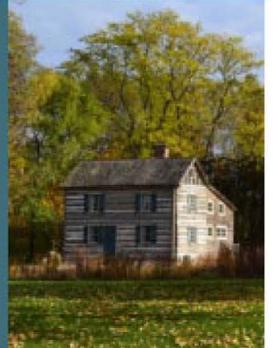




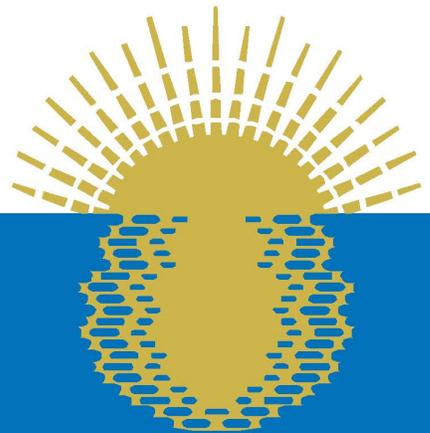
THE VILLAGE OF
Winnetka
2020

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2020



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



VILLAGE OF WINNETKA, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2020

Prepared by:
Finance Department

VILLAGE OF WINNETKA, ILLINOIS

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INTRODUCTORY SECTION

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

- List of Principal Officials
- 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, 2020**

LEGISLATIVE

Christopher Rintz, Village President

Andrew Cripe, Trustee

Jack Coladarci, Trustee

Robert Dearborn, Trustee

John Swierk, Trustee

Penfield Lanphier, Trustee

Rob Apatoff, Trustee

ADMINISTRATIVE

Robert M. Bahan, Village Manager

Timothy J. Sloth, CPA, Finance Director

Kristin Kazenas, Assistant Village Manager

Steven Saunders, Director of Public Works

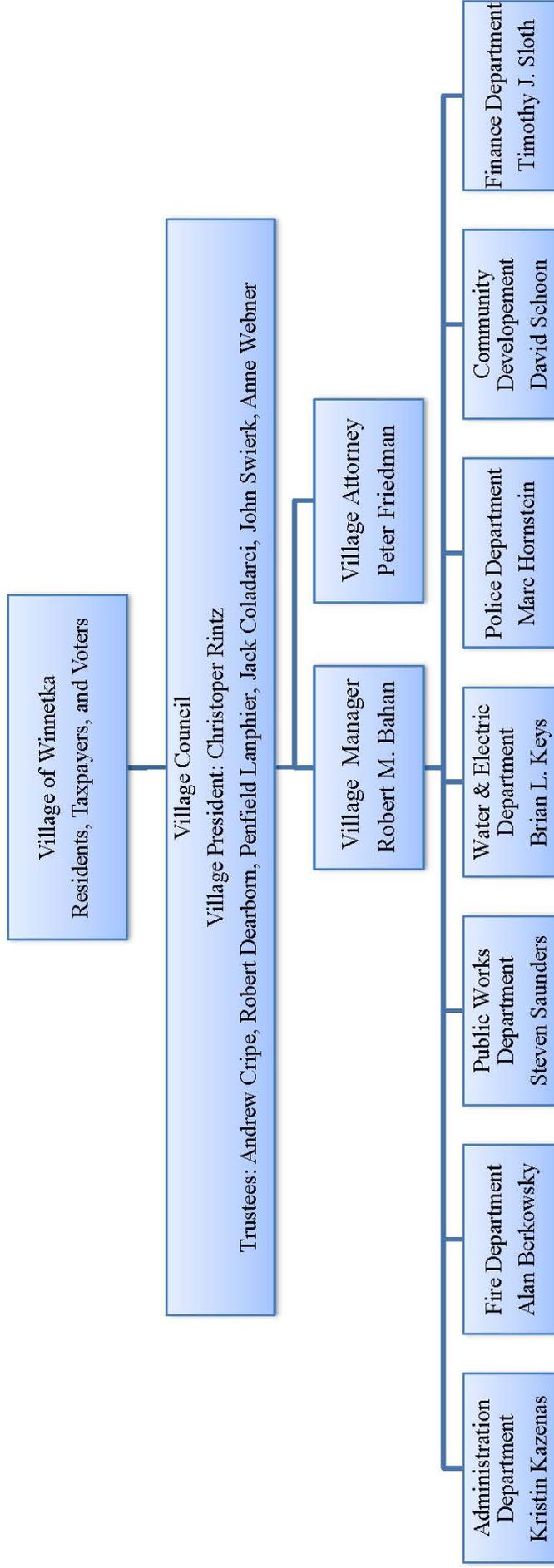
Brian L. Keys, Director of Water & Electric

Alan J. Berkowsky, Fire Chief

Marc Hornstein, Chief of Police

David Schoon, Director of Community Development

Village of Winnetka Government





July 15, 2021

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

The Comprehensive Annual Financial Report (Annual Report) of the Village of Winnetka, Illinois for the fiscal year ended December 31, 2020, 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 current United States Census Bureau data, the population of the Village is 12,316.

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 on the basis of funds, each of which is considered a separate and distinct accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets/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 58% of General Fund revenues for the year ending December 31, 2020. Intergovernmental revenues increased slightly in the current year compared to the previous fiscal period. Sales and Use tax revenues for this fiscal year totaled \$1,760,984. Sales and Use tax for the previous period totaled \$1,701,426, indicating that revenue has increased. Income tax revenue also increased from 2019 to 2020. Interest earnings Village-wide (excluding pensions) generally decreased in 2020 versus the previous year due to the Federal Reserve cutting interest rates during the year. 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 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 current 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 the year and continued social distancing restrictions that remained intact for the remainder of the year. The Village of Winnetka was under a State mandated stay at home order from March 21st through May 30th. Village staff took numerous actions to promote community safety, while minimizing the impacts on Village services and operations to the greatest extent possible. During this time, the Village closed its facilities to the public, and transitioned most of its workforce to remote (telework) status, while maintaining essential services such as fire, police, public works, and utilities. On May 12th, Staff presented to the Village Council the projected financial impacts of the pandemic along with a planned financial response. Staff projected a revenue shortfall of almost \$4 million (5.56%) across all funds for the year 2020. Key revenue categories that were expected to be significantly impacted included Permits, Sales Tax, Income Tax, Fines, and Interest Earnings. Staff also noted that the Village was beginning to experience additional direct expenses as it began procuring such items as personal protective equipment, enhanced cleaning supplies, and technology expenses to enable remote work opportunities.

The financial response presented on May 12th included the following:

- Identified expenditure reductions totaling \$3.9 million to largely offset expected revenue declines.
- Utilizing the Village's Liability fund to track and provide insurance reimbursement for additional direct expenses related to Covid-19.
- Applied for Federal and State funding opportunities such as FEMA Public Assistance Grants and Federal CARES Act funds.

On June 26th, the Village entered Phase 4 of the Restore Illinois plan which loosened some restrictions and allowed for the safe reopening of several key business segments, such as indoor dining (with capacity limits). While some restrictions were lifted, several public health measures such as mask wearing, social distancing and capacity limits continued. After having been closed since the beginning of the stay-at-home order, Village facilities re-opened to the public on June 29th. The Village continued to operate in Phase 4, with various levels of additional mitigations since that time.

On September 1st, Staff presented to Village Council a Covid-19 financial update. Staff noted that revenue projections had improved since the first Council update in May. The initial \$4 million shortfall projected in May was revised to an estimated \$3.1 million in September. Staff also noted that the planned financial response was sufficient in scope and recommended no further changes or additional budget cuts.

By time the fiscal year 2021 Annual Budget was passed on December 15th, 2020, it had become increasingly clear that the Village's financial response to the pandemic was more than sufficient and with revenues materializing better than expected, particularly in the second half of the year, the Village experienced surpluses in all the major fund categories.

While the Village is well positioned financially the economic outlook for the broader economy is optimistic. In the first quarter of 2021, the United States GDP grew at an 11.0 percent annual rate with unemployment steadily improving. According to the U.S. Bureau of Labor Statistics, in April 2021 the number of job openings in the United States reached 9.3 million, the highest number ever recorded in the series. The improved economy should bode well for Village revenues. However, inflation concerns are starting materialize with the most recent Consumer Price Index report showing a 12-month percentage change of 5% in May 2021. The Village will continue its future financial planning assuming a steady economic recovery takes hold while monitoring for signs of continued inflation.

Significant Budgetary Variations

General Fund revenues totaled \$25,391,665 (98.9% of budget) which is \$241,883 less than budgeted. The primary reason for this variation is uncollected property taxes. Property taxes were budgeted at \$15,047,473 with only \$14,670,613 (97.5%) collected. Intergovernmental revenues were favorable to budget with use taxes performing very well due to increased internet sales activity and income tax holding up better than expected.

On the expense side the Village incurred \$400,000 in contingency spending for costs associated with providing relief funds to local businesses significantly impacted by the pandemic. This past fall the Village implemented the Sales Tax Rebate Economic Relief Program to deliver funds to businesses that have suffered economic loss from the pandemic. Later in the Fall the Village implemented the Restaurant Relief Grant dedicated to providing additional relief to restaurants that were negatively impacted by the pandemic.

Fund Balances

The fund balance in the General Fund has remained consistent or increased over the past several years. In the fiscal year ended December 31, 2020, \$1,500,000 was transferred to the Downtown Redevelopment - Capital Projects Fund. Total revenues came in slightly below budget while operational expenditures came in lower than projected leading to an increase in fund balance shown below.

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%

Enterprise Funds

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

Electric rates increased 2.48% on average in 2020 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 with the Village shifting to a fee for services in 2019. For 2020 there no changes to the monthly collection fees for weekly pickup.

The Village implemented a stormwater utility during 2014 and began charging residents for storm water sewer services. 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 December 31, 2020, and the twelve months ended December 31, 2019, are presented below. The electric rates shown are an average of summer and winter rates.

