valuation used 1.93%. The following presents the total OPEB liability, calculated using the discount rate, as well as what the total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher:

		1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	\$	4,970,068	4,635,294	4,328,750

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using a variable Healthcare Trend Rate, as well as what the total OPEB liability would be if it were calculated using a Healthcare Trend Rate that is one percentage point lower or one percentage point higher:

		1% Decrease (Varies)	Healthcare Cost Trend Rates (Varies)	1% Increase (Varies)
Total OPEB Liability	\$	4,228,471	4,635,294	5,113,567

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021, the Village recognized OPEB expense of \$415,033. At December 31, 2021, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Difference Between Expected and Actual Experience	\$ 10,934	(9,766)	1,168
Change in Assumptions	514,269	(168,992)	345,277
Net Difference Between Projected and Actual Earnings	—	—	—
Total Deferred Amounts Related to OPEB	525,203	(178,758)	346,445

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2022	\$ 81,153
2023	81,153
2024	81,153
2025	60,645
2026	42,618
Thereafter	(277)
Totals	346,445

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2021

NOTE 4 - OTHER INFORMATION - Continued

SUBSEQUENT EVENT

American Rescue Plan Act

On March 11, 2021, the American Rescue Plan Act of 2021 was signed into law. This act provides \$350 billion in funding for local governments. The Village has been allocated \$1,676,019 to be received in two installments. On September 10, 2021 the Village received their first installment of \$838,009. As of the date of these financial statements, the Village has not received their second installment.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Total OPEB Liability
 - Retiree Benefit Plan
- Budgetary Comparison Schedules
 - 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 Schedule of Employer Contributions December 31, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,355,725	\$ 1,458,442	\$ 102,717	\$ 9,317,696	15.65%
2016	1,347,077	1,376,867	29,790	9,393,842	14.66%
2017	1,284,332	1,507,708	223,376	9,464,493	15.93%
2018	1,313,581	1,319,781	6,200	9,595,185	13.75%
2019	1,146,391	1,215,748	69,357	9,756,517	12.46%
2020	1,417,899	1,508,402	90,503	10,091,807	14.95%
2021	1,326,925	1,454,767	127,842	9,902,428	14.69%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	22 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	3.35% - 14.25%
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015).

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund Schedule of Employer Contributions December 31, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,089,023	\$ 1,095,000	\$ 5,977	\$ 2,440,019	44.88%
2015	1,110,899	1,154,177	43,278	2,546,092	45.33%
2016	1,308,146	1,307,493	(653)	2,607,617	50.14%
2017	1,446,665	1,423,835	(22,830)	2,568,172	55.44%
2018	1,488,956	1,467,306	(21,650)	2,691,970	54.51%
2019	1,519,805	1,496,469	(23,336)	2,857,689	52.37%
2020	1,720,195	1,681,054	(39,141)	2,671,838	62.92%
2021	1,291,013 *	1,256,878	(34,135)	2,753,118	45.65%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	13 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	6.25%
Retirement Age	50-70
Mortality	PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2019.

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

* In 2021, the Village contributed based on an actuarially determined contribution amount of \$1,291,013 which is based on the Illinois State statute of being 90% funded by December 31, 2040. The Police Pension fund's actuarially determined recommended contribution amount was \$1,848,687 and was based on being 100% funded by December 31, 2035.

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund Schedule of Employer Contributions December 31, 2021

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,315,341	\$ 1,321,000	\$ 5,659	\$ 2,409,734	54.82%
2015	1,327,823	1,391,267	63,444	2,440,604	57.01%
2016	1,451,602	1,439,948	(11,654)	2,421,648	59.46%
2017	1,723,176	1,708,105	(15,071)	2,560,651	66.71%
2018	1,776,163	1,743,268	(32,895)	2,428,840	71.77%
2019	1,819,236	1,792,372	(26,864)	2,571,425	69.70%
2020	1,968,569	1,929,099	(39,470)	2,674,991	72.12%
2021	1,425,539 *	1,385,927	(39,612)	2,540,201	54.56%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	13 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	6.25%
Retirement Age	50-70
Mortality	PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2019.

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

* In 2021, the Village contributed based on an actuarially determined contribution amount of \$1,425,539 which is based on the Illinois State statute of being 90% funded by December 31, 2040. The Police Pension fund's actuarially determined recommended contribution amount was \$1,991,435 and was based on being 100% funded by December 31, 2035.

VILLAGE OF WINNETKA, ILLINOIS

Illinois Municipal Retirement Fund

Schedule of Changes in the Employer's Net Pension Liability/(Asset)

December 31, 2021

	2015
Total Pension Liability	
Service Cost	\$ 994,117
Interest	5,445,933
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	681,118
Change of Assumptions	84,007
Benefit Payments, Including Refunds of Member Contributions	(3,997,516)
Net Change in Total Pension Liability	3,207,659
Total Pension Liability - Beginning	74,308,286
Total Pension Liability - Ending	77,515,945
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,458,442
Contributions - Members	418,903
Net Investment Income	328,436
Benefit Payments, Including Refunds of Member Contributions	(3,997,516)
Other (Net Transfer)	1,461,440
Net Change in Plan Fiduciary Net Position	(330,295)
Plan Net Position - Beginning	66,747,256
Plan Net Position - Ending	66,416,961
Employer's Net Pension Liability/(Asset)	\$ 11,098,984
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.68%
Covered Payroll	\$ 9,317,696
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	119.12%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2016	2017	2018	2019	2020	2021
963,903	942,741	885,530	954,153	921,534	895,986
5,657,743	5,819,726	5,895,632	5,987,185	6,054,543	6,215,634
—	—	—	—	—	—
261,926	2,116,018	439,147	(316,723)	1,850,991	786,466
(260,501)	(2,695,351)	2,135,288	—	(483,869)	—
(4,516,723)	(4,994,628)	(5,290,275)	(5,542,680)	(5,815,773)	(6,406,191)
2,106,348	1,188,506	4,065,322	1,081,935	2,527,426	1,491,895
77,515,945	79,622,293	80,810,799	84,876,121	85,958,056	88,485,482
79,622,293	80,810,799	84,876,121	85,958,056	88,485,482	89,977,377
1,376,867	1,507,708	1,319,781	1,215,748	1,508,402	1,454,767
453,957	427,932	431,783	439,043	454,131	445,610
4,475,261	12,392,876	(4,799,193)	13,756,052	11,732,110	15,397,830
(4,516,723)	(4,994,628)	(5,290,275)	(5,542,680)	(5,815,773)	(6,401,191)
691,482	(1,218,760)	1,839,918	(564,652)	627,559	87,710
2,480,844	8,115,128	-6,497,986	9,303,511	8,506,429	10,984,726
66,416,961	68,897,805	77,012,933	70,514,947	79,818,458	88,324,887
68,897,805	77,012,933	70,514,947	79,818,458	88,324,887	99,309,613
10,724,488	3,797,866	14,361,174	6,139,598	160,595	(9,332,236)
86.53%	95.30%	83.08%	92.86%	99.82%	110.37%
9,393,842	9,464,493	9,595,185	9,756,517	10,091,807	9,902,428
114.17%	40.13%	149.67%	62.93%	1.59%	(94.24%)

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2021

	2014
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	(1,809,323)
Net Change in Total Pension Liability	3,434,013
Total Pension Liability - Beginning	34,385,224
Total Pension Liability - Ending	37,819,237
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,095,000
Contributions - Members	249,185
Net Investment Income	1,552,792
Benefit Payments, Including Refunds of Member Contributions	(1,809,324)
Administrative Expenses	(21,144)
Net Change in Plan Fiduciary Net Position	1,066,509
Plan Net Position - Beginning	24,445,682
Plan Net Position - Ending	25,512,191
Employer's Net Pension Liability	\$ 12,307,046
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.46%
Covered Payroll	\$ 2,440,019
Employer's Net Pension Liability as a Percentage of Covered Payroll	504.38%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2015	2016	2017	2018	2019	2020	2021
605,710	646,828	694,278	650,562	695,274	769,301	679,789
2,308,101	2,577,750	2,559,175	2,675,377	2,854,673	2,950,995	3,071,328
—	—	—	—	229,968	—	—
1,146,129	(3,226,369)	742,631	446,263	(58,455)	704,611	(1,233,854)
1,429,187	1,572,183	(61,605)	1,160,243	—	—	(3,561,909)
(1,779,229)	(1,863,860)	(1,966,302)	(2,081,639)	(2,150,286)	(2,358,425)	(2,461,692)
3,709,898	(293,468)	1,968,177	2,850,806	1,571,174	2,066,482	(3,506,338)
37,819,237	41,529,135	41,235,667	43,203,844	46,054,650	47,625,824	49,692,306
41,529,135	41,235,667	43,203,844	46,054,650	47,625,824	49,692,306	46,185,968
1,154,177	1,307,493	1,423,835	1,467,306	1,496,469	1,681,054	1,256,878
252,560	288,079	268,576	267,464	280,725	291,770	272,834
159,423	2,178,422	3,373,306	31,794	3,112,125	6,019,470	4,067,163
(1,779,229)	(1,863,860)	(1,966,302)	(2,081,639)	(2,150,286)	(2,358,425)	(2,461,692)
(41,620)	(49,278)	(18,538)	(37,370)	(33,844)	(38,692)	(32,707)
(254,689)	1,860,856	3,080,877	(352,445)	2,705,189	5,595,177	3,102,476
25,512,191	25,257,502	27,118,358	30,199,235	29,846,790	32,551,979	38,147,156
25,257,502	27,118,358	30,199,235	29,846,790	32,551,979	38,147,156	41,249,632
16,271,633	14,117,309	13,004,609	16,207,860	15,073,845	11,545,150	4,936,336
60.82%	65.76%	69.90%	64.81%	68.35%	76.77%	89.31%
2,546,092	2,607,617	2,568,172	2,691,970	2,857,689	2,671,838	2,753,118
639.08%	541.39%	506.38%	602.08%	527.48%	432.11%	179.30%