**Utility Operating Results in Thousands of Dollars
For December 2020 and 2019**

	2020 Budget	2020 Actual	% Change	2019 Actual
Electric				
Rate Per Kwh	\$0.1274	\$0.1274	1.6%	\$0.1253
Operating Revenues	\$17,762,028	\$17,409,245	8.4%	\$16,058,151
Operating Expenses	\$14,633,197	\$14,116,772	3.9%	\$13,583,092
Operating Income	\$3,128,831	\$3,292,473		\$2,475,059
Water				
Rate Per 1,000 Cft.	\$39.75	\$39.75	4.6%	\$38.00
Operating Revenues	\$5,123,649	\$5,398,677	18.5%	\$4,555,431
Operating Expenses	\$3,377,894	\$2,925,582	(0.4%)	\$2,937,783
Operating Income	\$1,745,755	\$2,473,095		\$1,617,648
Refuse				
Operating Revenues	\$2,708,750	\$2,739,537	(0.1%)	\$2,742,553
Operating Expenses	\$2,372,540	\$2,034,605	(9.6%)	\$2,251,371
Operating (loss)	\$336,210	\$704,932		\$491,182
Sanitary Sewer				
Rate Per 1,000 Cft.	\$17.63	\$17.63	5.0%	\$16.79
Operating Revenues	\$1,417,101	\$1,514,299	25.5%	\$1,206,803
Operating Expenses	\$948,124	\$820,888	2.6%	\$800,450
Operating Income	\$468,977	\$693,411		\$406,353
Storm Sewer				
Rate Per ERU	\$21.83	\$21.83	N/A	\$21.83
Operating Revenues	\$1,944,040	\$1,973,535	3.4%	\$1,909,121
Operating Expenses	\$582,513	\$424,115	(0.7%)	\$427,160
Operating Income	\$1,361,527	\$1,549,420		\$1,481,961

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, 2020, were 8.4% greater than the previous period while operating expenses for December 31, 2020, are 3.9% greater than the previous period due to an increase in purchased power. Total operating expenses were 96.4% of budget.

Water revenue increased 18.5% from the prior period due to rate increases during the fiscal year along with increased consumption. Expenses decreased slightly 0.4% from the previous fiscal year. Total expenses were 86.6% of the budget.

Refuse operating revenues were flat compared to the previous year while expenses decreased 9.6% from the previous period due to reduced personnel costs.

Sanitary Sewer revenues are generated by a charge assessed from water use. Sewer revenues increased 25.5% compared to 2019 driven by rate increases of 5% and increased consumption. Expenses increased by 2.6% compared to the previous year and were in line with budgeted expectations.

Stormwater Sewer revenues were 3.4% higher than last year due to increased impervious surface area within the Village. Expenses decreased slightly 0.7% compared to last year.

Pension Trust Funds

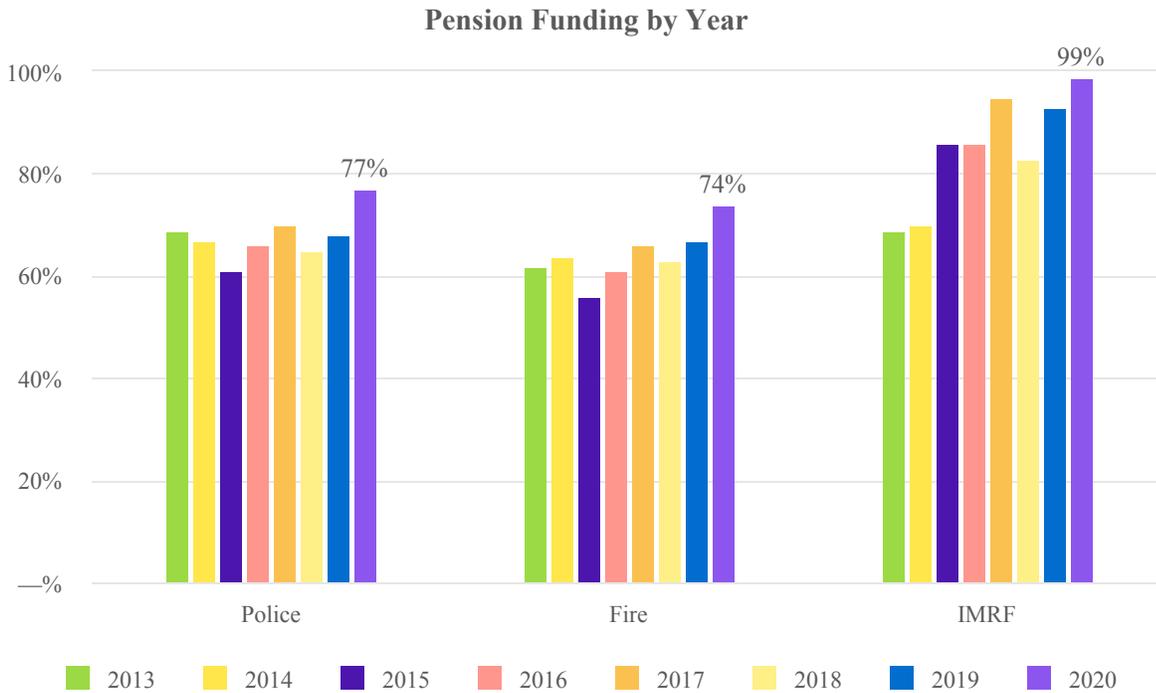
While the Village has strived through the budget process to limit increases in operating expenses, one expense the Village has limited ability to control is the funding amounts required by the pensions. Qualified employees not participating in one of the public safety pension funds are required to participate 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 is 99.82% 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.

The Village levies property taxes for 100% of the actuarially determined amount; however, investment returns during the Great Recession and updated mortality assumptions have caused the funding ratio to trend downward for several years before rebounding over the last five years. Both funds experienced an increase in funding ratio in 2020, with Police increasing from 68.35% funded to 76.77% and Fire increasing from 66.60% to 74.32% funded.

Both funds are committed to utilizing the most up-to-date mortality assumptions, which should result in only modest increases in the required annual Village contribution for future years. For 2021, the Village will begin 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 current local funding option of being 100% funded by December 31, 2035. It should be noted the Village will continue utilizing a conservative 6.25% assumed rate of return.

The funding ratio from December 2013 to December 2020 is shown below:



Other Information

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

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

Independent Audit

Illinois State Statutes require an annual audit by an independent Certified Public Accountant. The 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 2020. 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, 2019. 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,

A handwritten signature in blue ink that reads "Timothy J. Sloth". The signature is written in a cursive style.

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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

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 Schedules

INDEPENDENT AUDITORS' REPORT

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



INDEPENDENT AUDITORS' REPORT

July 15, 2021

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents and budgetary information reported in the required supplementary information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

Other 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 introductory section, other supplementary information, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, the other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S
DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

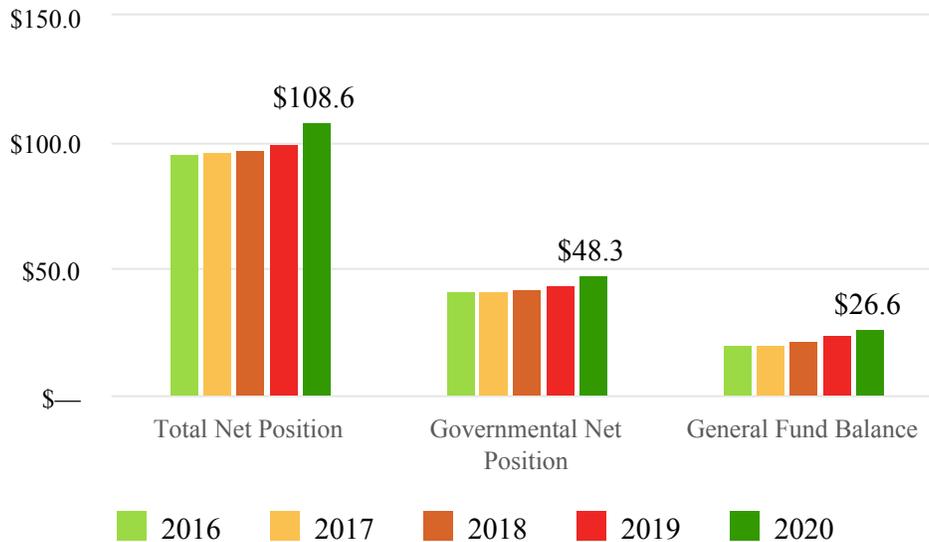
The Management Discussion and Analysis (MDA) section of the Village of Winnetka's Comprehensive Annual Financial Report presents discussion and analysis of the Village's financial activities during the Fiscal Year ending December 31, 2020. This section should be used in conjunction with the transmittal 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 Comprehensive Annual 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 12/31/20. This is highlighted most notably in the unrestricted fund balance in the General Fund, which rose from \$24,645,766 to \$26,596,414 and represents 101.3 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-20		Dec-19		Dec-20	Dec-19
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government
<u>Assets</u>						
Current Assets	\$53,890,503	33,645,546	53,072,004	31,059,982	87,536,049	84,131,986
Capital Assets	49,150,525	46,492,051	49,515,028	46,891,744	95,642,576	96,406,772
Total Assets	103,041,028	80,137,597	102,587,032	77,951,726	183,178,625	180,538,758
Deferred Outflows	4,273,682	1,900,787	5,357,588	993,908	6,174,469	6,351,496
Total Assets/Deferred Outflows	107,314,710	82,038,384	107,944,620	78,945,634	189,353,094	186,890,254
<u>Liabilities</u>						
Current Liabilities	2,921,642	2,736,025	3,806,737	2,595,248	5,657,667	6,401,985
Long-Term Liabilities	29,237,773	15,183,187	38,732,398	18,175,228	44,420,960	56,907,626
Total Liabilities	32,159,415	17,919,212	42,539,135	20,770,476	50,078,627	63,309,611
Deferred Inflows	26,868,015	3,765,745	21,383,929	2,291,310	30,633,760	23,675,239
Total Liabilities/Deferred Inflows	59,027,430	21,684,957	63,923,064	23,061,786	80,712,387	86,984,850
<u>Net Position</u>						
Net Investment in						
Capital Assets	49,150,525	38,685,364	49,515,028	39,333,586	87,835,889	88,848,614
Restricted	3,372,574	—	3,314,365	—	3,372,574	3,314,365
Unrestricted	(4,235,819)	21,668,063	(8,807,837)	16,550,262	17,432,244	7,742,425
Total Net Position	48,287,280	60,353,427	44,021,556	55,883,848	108,640,707	99,905,404

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 \$99,905,404 in 2019 to \$108,640,707 in 2020. Net position for governmental activities increased \$4,265,724. The net position for the Business Activities increased by \$4,469,579.

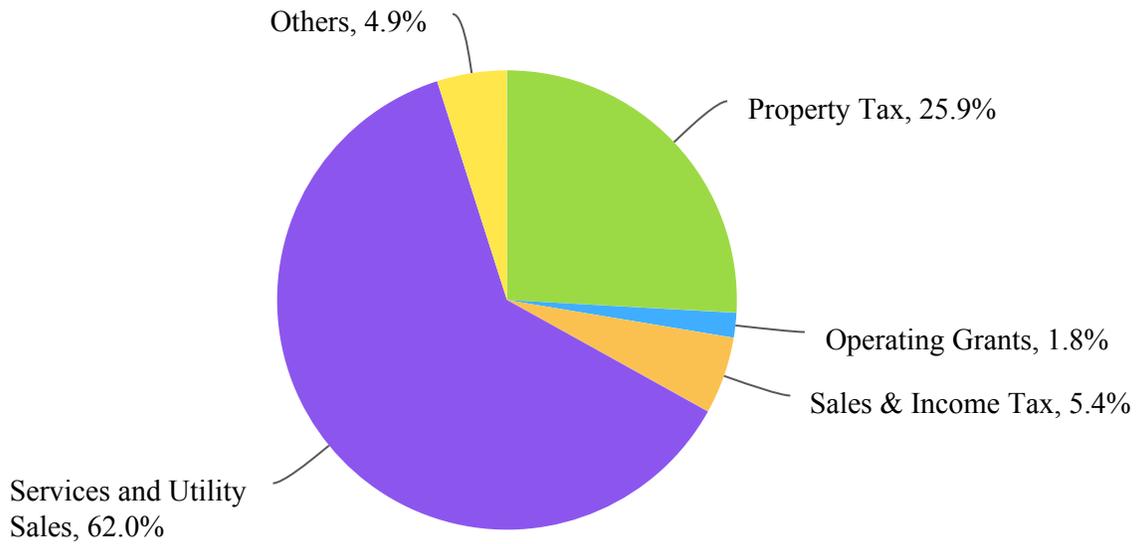
The following table provides a summary of the Village's changes in net position:

STATEMENT OF ACTIVITIES

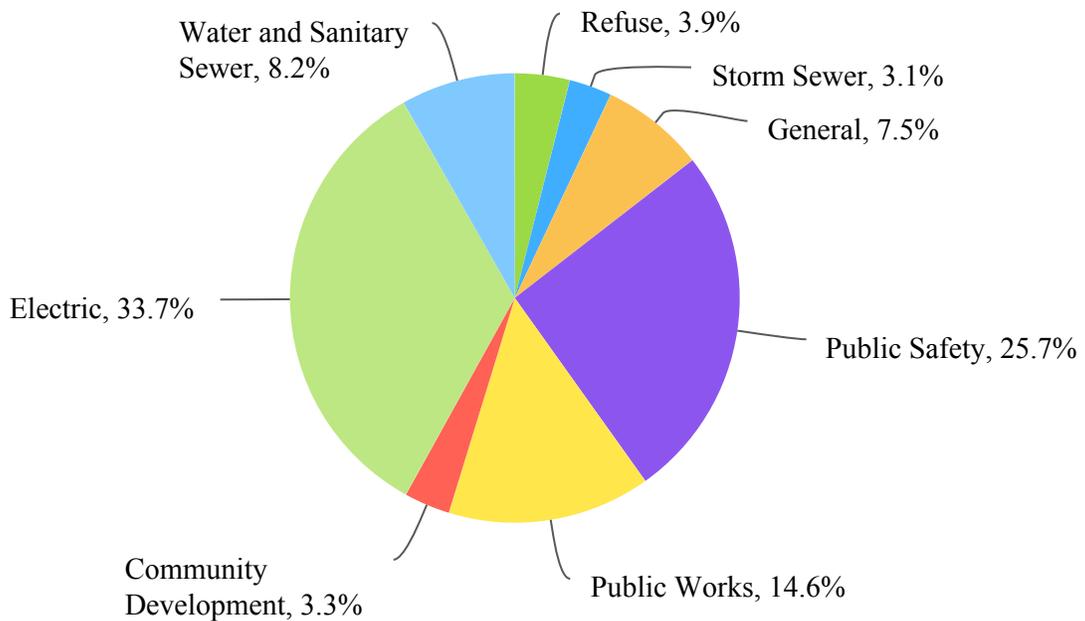
	Dec-20		Dec-19		Dec-20	Dec-19
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government
Revenue:						
Program Revenues:						
Charges for Services	\$ 6,105,778	29,097,830	6,285,796	26,491,655	35,203,608	32,777,451
Operating Grants	993,798	—	536,139	—	993,798	536,139
General Revenues:						
Property Taxes	14,695,733	—	14,612,543	—	14,695,733	14,612,543
Sales Taxes	1,760,984	—	1,701,426	—	1,760,984	1,701,426
Investment Income	841,226	152,094	954,462	753,354	993,320	1,707,816
Others	2,489,386	626,510	2,719,355	317,979	3,115,896	3,037,334
Total Revenues	26,886,905	29,876,434	26,809,721	27,562,988	56,763,339	54,372,709
Expenses:						
General Government	3,591,828	—	4,171,972	—	3,591,828	4,171,972
Public Safety	12,326,987	—	14,901,003	—	12,326,987	14,901,003
Community Development	1,589,877	—	1,455,318	—	1,589,877	1,455,318
Public Works	7,007,376	—	6,485,336	—	7,007,376	6,485,336
Electric	—	16,190,947	—	16,303,692	16,190,947	16,303,692
Water	—	3,054,726	—	3,613,580	3,054,726	3,613,580
Sewer	—	899,368	—	965,180	899,368	965,180
Refuse	—	1,895,606	—	2,530,173	1,895,606	2,530,173
Storm Sewer	—	1,471,321	—	1,361,878	1,471,321	1,361,878
Total Expenses	24,516,068	23,511,968	27,013,629	24,774,503	48,028,036	51,788,132
Increase (decrease) in Net Position before Transfers	2,370,837	6,364,466	(203,908)	2,788,485	8,735,303	2,584,577
Transfers	1,894,887	(1,894,887)	1,461,896	(1,461,896)	—	—
Increase (Decrease) in Net Position	4,265,724	4,469,579	1,257,988	1,326,589	8,735,303	2,584,577
Net Position - Beginning	44,021,556	55,883,848	42,763,568	54,557,259	99,905,404	97,320,827
Net Position - Ending	48,287,280	60,353,427	44,021,556	55,883,848	108,640,707	99,905,404

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

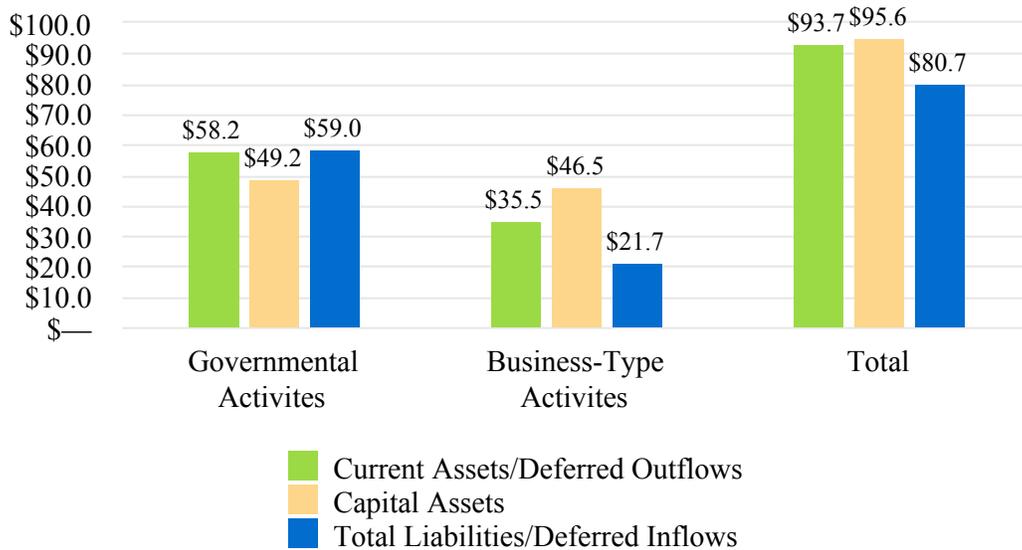
Government-Wide Revenues by Type



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 \$31,254,984, up \$2,247,059 from the prior year. This increase is attributable to a favorable 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 unrestricted fund balance of the General Fund increased \$1,950,648 from \$24,645,766 to \$26,596,414. This increase is the result favorable operating cost experience.

The General Fund cash balance of \$26,923,165 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 \$187,280, which is available for future capital related improvements projects throughout the Village. In FY 2020, this fund decreased by \$6,489.

Within the governmental funds, GASB 68 pension expenses/(revenues) included 1,508,402 for IMRF (General Government), \$1,681,054 for Police Pension (Public Safety), and \$1,929,099 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 2.4% 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 \$3,977,956. The total for workers' compensation, liability, and health insurance risks retained by the Village was \$3,032,444, a \$353,863 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	\$ 3,234,545	3,058,822
Police Department	7,907,431	7,435,930
Fire Department	6,493,881	6,289,797
Community Development	1,738,381	1,572,154
Public Works	6,690,292	5,079,201
Contingency	200,000	400,000
Total	<u>26,264,530</u>	<u>23,835,904</u>

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, 2020 was \$49,150,525, down \$364,503 from the prior year.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2020 was \$46,492,051, down \$399,693 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

In 2020 the Village issued Series 2020 bonds which refunded outstanding 2013 and 2014 bonds. At the end of the fiscal year, the Village had total bonded debt outstanding of \$12,770,000. 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 2020. 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 12,214 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, 2020

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 36,729,533	28,188,735	64,918,268
Receivables - Net of Allowances			
Taxes	15,161,834	—	15,161,834
Accounts	161,606	4,177,111	4,338,717
Notes	215,740	—	215,740
Internal Balances	750,000	(750,000)	—
Prepays/Inventories	250,439	2,029,700	2,280,139
Due from Other Governments	621,351	—	621,351
Total Current Assets	<u>53,890,503</u>	<u>33,645,546</u>	<u>87,536,049</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	13,680,000	164,008	13,844,008
Depreciable	70,719,327	112,706,032	183,425,359
Accumulated Depreciation	(35,248,802)	(66,377,989)	(101,626,791)
Total Noncurrent Assets	<u>49,150,525</u>	<u>46,492,051</u>	<u>95,642,576</u>
Total Assets	<u>103,041,028</u>	<u>80,137,597</u>	<u>183,178,625</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,017,782	904,737	1,922,519
Deferred Items - Police Pension	1,354,818	—	1,354,818
Deferred Items - Firefighters' Pension	1,471,420	—	1,471,420
Deferred Items - RBP	429,662	215,220	644,882
Unamortized Loss on Refunding	—	780,830	780,830
Total Deferred Outflows of Resources	<u>4,273,682</u>	<u>1,900,787</u>	<u>6,174,469</u>
Total Assets and Deferred Outflows of Resources	<u>107,314,710</u>	<u>82,038,384</u>	<u>189,353,094</u>