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund Schedule of Changes in the Employer's Net Pension Liability December 31, 2021

	2014
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
Contributions - Buy Back	—
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)
Net Change in Total Pension Liability	2,770,971
Total Pension Liability - Beginning	34,438,062
Total Pension Liability - Ending	37,209,033
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,321,000
Contributions - Members	225,546
Contributions - Buy Back	—
Net Investment Income	1,494,221
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)
Administrative Expenses	(13,037)
Net Change in Plan Fiduciary Net Position	1,216,867
Plan Net Position - Beginning	22,656,625
Plan Net Position - Ending	23,873,492
Employer's Net Pension Liability	\$ 13,335,541
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.16%
Covered Payroll	\$ 2,409,734
Employer's Net Pension Liability as a Percentage of Covered Payroll	553.40%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

2015	2016	2017	2018	2019	2020	2021
689,460	709,007	805,556	794,903	717,160	804,634	819,686
2,267,675	2,633,017	2,610,776	2,689,044	2,885,682	2,930,142	3,005,840
—	—	—	—	156,709	—	—
593,014	(2,992,031)	332,317	663,472	(859,094)	(144,597)	944,049
3,413,519	1,111,971	(374,219)	1,269,421	—	—	(2,596,557)
—	—	—	—	—	—	150,081
(1,852,469)	(1,801,967)	(2,026,733)	(2,160,039)	(2,261,917)	(2,291,182)	(2,497,016)
5,111,199	(340,003)	1,347,697	3,256,801	638,540	1,298,997	(173,917)
37,209,033	42,320,232	41,980,229	43,327,926	46,584,727	47,223,267	48,522,264
42,320,232	41,980,229	43,327,926	46,584,727	47,223,267	48,522,264	48,348,347
1,391,267	1,439,948	1,708,105	1,743,268	1,792,372	1,929,099	1,385,927
232,443	251,855	237,416	229,800	246,106	257,357	240,176
—	—	—	—	—	—	150,081
(15,892)	1,957,213	3,286,168	866,522	2,499,794	4,756,581	4,134,871
(1,852,469)	(1,801,967)	(2,026,733)	(2,160,039)	(2,261,917)	(2,291,182)	(2,497,016)
(31,244)	(38,920)	(16,726)	(62,022)	(36,492)	(42,504)	(37,874)
(275,895)	1,808,129	3,188,230	617,529	2,239,863	4,609,351	3,376,165
23,873,492	23,597,597	25,405,726	28,593,956	29,211,485	31,451,348	36,060,699
23,597,597	25,405,726	28,593,956	29,211,485	31,451,348	36,060,699	39,436,864
18,722,635	16,574,503	14,733,970	17,373,242	15,771,919	12,461,565	8,911,483
55.76%	60.52%	65.99%	62.71%	66.60%	74.32%	81.57%
2,440,604	2,421,648	2,560,651	2,428,840	2,571,425	2,674,991	2,540,201
767.13%	684.43%	575.40%	715.29%	613.35%	465.85%	350.82%

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

Schedule of Investment Returns

December 31, 2021

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.25%
2015	0.51%
2016	8.10%
2017	12.02%
2018	(5.64%)
2019	17.54%
2020	16.44%
2021	12.66%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF WINNETKA, ILLINOIS

**Firefighters' Pension Fund
Schedule of Investment Returns
December 31, 2021**

Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.57%
2015	(0.07%)
2016	7.99%
2017	12.74%
2018	(5.04%)
2019	18.12%
2020	13.90%
2021	12.69%

Note: This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

VILLAGE OF WINNETKA, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2021

	2018	2019	2020	2021
Total OPEB Liability				
Service Cost	\$ 168,705	183,917	193,159	245,754
Interest	129,067	147,225	135,641	88,126
Changes in Benefit Terms	—	—	—	—
Differences Between Expected and Actual				
Experience	(21,690)	—	15,018	(103,789)
Change of Assumptions or Other Inputs	(123,895)	100,798	375,948	—
Benefit Payments	(301,219)	(322,949)	(306,986)	(321,809)
Other Changes	351,757	(856)	—	—
Net Change in Total OPEB Liability	202,725	108,135	412,780	(91,718)
Total OPEB Liability - Beginning	4,003,372	4,206,097	4,314,232	4,727,012
Total OPEB Liability - Ending	4,206,097	4,314,232	4,727,012	4,635,294
Covered-Employee Payroll	\$ 11,649,905	14,083,963	14,887,692	14,887,692
Total OPEB Liability as a Percentage of Covered-Employee Payroll	36.10%	30.63%	31.75%	31.14%

Notes:

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

No assets are accumulated in trust that meets the criteria in paragraph 4 of Statement 75.

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 through 2021.

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, 2021

	2021		For the Fiscal Year Ended December 31, 2020
	Original and Final Budget	Actual	Actual
Revenues			
Taxes	\$ 15,861,833	15,380,073	15,269,663
Licenses and Permits	1,871,500	2,267,812	1,998,247
Intergovernmental	2,857,654	4,427,649	3,495,653
Charges for Services	5,698,301	5,525,618	3,997,440
Fines and Forfeits	212,500	90,426	110,091
Investment Income	201,205	(101,475)	457,260
Miscellaneous	46,000	99,952	63,311
Total Revenues	26,748,993	27,690,055	25,391,665
Expenditures			
General Government	3,478,904	3,176,510	3,458,822
Public Safety	13,727,228	12,874,787	13,725,727
Community Development	1,714,489	1,586,009	1,572,154
Public Works	6,369,344	5,269,227	5,079,201
Total Expenditures	25,289,965	22,906,533	23,835,904
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,459,028	4,783,522	1,555,761
Other Financing Sources (Uses)			
Transfers In	250,000	297,321	1,894,887
Transfers Out	(1,650,000)	(1,650,000)	(1,500,000)
	(1,400,000)	(1,352,679)	394,887
Net Change in Fund Balance	59,028	3,430,843	1,950,648
Fund Balance - Beginning		26,596,414	24,645,766
Fund Balance - Ending		30,027,257	26,596,414

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 Sheet
 - 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
 - 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 Position
 - Combining Statement of Revenues, Expenses, and Changes in Net Position
 - Combining Statement of Cash Flows
 - Budgetary Comparison Schedules
 - Information Technology 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
- Consolidated Year-End Financial Report

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account 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.

CAPITAL PROJECTS FUND

The Capital Projects Funds are created 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.

INDIVIDUAL FUND DESCRIPTIONS

ENTERPRISE FUNDS

The 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.

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.

INDIVIDUAL FUND DESCRIPTIONS

INTERNAL SERVICE FUNDS

The 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.

Information Technology Fund

The Information Technology 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.

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 retirement annuity payments to employees on the police force at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

INDIVIDUAL FUND DESCRIPTIONS

TRUST FUNDS - Continued

PENSION TRUST FUNDS - Continued

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 15,161,833	14,725,491
Natural Gas	375,000	400,896
Telecommunications Tax	325,000	253,686
	<u>15,861,833</u>	<u>15,380,073</u>
Licenses and Permits		
Licenses		
Vehicle	300,000	259,609
Dog	10,000	13,583
Liquor	12,500	20,450
Other	4,000	3,405
Permits		
Building	1,425,000	1,825,701
Sewer, Sidewalks, and Miscellaneous	75,000	76,520
Compliance Fees	45,000	68,544
	<u>1,871,500</u>	<u>2,267,812</u>
Intergovernmental		
General Sales Tax	1,445,404	2,271,900
Illinois State Income Tax	1,112,250	1,614,048
Corporate Property Replacement Tax	125,000	255,513
Grants	175,000	286,188
	<u>2,857,654</u>	<u>4,427,649</u>
Charges for Services		
Administrative Charges	3,425,283	3,425,283
Franchise Fees	290,000	299,540
Public Safety Services	1,201,660	1,046,343
Ambulance Fees	150,000	150,169
False Alarm Charges	5,000	6,750
Parking	83,800	89,553
Property Rental	457,558	441,467
State Route Maintenance	85,000	66,013
Tree Planting	—	500
	<u>5,698,301</u>	<u>5,525,618</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Fines and Forfeitures		
Justice Fines and Costs	\$ 212,500	90,426
Investment Income	201,205	(101,475)
Miscellaneous		
Proceeds from Sale of Personal Property	—	12,617
Miscellaneous	46,000	87,335
	46,000	99,952
Total Revenues	26,748,993	27,690,055

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 105,586	109,032
General Administration	3,373,318	3,067,478
Total General Government	3,478,904	3,176,510
Public Safety		
Police Department		
Administration	2,726,921	2,389,968
Public Service Officers	347,642	300,276
General and Criminal Records	238,675	204,970
Communication System	—	(1,036)
Investigation	409,164	567,163
Uniform Patrol	3,850,429	3,459,004
Total Police Department	7,572,831	6,920,345
Fire Department		
Administration	1,063,194	985,622
Training	70,714	30,075
Communications	218,019	215,551
Life Safety	137,789	87,332
Firefighting Force	4,022,874	3,955,034
Ambulance Service	641,807	680,828
Total Fire Department	6,154,397	5,954,442
Total Public Safety	13,727,228	12,874,787
Community Development		
Community Development Department	1,714,489	1,586,009
Public Works		
Public Works Department	6,369,344	5,269,227
Total Expenditures	25,289,965	22,906,533

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
General Government		
Public Affairs		
Legal		
Contractual Services	\$ 53,000	40,192
Sundry		
Commodities	7,101	11,530
Contractual Services	45,485	57,310
	52,586	68,840
Total Public Affairs	105,586	109,032
General Administration		
Office of the Manager and Clerk		
Salaries	880,879	883,979
Personnel Costs	317,558	296,197
Contractual Services	218,295	184,503
Commodities	62,940	41,993
	1,479,672	1,406,672
Legal Expense		
Contractual Services	40,000	67,959
Financial Administration		
Salaries	933,590	986,410
Personnel Costs	386,924	388,498
Contractual Services	149,476	151,747
Commodities	73,400	55,121
Vehicle Expense	7,356	7,356
Training	2,900	3,715
Contingency	300,000	—
	1,853,646	1,592,847
Total General Administration	3,373,318	3,067,478
Total General Government	3,478,904	3,176,510

VILLAGE OF WINNETKA, ILLINOIS**General Fund****Schedule of Detailed Expenditures - Budget and Actual - Continued****For the Fiscal Year Ended December 31, 2021**

	Original and Final Budget	Actual
Public Safety		
Police Department		
Administration		
Salaries	\$ 797,737	747,510
Personnel Costs	432,567	411,029
Contractual Services	950,524	901,803
Supplies	190,841	124,660
Vehicle Expense	154,752	154,752
Training	50,500	50,214
Building and Structures	150,000	—
	<u>2,726,921</u>	<u>2,389,968</u>
Public Service Officers		
Salaries	271,579	230,906
Personnel Costs	76,063	69,370
	<u>347,642</u>	<u>300,276</u>
General and Criminal Records		
Salaries	174,265	156,079
Personnel Costs	64,410	48,891
	<u>238,675</u>	<u>204,970</u>
Communication System		
Salaries	—	(856)
Personnel Costs	—	(180)
	<u>—</u>	<u>(1,036)</u>
Investigation		
Salaries	260,237	359,296
Personnel Costs	148,927	207,867
	<u>409,164</u>	<u>567,163</u>
Uniform Patrol		
Salaries	2,488,320	2,247,948
Personnel Costs	1,362,109	1,211,056
	<u>3,850,429</u>	<u>3,459,004</u>
Total Police Department	<u>7,572,831</u>	<u>6,920,345</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department		
Administration		
Salaries	\$ 430,882	385,187
Personnel Costs	230,810	214,477
Contractual Services	157,536	149,844
Supplies	10,150	9,154
Vehicle Expense	63,816	63,816
Equipment	120,000	114,018
Building and Structures	50,000	49,126
	<u>1,063,194</u>	<u>985,622</u>
Training		
Salaries	40,000	17,129
Personnel Costs	580	241
Training	30,134	12,705
	<u>70,714</u>	<u>30,075</u>
Communications		
Contractual Services	<u>218,019</u>	<u>215,551</u>
Life Safety		
Salaries	119,747	78,050
Personnel Costs	8,542	5,791
Supplies	9,500	3,491
	<u>137,789</u>	<u>87,332</u>
Firefighting Force		
Salaries	2,326,370	2,333,704
Personnel Costs	1,595,804	1,531,473
Contractual Services	10,000	1,726
Supplies	90,700	88,131
	<u>4,022,874</u>	<u>3,955,034</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Ambulance Service		
Salaries	\$ 378,774	441,458
Personnel Costs	246,818	226,692
Contractual Services	1,500	292
Supplies	6,750	4,216
Training	7,965	8,170
	<u>641,807</u>	<u>680,828</u>
Total Fire Department	<u>6,154,397</u>	<u>5,954,442</u>
Total Public Safety	<u>13,727,228</u>	<u>12,874,787</u>
Community Development		
Community Development Department		
Salaries	723,135	733,416
Personnel Costs	262,823	263,827
Contractual Services	694,775	569,732
Supplies	24,700	15,220
Training	5,400	158
Vehicle Expense	3,656	3,656
Total Community Development	<u>1,714,489</u>	<u>1,586,009</u>
Public Works		
Public Works Department		
Administration		
Salaries	355,183	284,303
Personnel Costs	245,367	243,823
Contractual Services	453,937	353,987
Supplies	434,600	297,431

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Administration - Continued		
Training	\$ 25,200	5,373
Vehicle Expense	231,588	231,588
Equipment	2,105,000	1,467,025
	<u>3,850,875</u>	<u>2,883,530</u>
Engineering		
Personnel Costs	<u>—</u>	<u>37,283</u>
Street Maintenance		
Salaries	787,013	757,954
Personnel Costs	340,882	305,338
Contractual Services	184,000	105,829
	<u>1,311,895</u>	<u>1,169,121</u>
Pavement Reconstruction		
Equipment/Reconstruction	<u>—</u>	<u>42,750</u>
Drainage		
Salaries	—	801
Personnel Costs	—	167
Contractual Services	—	121
	<u>—</u>	<u>1,089</u>
Snow Removal and Ice Control		
Salaries	82,000	130,221
Personnel Costs	14,812	25,969
Supplies	197,000	166,775
	<u>293,812</u>	<u>322,965</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Forestry		
Salaries	\$ 357,528	351,728
Personnel Costs	150,934	140,055
Supplies	404,300	320,706
	912,762	812,489
Total Public Works	6,369,344	5,269,227
Total Expenditures	25,289,965	22,906,533

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, 2021

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 1,500	361
Expenditures		
Capital Outlay	115,000	7,366
Net Change in Fund Balance	<u>(113,500)</u>	(7,005)
Fund Balance - Beginning		<u>187,280</u>
Fund Balance - Ending		<u>180,275</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds Combining Balance Sheet December 31, 2021

	Special Revenue		Capital Projects		
	Motor	Foreign	Downtown	Special	
	Fuel Tax	Fire Tax	Redevelopment	Service Areas	Totals
ASSETS					
Cash and Investments	\$ 3,172,462	173,441	952,114	49,893	4,347,910
Due from Other Governments	45,319	—	—	—	45,319
Total Assets	3,217,781	173,441	952,114	49,893	4,393,229
LIABILITIES					
Accounts Payable	—	315	125,087	—	125,402
FUND BALANCES					
Restricted	3,217,781	173,126	—	—	3,390,907
Assigned	—	—	827,027	49,893	876,920
Total Fund Balances	3,217,781	173,126	827,027	49,893	4,267,827
Total Liabilities and Fund Balances	3,217,781	173,441	952,114	49,893	4,393,229

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2021

	Special Revenue		Capital Projects		
	Motor Fuel Tax	Foreign Fire Tax	Downtown Redevelopment	Special Service Areas	Totals
Revenues					
Taxes	\$ —	—	—	24,696	24,696
Intergovernmental	773,832	97,906	—	—	871,738
Investment Income	2,788	238	(539)	234	2,721
Total Revenues	776,620	98,144	(539)	24,930	899,155
Expenditures					
Public Safety	—	51,285	—	—	51,285
Capital Outlay	403,560	—	1,848,866	—	2,252,426
Total Expenditures	403,560	51,285	1,848,866	—	2,303,711
Excess (Deficiency) of Revenues Over (Under) Expenditures	373,060	46,859	(1,849,405)	24,930	(1,404,556)
Other Financing Sources					
Transfers In	—	—	1,650,000	—	1,650,000
Transfers Out	(401,586)	—	—	(47,321)	(448,907)
	(401,586)	—	1,650,000	(47,321)	1,201,093
Net Change in Fund Balances	(28,526)	46,859	(199,405)	(22,391)	(203,463)
Fund Balances - Beginning	3,246,307	126,267	1,026,432	72,284	4,471,290
Fund Balances - Ending	3,217,781	173,126	827,027	49,893	4,267,827

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, 2021

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 275,000	276,734
Grants	784,724	497,098
Investment Income	6,000	2,788
Total Revenues	1,065,724	776,620
Expenditures		
Capital Outlay	510,000	403,560
Income before Transfers	555,724	373,060
Other Financing (Uses)		
Transfers Out	(401,586)	(401,586)
Net Change in Fund Balance	154,138	(28,526)
Fund Balance - Beginning		3,246,307
Fund Balance - Ending		3,217,781

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, 2021

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Foreign Fire Insurance Tax	\$ 85,000	97,906
Investment Income	150	238
Total Revenues	85,150	98,144
Expenditures		
Public Safety		
Supplies	79,250	51,285
Net Change in Fund Balance	5,900	46,859
Fund Balance - Beginning		126,267
Fund Balance - Ending		173,126

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, 2021

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 311,751	(539)
Expenditures		
Capital Outlay	1,980,100	1,848,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,668,349)	(1,849,405)
Other Financing Sources		
Transfers In	1,650,000	1,650,000
Net Change in Fund Balance	<u>(18,349)</u>	(199,405)
Fund Balance - Beginning		<u>1,026,432</u>
Fund Balance - Ending		<u>827,027</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, 2021

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 26,520	24,696
Investment Income	—	234
Total Revenues	26,520	24,930
Expenditures		
Capital Outlay	—	—
Income before Transfers	26,520	24,930
Other Financing (Uses)		
Transfers Out	—	(47,321)
Net Change in Fund Balance	26,520	(22,391)
Fund Balance - Beginning		72,284
Fund Balance - Ending		49,893

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 17,246,774	18,464,657
Miscellaneous	58,687	60,483
Total Operating Revenues	17,305,461	18,525,140
Operating Expenses		
Administration		
General and Administrative	3,028,809	2,774,431
IMRF Net Pension Liability Expense	—	(1,137,737)
OPEB Net Pension Liability Expense	—	9,762
Operations		
Generation	10,965,253	11,280,805
Distribution	4,891,525	4,032,144
Depreciation	1,600,000	1,641,562
Total Operating Expenses	20,485,587	18,600,967
Operating (Loss)	(3,180,126)	(75,827)
Nonoperating Revenues (Expenses)		
Investment Income	64,267	(15,272)
Rental Income	184,301	207,092
Other Income	10,000	60,379
	258,568	252,199
Change in Net Position	(2,921,558)	176,372
Net Position - Beginning		24,775,375
Net Position - Ending		24,951,747