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,159,954	1,180,564	2,340,518
Accrued Payroll	79,648	166,252	245,900
Accrued Interest Payable	—	40,494	40,494
Deposits Payable	938,451	371,150	1,309,601
Claims Payable	601,338	—	601,338
Current Portion of Long-Term Liabilities	142,251	977,565	1,119,816
Total Current Liabilities	<u>2,921,642</u>	<u>2,736,025</u>	<u>5,657,667</u>
Noncurrent Liabilities			
Claims Payable	716,338	—	716,338
Compensated Absences	1,280,260	473,087	1,753,347
Net Pension Liability - IMRF	85,018	75,577	160,595
Net Pension Liability - Police Pension	11,545,150	—	11,545,150
Net Pension Liability - Firefighters' Pension	12,461,565	—	12,461,565
Total OPEB Liability - RBP	3,149,442	1,577,570	4,727,012
General Obligation Bonds Payable - Net	—	12,118,694	12,118,694
Landfill Post-Closure Costs	—	938,259	938,259
Total Noncurrent Liabilities	<u>29,237,773</u>	<u>15,183,187</u>	<u>44,420,960</u>
Total Liabilities	<u>32,159,415</u>	<u>17,919,212</u>	<u>50,078,627</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	4,193,654	3,727,868	7,921,522
Deferred Items - Police Pension	3,561,015	—	3,561,015
Deferred Items - Firefighters' Pension	3,875,894	—	3,875,894
Deferred Items - RBP	75,618	37,877	113,495
Property Taxes	15,161,834	—	15,161,834
Total Deferred Inflows of Resources	<u>26,868,015</u>	<u>3,765,745</u>	<u>30,633,760</u>
Total Liabilities and Deferred Inflows of Resources	<u>59,027,430</u>	<u>21,684,957</u>	<u>80,712,387</u>
NET POSITION			
Net Investment in Capital Assets	49,150,525	38,685,364	87,835,889
Restricted - Highways and Streets	3,246,307	—	3,246,307
Restricted - Foreign Fire Tax	126,267	—	126,267
Unrestricted (Deficit)	<u>(4,235,819)</u>	<u>21,668,063</u>	<u>17,432,244</u>
Total Net Position	<u>48,287,280</u>	<u>60,353,427</u>	<u>108,640,707</u>

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, 2020

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	\$ 3,591,828	2,904,794	—	—
Public Safety	12,326,987	1,482,948	269,076	—
Community Development	1,589,877	1,618,871	—	—
Public Works	7,007,376	99,165	724,722	—
Total Governmental Activities	24,516,068	6,105,778	993,798	—
Business-Type Activities				
Electric	16,190,947	17,409,244	—	—
Water	3,054,726	5,461,214	—	—
Refuse	1,895,606	2,739,537	—	—
Storm Sewer	1,471,321	1,514,300	—	—
Sanitary Sewer	899,368	1,973,535	—	—
Total Business-Type Activities	23,511,968	29,097,830	—	—
Total Primary Government	48,028,036	35,203,608	993,798	—

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
(687,034)	—	(687,034)
(10,574,963)	—	(10,574,963)
28,994	—	28,994
(6,183,489)	—	(6,183,489)
(17,416,492)	—	(17,416,492)
—	1,218,297	1,218,297
—	2,406,488	2,406,488
—	843,931	843,931
—	42,979	42,979
—	1,074,167	1,074,167
—	5,585,862	5,585,862
(17,416,492)	5,585,862	(11,830,630)
14,695,733	—	14,695,733
279,837	—	279,837
319,213	—	319,213
1,760,984	—	1,760,984
1,324,348	—	1,324,348
141,245	—	141,245
361,432	—	361,432
841,226	152,094	993,320
63,311	626,510	689,821
1,894,887	(1,894,887)	—
21,682,216	(1,116,283)	20,565,933
4,265,724	4,469,579	8,735,303
44,021,556	55,883,848	99,905,404
48,287,280	60,353,427	108,640,707

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

VILLAGE OF WINNETKA, ILLINOIS

Balance Sheet - Governmental Funds

December 31, 2020

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	\$ 26,923,165	187,280	4,490,604	31,601,049
Receivables - Net of Allowances				
Taxes	15,161,834	—	—	15,161,834
Accounts	150,887	—	—	150,887
Notes	215,740	—	—	215,740
Due from Other Governments	580,895	—	40,456	621,351
Due from Other Funds	31,801	—	—	31,801
Advances from Other Funds	750,000	—	—	750,000
Total Assets	43,814,322	187,280	4,531,060	48,532,662
LIABILITIES				
Accounts Payable	1,046,925	—	27,969	1,074,894
Accrued Payroll	70,698	—	—	70,698
Deposits Payable	938,451	—	—	938,451
Due to Other Funds	—	—	31,801	31,801
Total Liabilities	2,056,074	—	59,770	2,115,844
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	15,161,834	—	—	15,161,834
Total Liabilities and Deferred Inflows of Resources	17,217,908	—	59,770	17,277,678
FUND BALANCES				
Nonspendable	750,000	—	—	750,000
Restricted	—	—	3,372,574	3,372,574
Assigned	—	187,280	1,098,716	1,285,996
Unassigned	25,846,414	—	—	25,846,414
Total Fund Balances	26,596,414	187,280	4,471,290	31,254,984
Total Liabilities, Deferred Inflows of Resources and Fund Balances	43,814,322	187,280	4,531,060	48,532,662

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, 2020

Total Governmental Fund Balances	\$ 31,254,984
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.	49,150,525
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.	3,977,956
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(3,175,872)
Deferred Items - Police Pension	(2,206,197)
Deferred Items - Firefighters' Pension	(2,404,474)
Deferred Items - RBP	354,044
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,422,511)
Net Pension Liability - IMRF	(85,018)
Net Pension Liability - Police Pension	(11,545,150)
Net Pension Liability - Firefighters' Pension	(12,461,565)
Total OPEB Liability - RBP	<u>(3,149,442)</u>
Net Position of Governmental Activities	<u><u>48,287,280</u></u>

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, 2020

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	\$ 15,269,663	—	25,120	15,294,783
Licenses and Permits	1,998,247	—	—	1,998,247
Intergovernmental	3,495,653	—	1,086,154	4,581,807
Charges for Services	3,997,440	—	—	3,997,440
Fines and Forfeits	110,091	—	—	110,091
Investment Income	457,260	1,042	25,240	483,542
Miscellaneous	63,311	—	—	63,311
Total Revenues	25,391,665	1,042	1,136,514	26,529,221
Expenditures				
Current				
General Government	3,458,822	—	—	3,458,822
Public Safety	13,725,727	—	122,399	13,848,126
Community Development	1,572,154	—	—	1,572,154
Public Works	5,079,201	—	—	5,079,201
Capital Outlay	—	7,531	2,211,215	2,218,746
Total Expenditures	23,835,904	7,531	2,333,614	26,177,049
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,555,761	(6,489)	(1,197,100)	352,172
Other Financing Sources (Uses)				
Transfers In	1,894,887	—	1,500,000	3,394,887
Transfers Out	(1,500,000)	—	—	(1,500,000)
	394,887	—	1,500,000	1,894,887
Net Change in Fund Balances	1,950,648	(6,489)	302,900	2,247,059
Fund Balances - Beginning	24,645,766	193,769	4,168,390	29,007,925
Fund Balances - Ending	26,596,414	187,280	4,471,290	31,254,984

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, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ 2,247,059

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

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

Capital Outlays	2,598,781
Depreciation Expense	(2,963,284)

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

Change in Deferred Items - IMRF	(1,796,293)
Change in Deferred Items - Police Pension	(2,428,718)
Change in Deferred Items - Firefighters' Pension	(2,424,209)
Change in Deferred Items - RBP	195,589

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	(36,443)
Change in Net Pension Liability - IMRF	2,990,306
Change in Net Pension Liability - Police Pension	3,528,695
Change in Net Pension Liability - Firefighters' Pension	3,310,354
Change in Total OPEB Liability - RBP	(248,782)

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. (707,331)

Changes in Net Position of Governmental Activities 4,265,724

VILLAGE OF WINNETKA, ILLINOIS

**Statement of Net Position - Proprietary Funds
December 31, 2020**

	Business-Type Activities - Enterprise						Governmental Activities	
	Electric	Water	Refuse	Storm Sewer		Nonmajor Sanitary Sewer	Totals	Internal Service
				Sanitary	Sewer			
ASSETS								
Current Assets								
Cash and Investments	\$ 4,763,684	5,645,016	1,026,685	15,205,334	1,548,016	28,188,735	5,128,484	
Receivables - Net of Allowances								
Accounts - Billed	1,307,608	378,222	240,789	163,117	98,417	2,188,153	10,719	
Accounts - Unbilled	966,067	205,600	186,407	134,057	71,005	1,563,136	—	
Accounts - Other	422,510	2,877	435	—	—	425,822	—	
Inventories/Prepays	2,029,700	—	—	—	—	2,029,700	250,439	
Total Current Assets	9,489,569	6,231,715	1,454,316	15,502,508	1,717,438	34,395,546	5,389,642	
Noncurrent Assets								
Capital Assets								
Nondepreciable Capital Assets	69,003	95,005	—	—	—	164,008	—	
Depreciable Capital Assets	64,874,820	22,897,480	3,527,642	12,757,030	8,649,060	112,706,032	299,598	
	64,943,823	22,992,485	3,527,642	12,757,030	8,649,060	112,870,040	299,598	
Accumulated Depreciation	(45,585,088)	(11,366,544)	(2,357,738)	(1,422,048)	(5,646,571)	(66,377,989)	(299,598)	
Total Noncurrent Assets	19,358,735	11,625,941	1,169,904	11,334,982	3,002,489	46,492,051	—	
Total Assets	28,848,304	17,857,656	2,624,220	26,837,490	4,719,927	80,887,597	5,389,642	
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Items - IMRF	499,470	193,021	115,543	41,142	55,561	904,737	—	
Deferred Items - RBP	117,661	49,697	26,059	9,684	12,119	215,220	—	
Unamortized Loss on Refunding	—	—	—	780,830	—	780,830	—	
Total Deferred Outflows of Resources	617,131	242,718	141,602	831,656	67,680	1,900,787	—	
Total Assets and Deferred Outflows of Resources	29,465,435	18,100,374	2,765,822	27,669,146	4,787,607	82,788,384	5,389,642	