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 5,247,098	6,362,450
Miscellaneous	17,225	213,860
Total Operating Revenues	5,264,323	6,576,310
Operating Expenses		
Administration		
General and Administrative	1,749,238	1,536,610
IMRF Net Pension Liability Expense	—	(413,618)
OPEB Net Pension Liability Expense	—	37,636
Operations		
Pumping	1,538,308	1,117,824
Distribution	3,550,244	862,719
Depreciation	450,000	503,902
Total Operating Expenses	7,287,790	3,645,073
Operating Income (Loss)	(2,023,467)	2,931,237
Nonoperating Revenues (Expenses)		
Investment Income	31,635	(19,050)
Other Income	—	12,346
	31,635	(6,704)
Income (Loss) before Transfers	(1,991,832)	2,924,533
Transfers Out	(250,000)	(250,000)
Change in Net Position	(2,241,832)	2,674,533
Net Position - Beginning		15,868,810
Net Position - Ending		18,543,343

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 2,640,000	2,645,013
Operating Expenses		
Administration		
General and Administrative	311,546	311,546
IMRF Net Pension Liability Expense	—	(253,440)
OPEB Net Pension Liability Expense	—	15,414
Operations		
Collection	1,702,505	1,572,953
Disposal	308,500	315,183
Recycling	421,400	296,445
Landfill Monitoring	140,000	72,860
Depreciation	135,000	129,099
Total Operating Expenses	3,018,951	2,460,060
Operating Income (Loss)	(378,951)	184,953
Nonoperating Revenues (Expenses)		
Investment Income	6,500	(1,915)
Change in Net Position	(372,451)	183,038
Net Position - Beginning		1,063,801
Net Position - Ending		1,246,839

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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 2,004,824	2,010,580
Operating Expenses		
Administration		
IMRF Net Pension Liability Expense	—	(57,015)
OPEB Net Pension Liability Expense	—	9,655
Operations	7,880,124	554,934
Depreciation and Amortization	250,000	299,555
Total Operating Expenses	8,130,124	807,129
Operating Income (Loss)	(6,125,300)	1,203,451
Nonoperating Revenues (Expenses)		
Investment Income	97,500	(107,126)
Other Income	500,000	1,033
Interest Expense	(240,777)	(342,051)
	356,723	(448,144)
Income (Loss) before Transfers	(5,768,577)	755,307
Transfers In	401,586	401,586
Change in Net Position	(5,366,991)	1,156,893
Net Position - Beginning		14,278,752
Net Position - Ending		15,435,645

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, 2021**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,412,003	1,656,312
Operating Expenses		
Administration		
General and Administrative	253,735	253,735
IMRF Net Pension Liability Expense	—	(113,818)
OPEB Net Pension Liability Expense	—	(11,814)
Operations	1,160,423	544,573
Depreciation	110,000	138,212
Total Operating Expenses	1,524,158	810,888
Operating Income	(112,155)	845,424
Nonoperating Revenues (Expenses)		
Investment Income	7,690	(1,344)
Other Income	1,500	—
	9,190	(1,344)
Change in Net Position	(102,965)	844,080
Net Position - Beginning		4,366,689
Net Position - Ending		5,210,769

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Net Position

December 31, 2021

	Information Technology
ASSETS	
Current Assets	
Cash and Investments	\$ 76,933
Receivables - Net of Allowances	
Accounts	—
Inventories/Prepays	—
Total Current Assets	<u>76,933</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Capital Assets	<u>—</u>
Total Assets	<u>76,933</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	14,130
Accrued Payroll	—
Claims Payable	—
Total Current Liabilities	<u>14,130</u>
Noncurrent Liabilities	
Claims Payable	<u>—</u>
Total Liabilities	<u>14,130</u>
NET POSITION	
Unrestricted	<u><u>62,803</u></u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
1,796,514	994,927	464,884	819,552	4,152,810
386	—	15,161	5,941	21,488
—	224,517	—	50,545	275,062
1,796,900	1,219,444	480,045	876,038	4,449,360
—	—	—	—	299,598
—	—	—	—	(299,598)
—	—	—	—	—
1,796,900	1,219,444	480,045	876,038	4,449,360
—	303	6,492	11,239	32,164
—	—	—	7,283	7,283
463,549	—	—	—	463,549
463,549	303	6,492	18,522	502,996
463,549	—	116,910	—	580,459
927,098	303	123,402	18,522	1,083,455
869,802	1,219,141	356,643	857,516	3,365,905

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position For the Fiscal Year Ended December 31, 2021

	Information Technology
Operating Revenues	
Interfund Services	\$ 374,917
Operating Expenses	
Administration	60,816
Operations	720,692
Total Operating Expenses	781,508
Operating Income (Loss)	(406,591)
Nonoperating Revenues	
Investment Income	(654)
Income (Loss) Before Transfers	(407,245)
Transfers In	300,000
Transfers Out	—
	300,000
Change in Net Position	(107,245)
Net Position - Beginning	170,048
Net Position - Ending	62,803

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
584,512	3,887,620	29,209	945,020	5,821,278
177,273	—	359,444	44,000	641,533
179,313	3,928,828	132,051	818,013	5,778,897
356,586	3,928,828	491,495	862,013	6,420,430
227,926	(41,208)	(462,286)	83,007	(599,152)
(11,094)	4,096	(4,292)	(955)	(12,899)
216,832	(37,112)	(466,578)	82,052	(612,051)
—	—	—	—	300,000
—	—	(300,000)	—	(300,000)
—	—	(300,000)	—	—
216,832	(37,112)	(766,578)	82,052	(612,051)
652,970	1,256,253	1,123,221	775,464	3,977,956
869,802	1,219,141	356,643	857,516	3,365,905

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2021

	<u>Information Technology</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 374,917
Payments to Suppliers	(631,942)
Payments to Employees	(172,090)
	<u>(429,115)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	300,000
Transfers Out	—
	<u>300,000</u>
Cash Flows from Investing Activities	
Interest Received	(654)
	<u>(654)</u>
Net Change in Cash and Cash Equivalents	(129,769)
Cash and Cash Equivalents - Beginning	<u>206,702</u>
Cash and Cash Equivalents - Ending	<u><u>76,933</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	(406,591)
Adjustments to Reconcile Operating Income	
to Net Cash Provided by (Used in)	
Operating Activities	
(Increase) Decrease in Current Assets	—
Increase (Decrease) in Current Liabilities	(22,524)
	<u>(22,524)</u>
Net Cash Provided by Operating Activities	<u><u>(429,115)</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
584,126 (632,164)	3,882,392 (3,928,852)	19,046 (497,652)	925,405 (685,389)	5,785,886 (6,375,999)
—	—	—	(200,572)	(372,662)
(48,038)	(46,460)	(478,606)	39,444	(962,775)
—	—	—	—	300,000
—	—	(300,000)	—	(300,000)
—	—	(300,000)	—	—
(11,094)	4,096	(4,292)	(955)	(12,899)
(59,132)	(42,364)	(782,898)	38,489	(975,674)
1,855,646	1,037,291	1,247,782	781,063	5,128,484
1,796,514	994,927	464,884	819,552	4,152,810
227,926	(41,208)	(462,286)	83,007	(599,152)
(386)	(5,228)	(10,163)	(19,615)	(35,392)
(275,578)	(24)	(6,157)	(23,948)	(328,231)
(48,038)	(46,460)	(478,606)	39,444	(962,775)

VILLAGE OF WINNETKA, ILLINOIS

Information Technology - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 371,117	374,917
Operating Expenses		
Administration	60,816	60,816
Operations	727,539	720,692
Total Operating Expenses	788,355	781,508
Operating (Loss)	(417,238)	(406,591)
Nonoperating Revenues (Expenses)		
Investment Income	3,000	(654)
(Loss) before Transfers	(414,238)	(407,245)
Transfers In	300,000	300,000
Change in Net Position	<u>(114,238)</u>	(107,245)
Net Position - Beginning		<u>170,048</u>
Net Position - Ending		<u><u>62,803</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Workers' Compensation - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 537,565	584,512
Operating Expenses		
Administration	170,800	177,273
Operations	600,000	179,313
Total Operating Expenses	770,800	356,586
Operating Income (Loss)	(233,235)	227,926
Nonoperating Revenues (Expenses)		
Investment Income	13,549	(11,094)
Change in Net Position	<u>(219,686)</u>	216,832
Net Position - Beginning		<u>652,970</u>
Net Position - Ending		<u>869,802</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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 3,827,443	3,887,620
Operating Expenses		
Administration	5,000	—
Operations	3,925,100	3,928,828
Total Operating Expenses	3,930,100	3,928,828
Operating (Loss)	(102,657)	(41,208)
Nonoperating Revenues		
Investment Income	7,124	4,096
Change in Net Position	<u>(95,533)</u>	(37,112)
Net Position - Beginning		<u>1,256,253</u>
Net Position - Ending		<u>1,219,141</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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 10,000	29,209
Operating Expenses		
Administration	303,000	359,444
Operations	185,000	132,051
Total Operating Expenses	488,000	491,495
Operating (Loss)	(478,000)	(462,286)
Nonoperating Revenues (Expenses)		
Investment Income	12,291	(4,292)
(Loss) before Transfers	(465,709)	(466,578)
Transfers Out	(300,000)	(300,000)
Change in Net Position	<u>(765,709)</u>	(766,578)
Net Position - Beginning		<u>1,123,221</u>
Net Position - Ending		<u><u>356,643</u></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, 2021

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 945,000	945,020
Operating Expenses		
Administration	44,000	44,000
Operations	949,837	818,013
Total Operating Expenses	993,837	862,013
Operating Income (Loss)	(48,837)	83,007
Nonoperating Revenues (Expenses)		
Investment Income	9,425	(955)
Change in Net Position	(39,412)	82,052
Net Position - Beginning		775,464
Net Position - Ending		857,516

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2021

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 3,049,158	1,831,483	4,880,641
Investments			
U.S. Government Obligations	3,106,989	2,887,033	5,994,022
U.S. Agency Obligations	6,300,921	6,039,640	12,340,561
Corporate Bonds	2,584,897	2,782,324	5,367,221
Mutual Funds	17,595,960	17,828,235	35,424,195
Common Stock	5,866,834	6,144,329	12,011,163
Insurance Contracts	2,702,541	1,883,646	4,586,187
Receivables - Net of Allowance			
Accrued Interest	42,332	40,174	82,506
Net Position Restricted for Pensions	41,249,632	39,436,864	80,686,496

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2021

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,256,878	1,385,927	2,642,805
Contributions - Plan Members	272,834	240,176	513,010
Contributions - Buy Back	—	150,081	150,081
Total Contributions	1,529,712	1,776,184	3,305,896
Investment Earnings			
Interest Earned	2,518,906	2,201,512	4,720,418
Net Change in Fair Value	1,645,856	2,041,028	3,686,884
	4,164,762	4,242,540	8,407,302
Less Investment Expenses	(97,599)	(107,669)	(205,268)
Net Investment Income	4,067,163	4,134,871	8,202,034
Total Additions	5,596,875	5,911,055	11,507,930
Deductions			
Administration	32,707	37,874	70,581
Benefits and Refunds	2,461,692	2,497,016	4,958,708
Total Deductions	2,494,399	2,534,890	5,029,289
Change in Fiduciary Net Position	3,102,476	3,376,165	6,478,641
Net Position Restricted for Pensions			
Beginning	38,147,156	36,060,699	74,207,855
Ending	41,249,632	39,436,864	80,686,496

VILLAGE OF WINNETKA, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,296,013	1,256,878
Contributions - Plan Members	283,197	272,834
Total Contributions	1,579,210	1,529,712
Investment Income		
Interest Earned	2,034,500	2,518,906
Net Change in Fair Value	—	1,645,856
	2,034,500	4,164,762
Less Investment Expenses	—	(97,599)
Net Investment Income	2,034,500	4,067,163
Total Additions	3,613,710	5,596,875
Deductions		
Administration	81,950	32,707
Benefits and Refunds	2,435,790	2,461,692
Total Deductions	2,517,740	2,494,399
Change in Fiduciary Net Position	1,095,970	3,102,476
Net Position Restricted for Pensions		
Beginning		38,147,156
Ending		41,249,632

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual

For the Fiscal Year Ended December 31, 2021

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,425,539	1,385,927
Contributions - Plan Members	239,815	240,176
Contributions - Buy Back	—	150,081
Total Contributions	1,665,354	1,776,184
Investment Income		
Interest Earned	1,965,710	2,201,512
Net Change in Fair Value	—	2,041,028
	1,965,710	4,242,540
Less Investment Expenses	—	(107,669)
Net Investment Income	1,965,710	4,134,871
Total Additions	3,631,064	5,911,055
Deductions		
Administration	81,950	37,874
Benefits and Refunds	2,579,397	2,497,016
Total Deductions	2,661,347	2,534,890
Change in Fiduciary Net Position	969,717	3,376,165
Net Position Restricted for Pensions		
Beginning		36,060,699
Ending		39,436,864

VILLAGE OF WINNETKA, ILLINOIS**Consolidated Year-End Financial Report
December 31, 2021**

CSFA #	Program Name	State	Federal	Other	Totals
494-00-1488	Motor Fuel Tax Program	\$ 805,146	—	—	805,146
532-30-0382	USEPA Leaking Underground Storage Tank Trust Fund Corrective Action Program	11,847	—	—	11,847
588-40-0448	Disaster Grants - Public Assistance	—	119,879	—	119,879
	Other Grant Programs and Activities	—	—	2,000	2,000
	All Other Costs Not Allocated	—	—	45,654,873	45,654,873
		816,993	119,879	45,656,873	46,593,745



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENTAL AUDITING STANDARDS**

July 12, 2022

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated July 12, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. According, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lauterbach & Amen, LLP
LAUTERBACH & AMEN, LLP

SUPPLEMENTAL SCHEDULE

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Refunding Bonds of 2020

December 31, 2021

Date of Issue	November 12, 2020
Date of Maturity	December 15, 2040
Authorized Issue	\$12,035,000
Denomination of Bonds	\$5,000
Interest Rate	2.50% to 2.75%
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
2022	\$ 495,000	304,980	799,980	2022	152,490	2022	152,490
2023	505,000	292,605	797,605	2023	146,303	2023	146,302
2024	515,000	279,980	794,980	2024	139,990	2024	139,990
2025	535,000	267,105	802,105	2025	133,553	2025	133,552
2026	545,000	253,730	798,730	2026	126,865	2026	126,865
2027	560,000	240,105	800,105	2027	120,053	2027	120,052
2028	575,000	226,105	801,105	2028	113,053	2028	113,052
2029	585,000	211,730	796,730	2029	105,865	2029	105,865
2030	600,000	197,105	797,105	2030	98,553	2030	98,552
2031	615,000	182,105	797,105	2031	91,053	2031	91,052
2032	630,000	166,730	796,730	2032	83,365	2032	83,365
2033	650,000	150,980	800,980	2033	75,490	2033	75,490
2034	665,000	134,730	799,730	2034	67,365	2034	67,365
2035	680,000	118,105	798,105	2035	59,053	2035	59,052
2036	700,000	100,425	800,425	2036	50,213	2036	50,212
2037	720,000	82,225	802,225	2037	41,113	2037	41,112
2038	740,000	62,425	802,425	2038	31,213	2038	31,212
2039	755,000	42,075	797,075	2039	21,038	2039	21,037
2040	775,000	21,312	796,312	2040	10,656	2040	10,656
	<u>11,845,000</u>	<u>3,334,557</u>	<u>15,179,557</u>		<u>1,667,284</u>		<u>1,667,273</u>

STATISTICAL SECTION (Unaudited)

This part of the annual comprehensive 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 government'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, 2021 (Unaudited)

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Net Position by Component - Last Ten Fiscal Years* December 31, 2021 (Unaudited)

	2013	2013**	2014
Governmental Activities			
Net Investment in Capital Assets	\$ 46,280,785	47,250,543	48,774,440
Restricted	2,627,694	2,094,038	2,131,857
Unrestricted	28,949,463	20,457,756	20,470,416
Total Governmental Activities Net Position	77,857,942	69,802,337	71,376,713
Business-Type Activities			
Net Investment in Capital Assets	35,212,605	35,339,276	35,411,186
Unrestricted	11,784,098	17,519,178	17,259,068
Total Business-Type Activities Net Position	46,996,703	52,858,454	52,670,254
Primary Government			
Net Investment in Capital Assets	81,493,390	82,589,819	84,185,626
Restricted	2,627,694	2,094,038	2,131,857
Unrestricted	40,733,561	37,976,934	37,729,484
Total Primary Government Net Position	124,854,645	122,660,791	124,046,967

* Accrual Basis of Accounting

** For the nine months ended December 31, 2013.

Data Source: Village Records

2015	2016	2017	2018	2019	2020	2021
49,376,918	49,319,892	49,438,471	49,248,640	49,515,028	49,150,525	59,200,472
2,429,573	2,664,797	2,938,353	2,961,505	3,314,365	3,372,574	3,390,907
(11,611,807)	(10,163,480)	(10,808,641)	(9,446,576)	(8,807,837)	(4,235,819)	(5,806,590)
40,194,684	41,821,209	41,568,183	42,763,569	44,021,556	48,287,280	56,784,789
37,665,272	37,023,731	37,685,412	38,421,511	39,333,586	38,685,364	48,015,012
17,099,774	16,905,510	17,076,191	16,135,748	16,550,262	21,668,063	17,373,331
54,765,046	53,929,241	54,761,603	54,557,259	55,883,848	60,353,427	65,388,343
87,042,190	86,343,623	87,123,883	87,670,151	88,848,614	87,835,889	107,215,484
2,429,573	2,664,797	2,938,353	2,961,505	3,314,365	3,372,574	3,390,907
5,487,967	6,742,030	6,267,550	6,689,172	7,742,425	17,432,244	11,566,741
94,959,730	95,750,450	96,329,786	97,320,828	99,905,404	108,640,707	122,173,132

VILLAGE OF WINNETKA, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years* December 31, 2021 (Unaudited)