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		Totals	Internal	Service
					Sanitary	Sewer			
LIABILITIES									
Current Liabilities									
Accounts Payable	\$ 943,959	113,251	10,759	39,672	72,923		1,180,564	85,060	
Accrued Payroll	90,544	35,341	22,815	7,493	10,059		166,252	8,950	
Accrued Interest Payable	—	—	—	40,494	—		40,494	—	
Deposits Payable	371,150	—	—	—	—		371,150	—	
Advances to Other Funds	—	750,000	—	—	—		750,000	—	
Claims Payable	—	—	—	—	—		—	601,338	
Compensated Absences	30,151	14,849	4,885	1,340	1,340		52,565	—	
General Obligation Bonds Payable	—	—	—	925,000	—		925,000	—	
Total Current Liabilities	1,435,804	913,441	38,459	1,013,999	84,322		3,486,025	695,348	
Noncurrent Liabilities									
Claims Payable	—	—	—	—	—		—	716,338	
Compensated Absences	271,355	133,652	43,966	12,057	12,057		473,087	—	
Net Pension Liability - IMRF	41,723	16,124	9,652	3,437	4,641		75,577	—	
Total OPEB Liability - RBP	862,459	364,280	191,016	70,982	88,833		1,577,570	—	
General Obligation Bonds Payable - Net	—	—	—	12,118,694	—		12,118,694	—	
Landfill Post-Closure Costs	—	—	938,259	—	—		938,259	—	
Total Noncurrent Liabilities	1,175,537	514,056	1,182,893	12,205,170	105,531		15,183,187	716,338	
Total Liabilities	2,611,341	1,427,497	1,221,352	13,219,169	189,853		18,669,212	1,411,686	
DEFERRED INFLOWS OF RESOURCES									
Deferred Items - IMRF	2,058,011	795,321	476,083	169,521	228,932		3,727,868	—	
Deferred Items - RBP	20,708	8,746	4,586	1,704	2,133		37,877	—	
Total Deferred Inflows of Resources	2,078,719	804,067	480,669	171,225	231,065		3,765,745	—	
Total Liabilities and Deferred Inflows of Resources	4,690,060	2,231,564	1,702,021	13,390,394	420,918		22,434,957	1,411,686	
NET POSITION									
Net Investment in Capital Assets	19,358,735	11,625,941	1,169,904	3,528,295	3,002,489		38,685,364	—	
Unrestricted (Deficit)	5,416,640	4,242,869	(106,103)	10,750,457	1,364,200		21,668,063	3,977,956	
Total Net Position	24,775,375	15,868,810	1,063,801	14,278,752	4,366,689		60,353,427	3,977,956	

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, 2020

	Electric	Water
Operating Revenues		
Charges for Services	\$ 17,391,390	5,425,295
Interfund Services	—	—
Miscellaneous	17,854	35,919
Total Operating Revenues	17,409,244	5,461,214
Operating Expenses		
Administration	1,040,228	895,742
Operations	13,485,334	1,691,049
Depreciation	1,665,385	467,935
Total Operating Expenses	16,190,947	3,054,726
Operating Income (Loss)	1,218,297	2,406,488
Nonoperating Revenues (Expenses)		
Investment Income	71,635	33,643
Rental Income	574,960	—
Other Income	49,970	1,452
Disposal of Capital Assets	—	128
Interest Expense	—	—
	696,565	35,223
Income (Loss) Before Transfers	1,914,862	2,441,711
Transfers Out	(1,059,059)	(526,560)
Change in Net Position	855,803	1,915,151
Net Position - Beginning	23,919,572	13,953,659
Net Position - Ending	24,775,375	15,868,810

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
2,739,537	1,973,535	1,514,300	29,044,057	—
—	—	—	—	5,339,344
—	—	—	53,773	—
2,739,537	1,973,535	1,514,300	29,097,830	5,339,344
(181,300)	(51,549)	68,787	1,771,908	662,952
1,945,743	733,245	702,003	18,557,374	5,741,407
131,163	263,358	128,578	2,656,419	—
1,895,606	945,054	899,368	22,985,701	6,404,359
843,931	1,028,481	614,932	6,112,129	(1,065,015)
11,080	21,146	14,590	152,094	357,684
—	—	—	574,960	—
—	—	—	51,422	—
—	—	—	128	—
—	(526,267)	—	(526,267)	—
11,080	(505,121)	14,590	252,337	357,684
855,011	523,360	629,522	6,364,466	(707,331)
(195,900)	—	(113,368)	(1,894,887)	—
659,111	523,360	516,154	4,469,579	(707,331)
404,690	13,755,392	3,850,535	55,883,848	4,685,287
1,063,801	14,278,752	4,366,689	60,353,427	3,977,956

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, 2020

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 17,225,507	5,308,459
Interfund Services Provided	—	—
Payments to Suppliers	(12,599,598)	(2,045,806)
Payments to Employees	(2,612,381)	(1,083,000)
	<u>2,013,528</u>	<u>2,179,653</u>
Cash Flows from Noncapital Financing Activities		
Transfers Out	(1,059,059)	(526,560)
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(602,320)	(696,995)
Gain on Sale of Capital Assets	—	128
Debt Issuance	—	—
Premium on Debt Issuance	—	—
Principal Payments	—	—
Interest Payments	—	—
	<u>(602,320)</u>	<u>(696,867)</u>
Cash Flows from Investing Activities		
Interest Received	71,635	33,643
Net Change in Cash and Cash Equivalents	423,784	989,869
Cash and Cash Equivalents - Beginning	4,339,900	4,655,147
Cash and Cash Equivalents - Ending	<u>4,763,684</u>	<u>5,645,016</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	1,218,297	2,406,488
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	1,665,385	467,935
Other Income	624,930	1,452
Other Expense - IMRF and OPEB	(690,147)	(354,984)
(Increase) Decrease in Current Assets	(808,667)	(154,207)
Increase (Decrease) in Current Liabilities	3,730	(187,031)
Net Cash Provided by Operating Activities	<u>2,013,528</u>	<u>2,179,653</u>

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

Business-Type Activities - Enterprise Funds				Governmental
Refuse	Storm Sewer	Nonmajor Sanitary Sewer	Totals	Activities Internal Service
2,642,598	1,130,130	1,458,340	27,765,034	—
—	—	—	—	5,330,020
(1,586,364)	(485,230)	(497,865)	(17,214,863)	(6,002,779)
(621,961)	(226,976)	(306,673)	(4,850,991)	(394,498)
434,273	417,924	653,802	5,699,180	(1,067,257)
(195,900)	—	(113,368)	(1,894,887)	—
—	(761,223)	(196,188)	(2,256,726)	—
—	—	—	128	—
—	12,035,000	—	12,035,000	—
—	273,694	—	273,694	—
—	(12,325,000)	—	(12,325,000)	—
—	(526,267)	—	(526,267)	—
—	(1,303,796)	(196,188)	(2,799,171)	—
11,080	21,146	14,590	152,094	357,684
249,453	(864,726)	358,836	1,157,216	(709,573)
777,232	16,070,060	1,189,180	27,031,519	5,838,057
1,026,685	15,205,334	1,548,016	28,188,735	5,128,484
843,931	1,028,481	614,932	6,112,129	(1,065,015)
131,163	263,358	128,578	2,656,419	—
—	—	—	626,382	—
(308,380)	(51,549)	(71,253)	(1,476,313)	—
(96,939)	(843,405)	(55,960)	(1,959,178)	(9,324)
(135,502)	21,039	37,505	(260,259)	7,082
434,273	417,924	653,802	5,699,180	(1,067,257)

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

VILLAGE OF WINNETKA, ILLINOIS

Statement of Fiduciary Net Position
December 31, 2020

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 2,951,067
Investments	
U.S. Government Obligations	6,475,511
U.S. Agency Obligations	9,700,576
Corporate Bonds	7,714,757
Common Stock	11,116,188
Mutual Funds	32,408,013
Insurance Contracts	3,746,542
Receivables	
Accrued Interest	<u>95,201</u>
Net Position Restricted for Pensions	<u><u>74,207,855</u></u>

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, 2020

	Pension Trust
Additions	
Contributions - Employer	\$ 3,610,153
Contributions - Plan Members	<u>549,127</u>
Total Contributions	<u>4,159,280</u>
Investment Income	
Interest Earned	1,746,441
Net Change in Fair Value	<u>9,207,453</u>
	10,953,894
Less Investment Expenses	<u>(177,843)</u>
Net Investment Income	<u>10,776,051</u>
Total Additions	<u>14,935,331</u>
Deductions	
Administration	81,196
Benefits and Refunds	<u>4,649,607</u>
Total Deductions	<u>4,730,803</u>
Change in Fiduciary Net Position	10,204,528
Net Position Restricted for Pensions	
Beginning	<u>64,003,327</u>
Ending	<u><u>74,207,855</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, 2020

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
---------------------	---------------------

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, 2020

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, 2020

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, 2020

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.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020

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, 2020

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, 2020

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
Foreign Fire Tax	\$ 43,149
Information Technology	6,123
Liability Insurance	319,281

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020

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 \$27,881,126 and the bank balances totaled \$28,607,507.

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	\$ 22,936,115	10,177,760	12,758,355	—	—
U.S. Agency Obligations	14,101,027	1,210,366	11,505,139	277,670	1,107,852
Totals	37,037,142	11,388,126	24,263,494	277,670	1,107,852

The Village has the following recurring fair value measurements as of December 31, 2020:

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	\$ 22,936,115	22,936,115	—	—
U.S. Agency Obligations	14,101,027	—	14,101,027	—
Total Investments by Fair Value Level	37,037,142	22,936,115	14,101,027	—

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, 2020

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, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

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

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$1,759,728 and the bank balances totaled \$1,759,728. 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, 2020, 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	\$ 3,700,632	552,593	605,588	2,542,451	—
U.S. Agency Obligations	4,524,061	1,483,609	911,992	231,618	1,896,842
Corporate Bonds	4,063,204	—	2,124,547	1,803,444	135,213
Totals	12,287,897	2,036,202	3,642,127	4,577,513	2,032,055

The Fund has the following recurring fair value measurements as of December 31, 2020:

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	\$ 3,700,632	3,700,632	—	—
U.S. Agency Obligations	4,524,061	—	4,524,061	—
Corporate Bonds	4,063,204	—	4,063,204	—
	12,287,897	3,700,632	8,587,265	—
Equity Securities				
Common Stock	5,559,978	5,559,978	—	—
Mutual Funds	16,280,203	16,280,203	—	—
Insurance Contracts	2,207,757	2,207,757	—	—
	24,047,938	24,047,938	—	—
Total Investments by Fair Value Level	36,335,835	27,748,570	8,587,265	—

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 \$5,559,978 invested in common stock, \$16,280,203 invested in mutual funds and \$2,207,757 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 \$2,207,757.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 2021 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.44%. 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, 2020

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 \$1,191,339 and the bank balances totaled \$1,191,339. 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, 2020, 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	\$ 2,774,879	214,368	858,502	1,702,009	—
U.S. Agency Obligations	5,176,515	2,208,317	770,270	219,627	1,978,301
Corporate Bonds	3,651,553	—	2,122,195	1,254,301	275,057
Totals	11,602,947	2,422,685	3,750,967	3,175,937	2,253,358

The Fund has the following recurring fair value measurements as of December 31, 2020:

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	\$ 2,774,879	2,774,879	—	—
U.S. Agency Obligations	5,176,515	—	5,176,515	—
Corporate Bonds	3,651,553	—	3,651,553	—
	11,602,947	2,774,879	8,828,068	—
Equity Securities				
Common Stock	5,556,210	5,556,210	—	—
Mutual Funds	16,127,810	16,127,810	—	—
Insurance Contracts	1,538,785	1,538,785	—	—
	23,222,805	23,222,805	—	—
Total Investments by Fair Value Level	34,825,752	25,997,684	8,828,068	—

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 \$5,556,210 invested in common stock, \$16,127,810 invested in mutual funds and \$1,538,785 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, 2020

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 2021 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, 2020 are listed in the table above.

Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.90%. 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, 2020

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	\$ 13,700,000	—	20,000	13,680,000
Depreciable Capital Assets				
Buildings and Improvements	16,526,133	45,794	—	16,571,927
Machinery and Equipment	11,974,194	228,013	—	12,202,207
Furniture and Fixtures	965,632	—	—	965,632
Infrastructure	38,634,587	2,344,974	—	40,979,561
	<u>68,100,546</u>	<u>2,618,781</u>	<u>—</u>	<u>70,719,327</u>
Less Accumulated Depreciation				
Buildings and Improvements	4,987,930	292,644	—	5,280,574
Machinery and Equipment	11,040,343	981,789	—	12,022,132
Furniture and Fixtures	965,632	—	—	965,632
Infrastructure	15,291,613	1,688,851	—	16,980,464
	<u>32,285,518</u>	<u>2,963,284</u>	<u>—</u>	<u>35,248,802</u>
Total Net Depreciable Capital Assets	<u>35,815,028</u>	<u>(344,503)</u>	<u>—</u>	<u>35,470,525</u>
Total Net Capital Assets	<u>49,515,028</u>	<u>(344,503)</u>	<u>20,000</u>	<u>49,150,525</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 198,496
Public Safety	438,855
Community Development	17,723
Public Works	<u>2,308,210</u>
	<u>2,963,284</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	\$ 164,008	—	—	164,008
Depreciable Capital Assets				
Buildings	13,427,048	—	—	13,427,048
Plants and Equipment	15,531,298	—	—	15,531,298
Distribution System	50,844,316	1,299,315	—	52,143,631
Sewer System	18,406,639	957,411	—	19,364,050
Other Equipment	12,240,005	—	—	12,240,005
	<u>110,449,306</u>	<u>2,256,726</u>	<u>—</u>	<u>112,706,032</u>
Less Accumulated Depreciation				
Buildings	5,489,598	220,763	—	5,710,361
Plants and Equipment	11,999,990	297,501	—	12,297,491
Distribution System	30,965,303	1,539,406	—	32,504,709
Sewer System	5,245,711	331,195	—	5,576,906
Other Equipment	10,020,968	267,554	—	10,288,522
	<u>63,721,570</u>	<u>2,656,419</u>	<u>—</u>	<u>66,377,989</u>
Total Other Capital Assets	<u>46,727,736</u>	<u>(399,693)</u>	<u>—</u>	<u>46,328,043</u>
Total Capital Assets	<u>46,891,744</u>	<u>(399,693)</u>	<u>—</u>	<u>46,492,051</u>

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

Electric	\$ 1,665,385
Water	467,935
Refuse	131,163
Storm Sewer	263,358
Sanitary Sewer	128,578
	<u>2,656,419</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

INTERFUND RECEIVABLES AND PAYABLES

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

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	<u>\$ 31,801</u>

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

INTERFUND ADVANCES

Interfund advances as of the date of this report are as follows:

Receivable Fund	Payable Fund	Amount
General	Water	<u>\$ 750,000</u>

Interfund advances represent payments of expenses on behalf of these funds. These amounts will be paid over several years.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Electric	\$ 1,059,059 (1)
General	Water	526,560 (1)
General	Refuse	195,900 (1)
General	Nonmajor Business-Type	113,368 (1)
Downtown Redevelopment	General	<u>1,500,000 (2)</u>
		<u>3,394,887</u>

Transfers are used to (1) move funds into the General Fund for administrative services (i.e. legal and human resources) expenditures paid out of the General Fund on behalf of the Enterprise Funds, and (2) move funds from the General Fund to the Downtown Redevelopment Fund to fund future capital.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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
\$9,000,000 General Obligation Bonds of 2013, due in annual installments of \$675,000 to \$5,560,000 through December 15, 2046 plus interest at 2.00% to 4.375%.	Storm Sewer	\$ 5,560,000	—	5,560,000 *	—
\$7,500,000 General Obligation Bonds of 2014, due in annual installments of \$720,000 to \$4,510,000 through December 15, 2043 plus interest at 2.10% to 4.75%.	Storm Sewer	7,500,000	—	720,000	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	—	12,035,000
		<u>13,060,000</u>	<u>12,035,000</u>	<u>12,325,000</u>	<u>12,770,000</u>

* Refunded

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

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.

Defeased Debt

On November 12, 2020, the Village issued \$3,790,000 par value Taxable General Obligation Refunding Bonds of 2020 to refund \$5,560,000 of the General Obligation Refunding Bonds of 2013 and \$6,045,000 of the General Obligation Bonds of 2014. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village reduced its total debt service by \$7,126,852 and obtained an economic gain of \$3,526,918.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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	\$ 1,386,068	72,886	36,443	1,422,511	142,251
Net Pension Liability - IMRF	3,075,324	—	2,990,306	85,018	—
Net Pension Liability - Police	15,073,845	—	3,528,695	11,545,150	—
Net Pension Liability - Fire	15,771,919	—	3,310,354	12,461,565	—
Total OPEB Liability - RBP	2,900,660	248,782	—	3,149,442	—
	<u>38,207,816</u>	<u>321,668</u>	<u>9,865,798</u>	<u>28,663,686</u>	<u>142,251</u>
Business-Type Activities					
Compensated Absences	476,803	97,698	48,849	525,652	52,565
Net Pension Liability - IMRF	3,064,274	—	2,988,697	75,577	—
Total OPEB Liability - RBP	1,413,572	163,998	—	1,577,570	—
General Obligation Bonds	13,060,000	12,035,000	12,325,000	12,770,000	925,000
Plus: Unamortized Bond Premium	—	273,694	—	273,694	—
Landfill Post-Closure Costs	938,259	—	—	938,259	—
	<u>18,952,908</u>	<u>12,570,390</u>	<u>15,362,546</u>	<u>16,160,752</u>	<u>977,565</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, 2020

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	\$ 925,000	367,522
2022	495,000	304,980
2023	505,000	292,605
2024	515,000	279,980
2025	535,000	267,105
2026	545,000	253,730
2027	560,000	240,105
2028	575,000	226,105
2029	585,000	211,730
2030	600,000	197,105
2031	615,000	182,105
2032	630,000	166,730
2033	650,000	150,980
2034	665,000	134,730
2035	680,000	118,105
2036	700,000	100,425
2037	720,000	82,225
2038	740,000	62,425
2039	755,000	42,075
2040	775,000	21,312
Totals	<u>12,770,000</u>	<u>3,702,079</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	<u>49,150,525</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation	\$	46,492,051
Plus: Unspent Bond Proceeds		4,456,177
Unamortized Loss on Refunding		780,830
Less Capital Related Debt:		
General Obligation Bonds of 2014		(735,000)
Taxable General Obligation Refunding Bonds of 2020		(12,035,000)
Unamortized Premium		<u>(273,694)</u>
Net Investment in Capital Assets		<u>38,685,364</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, 2020

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
Fund Balances				
Nonspendable				
Advances from Other Funds	\$ 750,000	—	—	750,000
Restricted				
Highways and Streets	—	—	3,246,307	3,246,307
Foreign Fire Tax	—	—	126,267	126,267
	—	—	3,372,574	3,372,574
Assigned				
Infrastructure Improvement Projects	—	187,280	—	187,280
Downtown Redevelopment	—	—	1,026,432	1,026,432
Special Service Areas	—	—	72,284	72,284
	—	187,280	1,098,716	1,285,996
Unassigned	25,846,414	—	—	25,846,414
Total Fund Balances	26,596,414	187,280	4,471,290	31,254,984

PROPERTY TAXES

Property taxes for 2020 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 2020 tax levy is intended to fund expenditures for the 2020 fiscal year, these taxes are deferred as of December 31, 2020.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 2020 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.

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 2020 and 2019.

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

	Workers'		
	Compensation	Liability	Totals
Claims Payable - December 31, 2018	\$ 1,449,102	136,955	1,586,057
Incurred Claims	559,930	114,808	674,738
Claims Paid	(797,654)	(136,763)	(934,417)
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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020

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 \$878 million of long-term debt outstanding and \$43 million due in the current fiscal year ending April 30, 2020. 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 \$47 million for debt principal outstanding through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2020.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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>	Under Construction
Total		<u><u>393</u></u>	

* Per April 30, 2020 financial statements.