	2013	2013**	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	\$ 3,305,269	2,923,374	3,926,262	4,993,616	1,961,906	3,858,501	3,150,204	4,171,973	3,591,828	1,687,288
Public Safety	11,291,203	9,179,353	12,316,145	16,821,380	14,156,626	13,540,856	14,520,344	14,901,003	12,326,987	10,201,045
Community Development	2,846,339	1,267,068	1,676,984	1,479,285	1,458,538	1,687,357	1,467,428	1,455,318	1,589,877	1,604,896
Public Works	2,631,500	4,102,763	5,202,568	5,612,699	5,571,479	5,935,901	6,235,172	6,485,336	7,007,376	6,434,348
Interest on Long-Term Debt	26,102	21,135	14,676	—	—	—	—	—	—	—
Total Governmental Activities Expenses	20,100,413	17,493,693	23,136,635	28,906,980	23,148,549	25,022,615	25,373,148	27,013,630	24,516,068	19,927,577
Business-Type Activities										
Electric	13,844,657	11,635,540	14,646,688	14,504,327	16,555,150	15,409,288	16,275,615	16,303,693	16,190,947	18,600,967
Water	3,042,665	2,398,945	3,073,081	3,232,713	3,225,230	3,070,624	3,485,954	3,613,580	3,054,726	3,645,073
Refuse	2,317,873	1,837,660	2,455,202	2,265,737	2,408,865	2,619,639	2,004,219	2,530,173	1,895,606	2,460,060
Storm Sewer	4,996	132,250	663,287	672,999	1,086,896	922,597	977,036	965,180	899,368	1,149,180
Sanitary Sewer	810,211	645,870	1,080,243	1,120,487	1,547,869	1,668,549	1,558,547	1,361,878	1,471,321	810,888
Total Business-Type Activities Expenses	20,020,402	16,650,265	21,918,501	21,796,263	24,824,010	23,690,697	24,301,371	24,774,504	23,511,968	26,666,168
Total Primary Government Expenses	40,120,815	34,143,958	45,055,136	50,703,243	47,972,559	48,713,312	49,674,519	51,788,134	48,028,036	46,593,745
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	2,800,597	2,077,704	2,859,138	2,802,463	2,877,490	2,945,963	2,987,135	2,903,024	2,904,794	4,529,350
Public Safety	1,419,674	1,040,252	1,487,238	1,520,422	1,657,944	1,698,498	1,770,244	1,743,082	1,482,948	1,383,241
Community Development	1,838,889	1,831,135	1,929,442	1,760,110	1,743,999	1,450,743	1,378,786	1,547,917	1,618,871	1,894,245
Public Works	187,290	152,371	120,635	187,165	183,475	141,645	102,628	91,773	99,165	77,020
Operating Grants/Contributions	85,341	64,841	73,632	68,868	—	—	—	—	993,798	783,286
Capital Grants/Contributions	614,646	53,932	—	—	138,138	81,119	177,204	536,139	—	—
Total Governmental Activities Program Revenues	6,946,437	5,220,235	6,470,085	6,339,028	6,601,046	6,317,968	6,415,997	6,821,935	7,099,576	8,667,142
Business-Type Activities										
Charges for Services										
Electric	14,959,497	11,030,696	14,737,350	15,596,335	16,018,005	15,677,656	16,683,156	16,058,151	17,409,244	18,525,140
Water	4,138,370	3,099,689	3,457,265	3,531,692	3,656,945	4,075,019	4,321,977	4,555,430	5,461,214	6,576,310
Refuse	531,817	394,792	536,127	527,518	573,913	1,060,386	1,885,381	2,742,553	2,739,537	2,645,013
Storm Sewer	954,368	776,137	874,447	952,464	1,047,078	1,207,369	1,248,855	1,226,400	1,514,300	1,656,312
Sanitary Sewer	—	—	941,417	1,767,587	2,017,000	1,924,602	1,910,189	1,909,121	1,973,535	2,010,580
Operating Grants/Contributions	—	—	134,794	2,000,000	—	—	—	—	—	—
Total Business-Type Activities Program Revenues	20,584,052	15,301,314	20,681,400	24,375,596	23,312,941	23,945,032	26,049,558	26,491,655	29,097,830	31,413,355
Total Primary Government Program Revenues	27,530,489	20,521,549	27,151,485	30,714,624	29,913,987	30,263,000	32,465,555	33,313,590	36,197,406	40,080,497

	2013	2013**	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense) Revenue										
Governmental Activities	\$ (13,153,976)	(12,273,458)	(16,666,550)	(22,567,952)	(16,547,503)	(18,704,647)	(18,957,151)	(20,191,695)	(17,416,492)	(11,260,435)
Business-Type Activities	563,650	(1,348,951)	(1,237,101)	2,579,333	(1,511,069)	254,335	1,748,187	1,717,151	5,585,862	4,747,187
Total Primary Government Net Revenue (Expense)	(12,590,326)	(13,622,409)	(17,903,651)	(19,988,619)	(18,058,572)	(18,450,312)	(17,208,964)	(18,474,544)	(11,830,630)	(6,513,248)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	12,318,740	6,128,244	12,895,811	12,864,238	13,105,829	13,204,094	13,289,056	14,612,543	14,695,733	14,750,187
Telecommunications	1,465,846	460,092	462,013	528,637	460,692	419,153	408,315	343,120	279,837	253,686
Natural Gas	295,395	303,383	558,631	487,513	328,044	436,323	404,394	393,381	319,213	400,896
Intergovernmental										
Sales Tax	1,397,198	1,190,192	1,589,475	1,510,357	1,420,554	1,512,020	1,605,438	1,701,426	1,760,984	2,271,900
Income Tax	1,091,189	882,789	1,106,344	1,292,669	1,179,341	1,190,908	1,167,101	1,297,173	1,324,348	1,614,048
Personal Property Replacement Tax	122,845	134,784	114,799	150,010	131,783	149,725	136,117	169,227	141,245	255,513
Other	417,081	305,705	380,319	369,855	383,275	388,781	391,113	392,259	361,432	374,640
Investment Income	342,022	95,607	54,617	20,904	258,993	234,975	606,137	954,462	841,226	(111,292)
Miscellaneous	64,442	110,640	336,521	265,142	83,273	25,616	209,752	124,195	63,311	99,952
Transfers	(1,342,472)	(5,393,583)	742,396	849,044	822,244	890,026	1,418,311	1,461,896	1,894,887	(151,586)
Total Governmental Activities	16,172,286	4,217,853	18,240,926	18,338,369	18,174,028	18,451,621	19,635,734	21,449,682	21,682,216	19,757,944
Business-Type Activities										
Property Taxes	1,074,565	1,068,036	1,076,358	1,088,001	1,078,490	1,073,096	(32,149)	—	—	—
Investment Income	143,444	55,458	73,113	19,349	245,491	180,264	467,121	753,354	152,094	(144,707)
Miscellaneous	535,461	693,625	641,826	253,314	173,527	214,693	408,166	317,980	626,510	280,850
Transfers	1,342,472	5,393,583	(742,396)	(849,044)	(822,244)	(890,026)	(1,418,311)	(1,461,896)	(1,894,887)	151,586
Total Business-Type Activities	3,095,942	7,210,702	1,048,901	511,620	675,264	578,027	(575,173)	(390,562)	(1,116,283)	287,729
Total Primary Government	19,268,228	11,428,555	19,289,827	18,849,989	18,849,292	19,029,648	19,060,561	21,059,120	20,565,933	20,045,673
Changes in Net Position										
Governmental Activities	3,018,310	(8,055,605)	1,574,376	(4,229,583)	1,626,525	(253,026)	678,583	1,257,987	4,265,724	8,497,509
Business-Type Activities	3,659,592	5,861,751	(188,200)	3,090,953	(835,805)	832,362	1,173,014	1,326,589	4,469,579	5,034,916
Total Primary Government	6,677,902	(2,193,854)	1,386,176	(1,138,630)	790,720	579,336	1,851,597	2,584,576	8,735,303	13,532,425

* Accrual Basis of Accounting

**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, 2021 (Unaudited)

	2013	2013**	2014
General Fund			
Nonspendable	\$ 268	2,597	91,211
Restricted	69,660	235,815	—
Unassigned	25,231,521	16,612,063	18,080,699
Total General Fund	25,301,449	16,850,475	18,171,910
All Other Governmental Funds			
Restricted	2,561,975	2,033,126	2,040,646
Assigned	394,663	832,254	741,726
Unassigned	(193,267)	(171,253)	(126,377)
Total All Other Governmental Funds	2,763,371	2,694,127	2,655,995
Total Governmental Funds	28,064,820	19,544,602	20,827,905

* Accrual Basis of Accounting

**For the nine months ended December 31, 2013.

Data Source: Village Records

2015	2016	2017	2018	2019	2020	2021
—	—	—	—	—	750,000	—
91,211	—	—	—	—	—	—
18,942,066	20,317,199	20,674,355	22,280,802	24,645,766	25,846,414	30,027,257
19,033,277	20,317,199	20,674,355	22,280,802	24,645,766	26,596,414	30,027,257
2,338,362	2,664,797	2,938,353	2,961,505	3,314,365	3,372,574	3,390,907
779,117	850,015	669,520	1,144,572	1,047,794	1,285,996	1,057,195
(86,485)	(44,974)	(13,891)	—	—	—	—
3,030,994	3,469,838	3,593,982	4,106,077	4,362,159	4,658,570	4,448,102
22,064,271	23,787,037	24,268,337	26,386,879	29,007,925	31,254,984	34,475,359

VILLAGE OF WINNETKA, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years December 31, 2021 (Unaudited)

	2012	2013	2013*
Revenues			
Taxes	\$ 14,079,981	6,891,719	13,916,455
Licenses and Permits	2,378,429	2,245,978	2,396,870
Intergovernmental	3,728,300	2,632,243	3,264,569
Charges for Services and Fees	3,652,741	2,711,133	3,810,622
Fines and Forfeits	215,280	144,351	188,961
Investment Income	260,413	80,397	38,729
Miscellaneous	64,442	110,640	336,521
Total Revenues	24,379,586	14,816,461	23,952,727
Expenditures			
General Government	3,001,449	2,464,557	2,947,643
Public Safety	11,024,520	8,753,436	11,847,222
Community Development	1,587,389	1,256,959	2,059,844
Public Works	4,979,279	4,953,498	5,981,049
Capital Outlay	905,843	52,671	98,285
Debt Service			
Principal Retirement	420,000	440,000	460,000
Interest	42,803	21,975	17,777
Total Expenditures	21,961,283	17,943,096	23,411,820
Excess of Revenues Over (Under) Expenditures	2,418,303	(3,126,635)	540,907
Other Financing Sources (Uses)			
Transfers In	2,447,833	1,864,302	2,079,116
Transfers Out	(3,790,305)	(7,257,885)	(1,336,720)
Disposal of Capital Assets	—	—	—
	(1,342,472)	(5,393,583)	742,396
Net Change in Fund Balances	1,075,831	(8,520,218)	1,283,303
Debt Service as a Percentage of Noncapital Expenditures	2.48%	2.94%	2.34%

*For the nine months ended December 31, 2013.