Summary of Operating Revenues, Operating Expenses and Changes in Net Position for the year ended April 30, 2020, in millions of dollars:

Operating Revenues	\$ 313.0
Operating Expenses	<u>244.8</u>
Net Operating Income	68.2
Other Nonoperating Expenses (Net)	<u>(37.6)</u>
Change in Net Position	<u><u>30.6</u></u>

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

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, 2020

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 Expense/ (Revenue)	Net Pension Liability	Deferred Outflows	Deferred Inflows
IMRF	\$ (1,225,800)	160,595	1,922,519	(7,921,522)
Police Pension	581,077	11,545,150	1,354,818	(3,561,015)
Firefighters' Pension	1,042,954	12,461,565	1,471,420	(3,875,894)
	<u>398,231</u>	<u>24,167,310</u>	<u>4,748,757</u>	<u>(15,358,431)</u>

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, 2020

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, 2020, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	164
Inactive Plan Members Entitled to but not yet Receiving Benefits	42
Active Plan Members	<u>97</u>
Total	<u><u>303</u></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, 2020, the Village's contribution was 14.95% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, 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, 2020

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	28.00%	3.25%
Domestic Equities	37.00%	5.75%
International Equities	18.00%	6.50%
Real Estate	9.00%	5.20%
Blended	7.00%	3.60% - 7.60%
Cash and Cash Equivalents	1.00%	1.85%

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 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	160,595	(7,540,495)

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 85,958,056	79,818,458	6,139,598
Changes for the Year:			
Service Cost	921,534	—	921,534
Interest on the Total Pension Liability	6,054,543	—	6,054,543
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	1,850,991	—	1,850,991
Changes of Assumptions	(483,869)	—	(483,869)
Contributions - Employer	—	1,508,402	(1,508,402)
Contributions - Employees	—	454,131	(454,131)
Net Investment Income	—	11,732,110	(11,732,110)
Benefit Payments, including Refunds of Employee Contributions	(5,815,773)	(5,815,773)	—
Other (Net Transfer)	—	627,559	(627,559)
Net Changes	2,527,426	8,506,429	(5,979,003)
Balances at December 31, 2020	88,485,482	88,324,887	160,595

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the Village recognized pension revenue of \$1,225,800. At December 31, 2020, 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	\$ 1,457,250	(152,359)	1,304,891
Change in Assumptions	465,269	(363,718)	101,551
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(7,405,445)	(7,405,445)
Total Deferred Amounts Related to IMRF	<u>1,922,519</u>	<u>(7,921,522)</u>	<u>(5,999,003)</u>

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
2021	\$ (1,504,529)
2022	(574,183)
2023	(2,707,852)
2024	(1,212,439)
2025	—
Thereafter	—
Totals	<u>(5,999,003)</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, 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	8
Active Plan Members	<u>25</u>
Total	<u><u>65</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, 2020

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 ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2020, the Village's contribution was 62.92% 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 \$2,207,757.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.25%
Salary Increases	Service Based
Cost of Living Adjustments	2.50%
Inflation	2.50%

PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018.

Discount Rate

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability \$	18,424,715	11,545,150	5,909,827

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 47,625,824	32,551,979	15,073,845
Changes for the Year:			
Service Cost	769,301	—	769,301
Interest on the Total Pension Liability	2,950,995	—	2,950,995
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	704,611	—	704,611
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,681,054	(1,681,054)
Contributions - Employees	—	291,770	(291,770)
Net Investment Income	—	6,019,470	(6,019,470)
Benefit Payments, Including Refunds of Employee Contributions	(2,358,425)	(2,358,425)	—
Other (Net Transfer)	—	(38,692)	38,692
Net Changes	2,066,482	5,595,177	(3,528,695)
Balances at December 31, 2020	49,692,306	38,147,156	11,545,150

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the Village recognized pension expense of \$581,077. At December 31, 2020, 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	\$ 890,720	(35,073)	855,647
Change in Assumptions	464,098	(12,321)	451,777
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(3,513,621)	(3,513,621)
Total Deferred Amounts Related to Police Pension	<u>1,354,818</u>	<u>(3,561,015)</u>	<u>(2,206,197)</u>

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
2021	\$ (416,155)
2022	(209,025)
2023	(922,293)
2024	(658,724)
2025	—
Thereafter	—
Total	<u>(2,206,197)</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	33
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	<u>24</u>
Total	<u><u>59</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 ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a 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 3percent compounded annually thereafter.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 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 ½ of the change in the Consumer Price Index for the preceding 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, 2020, the Village's contribution was 72.12% 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, 2020

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, 2020, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	6.25%
Salary Increases	Service Based
Cost of Living Adjustments	2.50%
Inflation	2.50%

Mortality rates are based on the PubS-2010 Employee mortality, projected 5 years past the valuation date with Scale MP-2018.

Discount Rate

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net Pension Liability	\$ 19,081,786	12,461,565	7,021,561

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2019	\$ 47,223,267	31,451,348	15,771,919
Changes for the Year:			
Service Cost	804,634	—	804,634
Interest on the Total Pension Liability	2,930,142	—	2,930,142
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(144,597)	—	(144,597)
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,929,099	(1,929,099)
Contributions - Employees	—	257,357	(257,357)
Net Investment Income	—	4,756,581	(4,756,581)
Benefit Payments, Including Refunds of Employee Contributions	(2,291,182)	(2,291,182)	—
Other (Net Transfer)	—	(42,504)	42,504
Net Changes	1,298,997	4,609,351	(3,310,354)
Balances at December 31, 2020	48,522,264	36,060,699	12,461,565

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the Village recognized pension expense of \$1,042,954. At December 31, 2020, 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	\$ 473,424	(1,129,805)	(656,381)
Change in Assumptions	997,996	(124,740)	873,256
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(2,621,349)	(2,621,349)
Total Deferred Amounts Related to Firefighters' Pension	<u>1,471,420</u>	<u>(3,875,894)</u>	<u>(2,404,474)</u>

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
2021	\$ (846,447)
2022	(395,903)
2023	(574,110)
2024	(588,014)
2025	—
Thereafter	—
Total	<u>(2,404,474)</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, 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, 2020, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2020 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, 2020

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	1.93%
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 General Obligation Municipal Bond Rate as of December 31, 2020.

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, 2019	<u>\$ 4,314,232</u>
Changes for the Year:	
Service Cost	193,159
Interest on the Total OPEB Liability	135,641
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	15,018
Changes of Assumptions or Other Inputs	375,948
Benefit Payments	(306,986)
Other Changes	—
Net Changes	<u>412,780</u>
Balance at December 31, 2020	<u><u>4,727,012</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 1.93%, while the prior valuation used 3.26%. 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 (0.93%)	Current Discount Rate (1.93%)	1% Increase (2.93%)
Total OPEB Liability	\$	5,058,421	4,727,012	4,422,572

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	\$	4,326,550	4,727,012	5,195,412

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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, 2020, the Village recognized OPEB expense of \$424,056. At December 31, 2020, 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	\$ 12,976	(12,747)	229
Change in Assumptions	631,906	(100,748)	531,158
Net Difference Between Projected and Actual Earnings	—	—	—
Total Deferred Amounts Related to OPEB	<u>644,882</u>	<u>(113,495)</u>	<u>531,387</u>

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 of Resources
2021	\$ 95,255
2022	95,255
2023	95,255
2024	95,255
2025	74,747
Thereafter	<u>75,620</u>
Totals	<u>531,387</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2020

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 \$1.52 million to be received in two installments. As of the date of this report, the Village has not received any installments.

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
 - 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, 2020**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	23 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, 2020**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	14 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-2018.

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 Employer Contributions
December 31, 2020**

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%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	14 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-2018.

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

**Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020**

	<u>2015</u>
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	<u>(3,997,516)</u>
Net Change in Total Pension Liability	3,207,659
Total Pension Liability - Beginning	<u>74,308,286</u>
 Total Pension Liability - Ending	 <u><u>77,515,945</u></u>
 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	<u>(3,997,516)</u>
Other (Net Transfer)	<u>1,461,440</u>
Net Change in Plan Fiduciary Net Position	(330,295)
Plan Net Position - Beginning	<u>66,747,256</u>
 Plan Net Position - Ending	 <u><u>66,416,961</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 11,098,984</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 85.68%
 Covered Payroll	 \$ 9,317,696
 Employer's Net Pension Liability 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
963,903	942,741	885,530	954,153	921,534
5,657,743	5,819,726	5,895,632	5,987,185	6,054,543
—	—	—	—	—
261,926	2,116,018	439,147	(316,723)	1,850,991
(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)
2,106,348	1,188,506	4,065,322	1,081,935	2,527,426
77,515,945	79,622,293	80,810,799	84,876,121	85,958,056
79,622,293	80,810,799	84,876,121	85,958,056	88,485,482
1,376,867	1,507,708	1,319,781	1,215,748	1,508,402
453,957	427,932	431,783	439,043	454,131
4,475,261	12,392,876	(4,799,193)	13,756,052	11,732,110
(4,516,723)	(4,994,628)	(5,290,275)	(5,542,680)	(5,815,773)
691,482	(1,218,760)	1,839,918	(564,652)	627,559
2,480,844	8,115,128	-6,497,986	9,303,511	8,506,429
66,416,961	68,897,805	77,012,933	70,514,947	79,818,458
68,897,805	77,012,933	70,514,947	79,818,458	88,324,887
10,724,488	3,797,866	14,361,174	6,139,598	160,595
86.53%	95.30%	83.08%	92.86%	99.82%
9,393,842	9,464,493	9,595,185	9,756,517	10,091,807
114.17%	40.13%	149.67%	62.93%	1.59%

VILLAGE OF WINNETKA, ILLINOIS

**Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020**

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 692,981
Interest	2,092,535
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(42,166)
Change of Assumptions	2,499,986
Benefit Payments, Including Refunds of Member Contributions	<u>(1,809,323)</u>
Net Change in Total Pension Liability	3,434,013
Total Pension Liability - Beginning	<u>34,385,224</u>
 Total Pension Liability - Ending	 <u><u>37,819,237</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,095,000
Contributions - Members	249,185
Net Investment Income	1,552,792
Benefit Payments, Including Refunds of Member Contributions	<u>(1,809,324)</u>
Administrative Expenses	<u>(21,144)</u>
Net Change in Plan Fiduciary Net Position	1,066,509
Plan Net Position - Beginning	<u>24,445,682</u>
 Plan Net Position - Ending	 <u><u>25,512,191</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 12,307,046</u></u>
 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
605,710	646,828	694,278	650,562	695,274	769,301
2,308,101	2,577,750	2,559,175	2,675,377	2,854,673	2,950,995
—	—	—	—	229,968	—
1,146,129	(3,226,369)	742,631	446,263	(58,455)	704,611
1,429,187	1,572,183	(61,605)	1,160,243	—	—
(1,779,229)	(1,863,860)	(1,966,302)	(2,081,639)	(2,150,286)	(2,358,425)
3,709,898	(293,468)	1,968,177	2,850,806	1,571,174	2,066,482
37,819,237	41,529,135	41,235,667	43,203,844	46,054,650	47,625,824
41,529,135	41,235,667	43,203,844	46,054,650	47,625,824	49,692,306
1,154,177	1,307,493	1,423,835	1,467,306	1,496,469	1,681,054
252,560	288,079	268,576	267,464	280,725	291,770
159,423	2,178,422	3,373,306	31,794	3,112,125	6,019,470
(1,779,229)	(1,863,860)	(1,966,302)	(2,081,639)	(2,150,286)	(2,358,425)
(41,620)	(49,278)	(18,538)	(37,370)	(33,844)	(38,692)
(254,689)	1,860,856	3,080,877	(352,445)	2,705,189	5,595,177
25,512,191	25,257,502	27,118,358	30,199,235	29,846,790	32,551,979
25,257,502	27,118,358	30,199,235	29,846,790	32,551,979	38,147,156
16,271,633	14,117,309	13,004,609	16,207,860	15,073,845	11,545,150
60.82%	65.76%	69.90%	64.81%	68.35%	76.77%
2,546,092	2,607,617	2,568,172	2,691,970	2,857,689	2,671,838
639.08%	541.39%	506.38%	602.08%	527.48%	432.11%