Data Source: Village Records

2014	2015	2016	2017	2018	2019	2021
13,880,388	13,894,565	14,059,570	14,101,765	15,349,044	15,294,783	15,404,769
2,289,140	2,240,851	1,866,741	1,785,951	1,948,625	1,998,247	2,267,812
3,391,759	3,253,091	3,322,553	3,476,973	4,096,224	4,581,807	5,299,387
3,814,244	4,030,475	4,182,256	4,217,114	4,143,423	3,997,440	5,525,618
166,776	191,582	187,852	235,728	193,748	110,091	90,426
16,029	198,119	190,017	498,598	781,190	483,542	(98,393)
265,142	83,273	25,616	209,752	124,195	63,311	99,952
23,823,478	23,891,956	23,834,605	24,525,881	26,636,449	26,529,221	28,589,571
3,304,296	2,956,361	3,016,519	2,814,898	2,994,684	3,458,822	3,176,510
12,680,756	12,590,006	13,273,553	13,181,538	13,612,476	13,848,126	12,926,072
1,650,761	1,374,119	1,513,155	1,412,091	1,438,439	1,572,154	1,586,009
5,322,647	5,989,321	6,112,882	6,224,138	5,318,492	5,079,201	5,269,227
227,696	91,627	327,222	383,323	2,115,559	2,218,746	2,259,792
—	—	—	—	—	—	—
—	—	—	—	—	—	—
23,186,156	23,001,434	24,243,331	24,015,988	25,479,650	26,177,049	25,217,610
637,322	890,522	(408,726)	509,893	1,156,799	352,172	3,371,961
1,849,044	1,522,244	1,515,026	2,193,311	3,095,806	3,394,887	1,947,321
(1,250,000)	(700,000)	(625,000)	(600,000)	(1,633,910)	(1,500,000)	(2,098,907)
—	10,000	—	15,338	2,351	—	—
599,044	832,244	890,026	1,608,649	1,464,247	1,894,887	(151,586)
1,236,366	1,722,766	481,300	2,118,542	2,621,046	2,247,059	3,220,375
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

VILLAGE OF WINNETKA, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years December 31, 2021 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property
2011	\$ 1,374,421,539	\$ 59,890,282
2012	1,278,359,179	54,724,248
2013	1,169,861,689	49,963,175
2014	1,180,513,548	54,144,041
2015	1,154,165,002	44,404,930
2016	1,392,060,810	48,201,322
2017	1,429,205,958	49,909,110
2018	1,378,919,469	49,003,297
2019	1,429,051,816	65,416,563
2020	1,410,236,124	69,342,391

Data Source: Cook County Clerk

Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate	
\$ 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	
4,336,479	1,238,994,068	554,920	1,239,548,988	1.801	
—	1,198,569,932	665,627	1,199,235,559	1.836	
—	1,440,262,132	677,213	1,440,939,345	1.365	
—	1,479,115,068	690,858	1,479,805,926	1.320	
—	1,427,922,766	742,090	1,428,664,856	1.039	
—	1,494,468,379	809,844	1,495,278,223	1.007	
—	1,479,578,515	844,172	1,480,422,687	1.025	

VILLAGE OF WINNETKA, ILLINOIS

Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years December 31, 2021 (Unaudited)

	2011	2012	2013
Village of Winnetka			
General Corporate Rate	0.936	1.038	1.162
Special Service Area #3	0.383	0.397	0.437
Special Service Area #4	0.128	0.117	0.131
Special Service Area #5	0.111	0.115	0.117
Total Direct Tax Rate	1.558	1.667	1.847
Overlapping Rates			
Cook County	0.462	0.531	0.560
Elections	0.025	—	0.031
Forest Preserve	0.058	0.063	0.069
Metropolitan Water Reclamation District	0.320	0.370	0.417
Mosquito Abatement District	0.010	0.010	0.007
New Trier Township	0.042	0.047	0.061
New Trier High School	1.674	1.864	2.111
Community College 535	0.196	0.219	0.256
Winnetka School District (36)	2.782	3.094	3.331
Winnetka Public Library	0.187	0.203	0.230
Winnetka Park District	0.310	0.347	0.391
Total Direct and Overlapping Tax Rates	7.624	8.415	9.311

Data Source: Cook County Clerk

2014	2015	2016	2017	2018	2019	2020
1.154	1.203	1.013	0.994	0.805	0.760	1.025
0.413	0.402	0.352	0.326	0.234	0.247	—
0.126	0.122	—	—	—	—	—
0.108	0.109	—	—	—	—	—
1.801	1.836	1.365	1.320	1.039	1.007	1.025
0.568	0.552	0.533	0.527	0.319	0.275	0.272
—	0.034	—	—	—	0.030	—
0.069	0.069	0.063	0.062	0.060	0.059	0.058
0.430	0.426	0.406	0.402	0.396	0.389	0.378
0.011	0.012	0.010	0.010	0.010	0.009	0.009
0.062	0.066	0.049	0.057	0.053	0.051	0.053
2.268	2.380	1.974	1.993	2.111	2.028	2.085
0.258	0.271	0.231	0.232	0.246	0.221	0.227
3.386	3.354	3.049	3.002	3.220	3.149	3.015
0.233	0.246	0.209	0.210	0.225	0.217	0.223
0.395	0.419	0.354	0.357	0.383	0.375	0.389
9.481	9.665	8.243	8.172	8.062	7.810	7.734

VILLAGE OF WINNETKA, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago December 31, 2021 (Unaudited)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Chicago Title Land Trust	\$ 14,571,811	1	0.98%			
Individual	8,403,419	2	0.57%	\$ 3,929,973	1	0.25 %
Individual	5,518,373	3	0.37%	3,782,935	2	0.24 %
Individual	4,673,930	4	0.32%	3,301,102	5	0.21 %
Individual	3,970,899	5	0.27%	3,201,000	6	0.20 %
Individual	3,823,142	6	0.26%	2,650,811	8	0.17 %
Individual	3,389,795	7	0.23%			
520 Green Bay Road LLC	3,166,914	8	0.21%			
CTLTC 000000128287	2,986,924	9	0.20%			
Individual	2,887,283	10	0.20%			
319 Sheridan LLC				3,592,215	3	0.22 %
Winnetka III, LLC				3,526,925	4	0.22 %
Hulsizer & Makowiec				2,691,817	7	0.17 %
AH2 Signal Hill LTD				2,603,334	9	0.16 %
Trust Number 80023573				2,563,262	10	0.16 %
Totals	<u>53,392,490</u>		<u>3.61%</u>	<u>31,843,374</u>		<u>2.00 %</u>

Data Source: Cook County Tax Extension Office

Note: Based on the 2020 EAV of \$1,480,422,687.

VILLAGE OF WINNETKA, ILLINOIS

Property Tax Levies and Collections - Last Ten Fiscal Years December 31, 2021 (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
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%
2015	2014	14,302,483	13,907,922	97.24%	N/A	13,907,922	97.24%
2016	2015	14,416,903	14,164,385	98.25%	N/A	14,164,385	98.25%
2017	2016	14,589,906	14,264,609	97.77%	N/A	14,264,609	97.77%
2018	2017	14,706,625	14,329,068	97.43%	N/A	14,329,068	97.43%
2019	2018	14,838,985	14,609,390	98.45%	N/A	14,609,390	98.45%
2020	2019	15,047,473	14,670,613	97.50%	N/A	14,670,613	97.50%
2021	2020	15,161,834	14,725,491	97.12%	N/A	14,725,491	97.12%

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, 2021 (Unaudited)

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds			
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
2015	—	15,825,000	15,825,000	7.63%	1,267.01
2016	—	15,145,000	15,145,000	7.15%	1,220.68
2017	—	14,460,000	14,460,000	6.96%	1,162.66
2018	—	13,765,000	13,765,000	6.35%	1,100.85
2019	—	13,060,000	13,060,000	5.92%	1,060.41
2020	—	13,043,694	13,043,694	5.22%	1,067.93
2021	—	12,105,009	12,105,009	4.84%	970.34

*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, 2021 (Unaudited)

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available For Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
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
2015	15,825,000	—	15,825,000	1.28%	1,267.01
2016	15,145,000	—	15,145,000	1.26%	1,220.68
2017	14,460,000	—	14,460,000	1.00%	1,162.66
2018	13,765,000	—	13,765,000	0.93%	1,100.85
2019	13,060,000	—	13,060,000	0.91%	1,060.41
2020	13,043,694	—	13,043,694	0.87%	1,067.93
2021	12,105,009	—	12,105,009	0.82%	970.34

*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 population data.

VILLAGE OF WINNETKA, ILLINOIS

Schedule of Direct and Overlapping Governmental Activities Debt December 31, 2021 (Unaudited)

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village of Winnetka	\$ —	100.00%	\$ —
School Districts:			
New Trier High School	118,155,000	25.75%	30,425,505
Oakton Community College No. 535	45,110,000	5.77%	2,600,837
School District No. 36 (Winnetka)	1,105,000	98.02%	1,083,176
School District No. 37 (Avoca)	8,440,000	6.26%	528,111
School District No. 38 (Kenilworth)	6,435,000	9.30%	598,472
Total School Districts	179,245,000		35,236,101
Other Agencies:			
Cook County	2,425,146,750	0.85%	20,650,967
Forest Preserve District	113,105,000	0.85%	963,128
Metropolitan Water Reclamation	2,759,628,416	0.87%	23,892,690
Glencoe Park District	8,010,000	0.89%	71,324
Winnetka Park District	14,400,000	92.91%	13,378,633
Total Other Agencies	5,320,290,166		58,956,742
Total Overlapping Debt	5,499,535,166		94,192,843
Total Direct and Overlapping Debt	5,499,535,166		94,192,843

(1) The 2021 information is not available as of the date of this report. 2020 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, 2021 (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, 2021 (Unaudited)

Fiscal Year	Property and Sales Tax Revenues	Principal	Interest	Coverage
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
2015	14,374,595	N/A	N/A	N/A
2016	14,526,383	N/A	N/A	N/A
2017	14,716,114	N/A	N/A	N/A
2018	14,894,494	N/A	N/A	N/A
2019	16,338,898	N/A	N/A	N/A
2020	16,456,717	N/A	N/A	N/A
2021	17,022,087	N/A	N/A	N/A

*For the nine months ended December 31, 2013.

Data Source: Village Records

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

N/A - Bonds were paid off in 2014.

VILLAGE OF WINNETKA, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Fiscal Year	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
2013	12,187	\$ 208,750	\$ 102,867	42.8	4,453	3.50%
2013*	12,187	208,750	102,867	42.8	4,453	3.50%
2014	12,422	211,250	100,440	41.8	5,153	3.50%
2015	12,490	207,540	98,139	40.5	5,153	3.50%
2016	12,407	211,773	98,139	41.4	5,153	3.70%
2017	12,437	207,857	102,663	40.8	5,419	5.10%
2018	12,504	216,875	110,560	41.3	5,568	3.80%
2019	12,316	220,577	118,029	41.8	5,692	4.20%
2020	12,214	250,001	123,329	42.3	5,698	8.40%
2021	12,475	250,001	134,596	42.1	5,667	4.70%

*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 Nine Fiscal Years Ago December 31, 2021 (Unaudited)

Employer	2021			2012		
	Employees	Rank	Percentage of Total Village Employment*	Employees	Rank	Percentage of Total Village Employment*
New Trier High School East	700	1	14.29%	483	1	9.72%
School District 36	340	2	6.94%	221	2	4.45%
Village of Winnetka	149	3	3.03%	154	3	3.10%
Dyson, Dyson & Dunn, Inc.				150	4	3.02%
North Shore Country Day School	140	4	2.86%	115	6	2.31%
Coldwell Banker	130	5	2.65%	113	5	2.27%
Baird & Warner, Inc.	65	6	1.33%			
BMO Harris Bank	50	7	1.02%	65	7	1.31%
Sacred Heart School	45	8	0.92%	45	9	0.91%
Faith, Hope, & Charity School	45	9	0.92%	43	10	0.87%
Infodata Corp	41	10	0.84%			
Killian Co., V.J.				45	8	0.91%
	<u>1,705</u>		<u>34.80%</u>	<u>1,434</u>		<u>28.87%</u>

Data Sources: 2021 Illinois Manufacturers Directory, 2021 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, 2021 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function	2013	2013*	2014
General Government			
Administration	5.0	5.0	5.0
Finance	14.0	14.0	14.0
Public Works	18.0	18.0	18.5
Police	36.0	36.0	35.0
Fire	25.0	26.0	26.0
Community Development	10.0	8.0	7.0
Water	7.0	7.0	7.0
Sewer	3.5	3.5	2.5
Stormwater Sewer	—	—	2.5
Electric	26.3	26.3	26.3
Refuse	7.0	7.0	7.0
Totals	151.8	150.8	150.8

*For the nine months ended December 31, 2013.

Data Source: Village Records

2015	2016	2017	2018	2019	2020	2021
4.5	6.5	6.5	6.0	5.0	7.0	7.0
13.0	11.5	12.5	10.5	10.5	10.5	10.5
19.0	20.0	22.0	25.0	27.0	27.0	25.0
37.5	36.5	35.0	35.0	37.5	35.0	35.0
25.0	26.5	27.5	27.0	27.0	27.5	26.0
6.5	6.5	6.5	7.0	7.0	7.0	7.0
7.0	7.0	7.0	7.0	7.0	7.0	7.0
2.5	1.0	1.0	2.0	2.0	2.0	2.0
2.5	2.0	2.0	2.0	2.0	2.0	2.0
23.5	28.5	26.5	28.0	23.0	23.0	22.0
8.0	8.0	7.0	6.0	7.0	5.0	5.0
149.0	154.0	153.5	155.5	155.0	153.0	148.5

VILLAGE OF WINNETKA, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function/Program	2013	2013*	2014
Public Works			
Forestry			
Number of Parkway Trees Planted	297	N/A	N/A
Fleet Services			
Number of Vehicles Maintained	136	N/A	N/A
Preventative Maintenance Services	N/A	N/A	N/A
Public Safety			
Fire			
Calls for Service	2,250	N/A	2,150
Number of Training Hours	7,000	N/A	7,250
ISO Rating	4	3	3
Police			
Crimes Against Persons	N/A	N/A	N/A
Crimes Against Property	N/A	N/A	N/A
Crimes Against Society	N/A	N/A	N/A
Calls for Service	N/A	N/A	N/A
State Tickets Issued	N/A	N/A	N/A
Compliance Tickets Issued	N/A	N/A	N/A
Community Development			
Number of Building Permits Issued	N/A	N/A	N/A
Number of Building Inspections	N/A	N/A	N/A
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	25,377	N/A	N/A
Annual Resurfacing Program (\$)	1,150,000	1,008,890	N/A
Water and Sewer			
Water Meters Read	37,500	N/A	N/A
Total Distribution Pumpage (1,000 Gallons)	1,290,813	937,610	1,035,500
Sanitary Sewer Repairs	12	N/A	N/A

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.

2015	2016	2017	2018	2019	2020	2021
225	168	215	128	170	168	192
143	135	138	136	119	115	120
470	218	253	263	280	275	272
2,150	2,119	2,169	2,222	2,209	1,981	2,159
6,316	6,174	8,844	6,000	6,420	4,951	5,143
3	3	3	3	3	3	3
94	82	151	110	80	125	14
204	209	199	131	149	337	163
N/A	N/A	N/A	N/A	N/A	N/A	32
7,449	7,670	15,610	22,959	22,102	19,792	19,768
804	834	873	1,013	1,074	759	756
181	138	136	215	197	190	209
1,212	1,344	1,200	1,164	1,105	1,170	1,281
3,197	3,401	2,922	2,879	2,376	2,059	2,657
8,700	17,777	15,908	36,373	22,746	15,013	23,012
1,350,537	1,345,014	1,406,230	1,417,211	834,695	991,195	1,182,977
37,500	37,500	37,500	37,500	37,500	37,500	37,500
1,000,092	1,036,306	1,055,907	1,064,100	1,074,741	1,144,754	1,470,389
6,605	15	12	4	6	5	7

VILLAGE OF WINNETKA, ILLINOIS

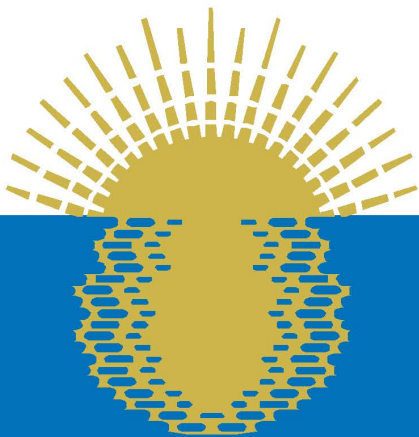
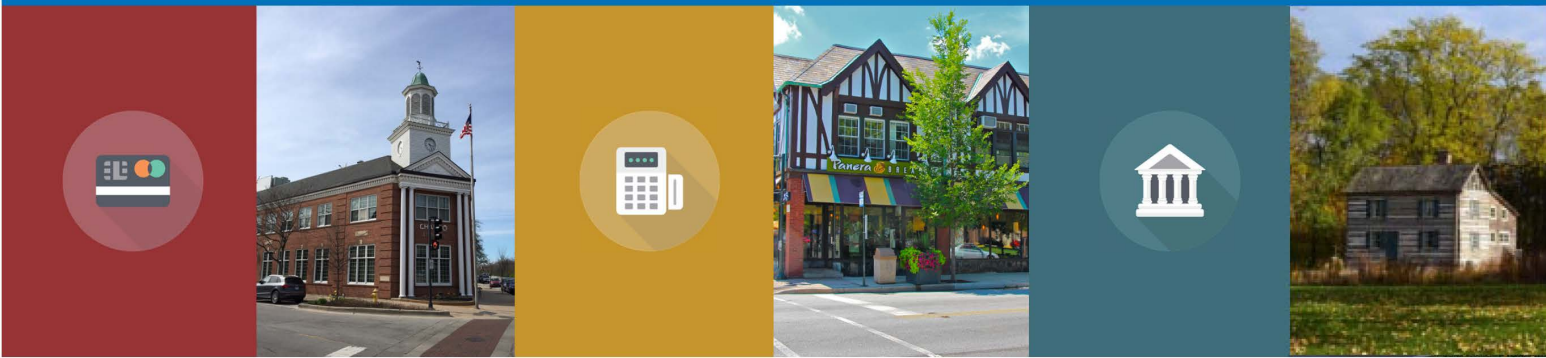
Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2021 (Unaudited)

Function/Program	2013	2013*	2014
Police			
Stations	1	1	1
Patrol Units	9	9	9
Fire Stations	1	1	1
Public Works			
Streets (Miles)	52	52	52
Sidewalks (Miles)	80	80	80
Streetlights	867	867	867
Water and Sewer			
Water Mains (Miles)	71	71	71
Fire Hydrants	667	667	667
Sanitary Sewers (Miles)	47	47	47

*For the nine months ended December 31, 2013.

Data Source: Village Records

2015	2016	2017	2018	2019	2020	2021
1	1	1	1	1	1	1
9	9	9	9	9	9	9
1	1	1	1	1	1	1
52	52	52	52	52	52	52
80	80	80	80	80	80	80
867	867	867	867	867	867	867
71	71	71	71	71	71	71
667	667	667	667	667	667	667
47	47	47	47	47	47	47



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