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund
Schedule of Changes in the Employer's Net Pension Liability
December 31, 2020

	<u>2014</u>
Total Pension Liability	
Service Cost	\$ 769,947
Interest	2,095,789
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(99,297)
Change of Assumptions	1,815,395
Benefit Payments, Including Refunds of Member Contributions	<u>(1,810,863)</u>
Net Change in Total Pension Liability	2,770,971
Total Pension Liability - Beginning	<u>34,438,062</u>
 Total Pension Liability - Ending	 <u><u>37,209,033</u></u>
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,321,000
Contributions - Members	225,546
Net Investment Income	1,494,221
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)
Administrative Expenses	<u>(13,037)</u>
Net Change in Plan Fiduciary Net Position	1,216,867
Plan Net Position - Beginning	<u>22,656,625</u>
 Plan Net Position - Ending	 <u><u>23,873,492</u></u>
 Employer's Net Pension Liability	 <u><u>\$ 13,335,541</u></u>
 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
689,460	709,007	805,556	794,903	717,160	804,634
2,267,675	2,633,017	2,610,776	2,689,044	2,885,682	2,930,142
—	—	—	—	156,709	—
593,014	(2,992,031)	332,317	663,472	(859,094)	(144,597)
3,413,519	1,111,971	(374,219)	1,269,421	—	—
(1,852,469)	(1,801,967)	(2,026,733)	(2,160,039)	(2,261,917)	(2,291,182)
5,111,199	(340,003)	1,347,697	3,256,801	638,540	1,298,997
37,209,033	42,320,232	41,980,229	43,327,926	46,584,727	47,223,267
42,320,232	41,980,229	43,327,926	46,584,727	47,223,267	48,522,264
1,391,267	1,439,948	1,708,105	1,743,268	1,792,372	1,929,099
232,443	251,855	237,416	229,800	246,106	257,357
(15,892)	1,957,213	3,286,168	866,522	2,499,794	4,756,581
(1,852,469)	(1,801,967)	(2,026,733)	(2,160,039)	(2,261,917)	(2,291,182)
(31,244)	(38,920)	(16,726)	(62,022)	(36,492)	(42,504)
(275,895)	1,808,129	3,188,230	617,529	2,239,863	4,609,351
23,873,492	23,597,597	25,405,726	28,593,956	29,211,485	31,451,348
23,597,597	25,405,726	28,593,956	29,211,485	31,451,348	36,060,699
18,722,635	16,574,503	14,733,970	17,373,242	15,771,919	12,461,565
55.76%	60.52%	65.99%	62.71%	66.60%	74.32%
2,440,604	2,421,648	2,560,651	2,428,840	2,571,425	2,674,991
767.13%	684.43%	575.40%	715.29%	613.35%	465.85%

VILLAGE OF WINNETKA, ILLINOIS

**Police Pension Fund
Schedule of Investment Returns
December 31, 2020**

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%

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, 2020**

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%

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, 2020

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

Notes:

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

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2018 through 2020.

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, 2020

	2020		For the Fiscal
	Original and Final Budget	Actual	Year Ended December 31, 2019 Actual
Revenues			
Taxes	\$ 15,837,473	15,269,663	15,320,553
Licenses and Permits	1,921,500	1,998,247	1,948,625
Intergovernmental	3,160,000	3,495,653	3,399,771
Charges for Services	4,162,719	3,997,440	4,143,423
Fines and Forfeits	217,500	110,091	193,748
Investment Income	298,356	457,260	706,911
Miscellaneous	36,000	63,311	124,195
Total Revenues	<u>25,633,548</u>	<u>25,391,665</u>	<u>25,837,226</u>
Expenditures			
General Government	3,434,545	3,458,822	2,994,684
Public Safety	14,401,312	13,725,727	13,550,984
Community Development	1,738,381	1,572,154	1,438,439
Public Works	6,690,292	5,079,201	5,318,492
Total Expenditures	<u>26,264,530</u>	<u>23,835,904</u>	<u>23,302,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(630,982)</u>	<u>1,555,761</u>	<u>2,534,627</u>
Other Financing Sources (Uses)			
Transfers In	1,894,847	1,894,887	1,461,896
Transfers Out	(1,650,000)	(1,500,000)	(1,633,910)
Disposal of Capital Assets	—	—	2,351
	<u>244,847</u>	<u>394,887</u>	<u>(169,663)</u>
Net Change in Fund Balance	<u>(386,135)</u>	1,950,648	2,364,964
Fund Balance - Beginning		<u>24,645,766</u>	<u>22,280,802</u>
Fund Balance - Ending		<u>26,596,414</u>	<u>24,645,766</u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

- Budgetary Comparison Schedules - Major Governmental Funds
 - General Fund
 - Village Facilities - Capital Projects Fund
- Nonmajor Governmental Funds
 - Combining Balance 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, 2020

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 15,047,473	14,670,613
Natural Gas	415,000	319,213
Telecommunications Tax	375,000	279,837
	<u>15,837,473</u>	<u>15,269,663</u>
Licenses and Permits		
Licenses		
Vehicle	300,000	275,913
Dog	10,000	12,903
Liquor	12,500	19,271
Other	4,000	3,924
Permits		
Building	1,450,000	1,549,071
Sewer, Sidewalks, and Miscellaneous	100,000	67,365
Compliance Fees	45,000	69,800
	<u>1,921,500</u>	<u>1,998,247</u>
Intergovernmental		
General Sales Tax	1,685,000	1,760,984
Illinois State Income Tax	1,225,000	1,324,348
Corporate Property Replacement Tax	150,000	141,245
Grants	100,000	269,076
	<u>3,160,000</u>	<u>3,495,653</u>
Charges for Services		
Administrative Charges	1,790,336	1,790,336
Franchise Fees	310,000	298,800
Public Safety Services	1,194,617	1,110,286
Ambulance Fees	140,000	176,861
False Alarm Charges	8,500	9,700
Parking	189,500	76,010
Property Rental	444,766	438,896
State Route Maintenance	85,000	64,751
Tree Planting	—	31,800
	<u>4,162,719</u>	<u>3,997,440</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Fines and Forfeitures		
Justice Fines and Costs	\$ 217,500	110,091
Investment Income	298,356	457,260
Miscellaneous		
Proceeds from Sale of Personal Property	—	20,295
Miscellaneous	36,000	43,016
	36,000	63,311
Total Revenues	25,633,548	25,391,665

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 138,612	88,396
General Administration	3,295,933	3,370,426
Total General Government	<u>3,434,545</u>	<u>3,458,822</u>
Public Safety		
Police Department		
Administration	2,686,965	2,547,275
Public Service Officers	345,563	270,524
General and Criminal Records	244,780	216,051
Communication System	—	3,604
Investigation	631,423	617,923
Uniform Patrol	3,998,700	3,780,553
Total Police Department	<u>7,907,431</u>	<u>7,435,930</u>
Fire Department		
Administration	1,040,236	973,278
Training	70,714	27,976
Communications	205,927	194,850
Life Safety	134,897	78,166
Firefighting Force	4,303,472	4,305,145
Ambulance Service	738,635	710,382
Total Fire Department	<u>6,493,881</u>	<u>6,289,797</u>
Total Public Safety	<u>14,401,312</u>	<u>13,725,727</u>
Community Development		
Community Development Department	<u>1,738,381</u>	<u>1,572,154</u>
Public Works		
Public Works Department	<u>6,690,292</u>	<u>5,079,201</u>
Total Expenditures	<u>26,264,530</u>	<u>23,835,904</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
General Government		
Public Affairs		
Legal		
Contractual Services	\$ 57,320	35,389
Sundry		
Commodities	7,390	5,164
Contractual Services	73,902	47,843
	<u>81,292</u>	<u>53,007</u>
Total Public Affairs	<u>138,612</u>	<u>88,396</u>
General Administration		
Office of the Manager and Clerk		
Salaries	889,096	813,917
Personnel Costs	277,388	252,771
Contractual Services	276,428	214,163
Commodities	94,940	67,122
	<u>1,537,852</u>	<u>1,347,973</u>
Legal Expense		
Contractual Services	<u>20,000</u>	<u>20,788</u>
Financial Administration		
Salaries	898,811	1,016,093
Personnel Costs	380,868	388,902
Contractual Services	168,896	147,161
Commodities	76,400	44,476
Vehicle Expense	7,356	3,751
Training	5,750	1,282
Contingency	200,000	400,000
	<u>1,738,081</u>	<u>2,001,665</u>
Total General Administration	<u>3,295,933</u>	<u>3,370,426</u>
Total General Government	<u>3,434,545</u>	<u>3,458,822</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Public Safety		
Police Department		
Administration		
Salaries	\$ 782,205	787,431
Personnel Costs	507,074	515,709
Contractual Services	938,038	905,906
Supplies	190,396	171,979
Vehicle Expense	154,752	78,921
Training	54,500	37,794
Building and Structures	60,000	49,535
	<u>2,686,965</u>	<u>2,547,275</u>
Public Service Officers		
Salaries	269,025	201,990
Personnel Costs	76,538	68,534
	<u>345,563</u>	<u>270,524</u>
General and Criminal Records		
Salaries	179,401	149,494
Personnel Costs	65,379	66,557
	<u>244,780</u>	<u>216,051</u>
Communication System		
Salaries	—	2,966
Personnel Costs	—	638
	<u>—</u>	<u>3,604</u>
Investigation		
Salaries	363,779	360,792
Personnel Costs	267,644	257,131
	<u>631,423</u>	<u>617,923</u>
Uniform Patrol		
Salaries	2,381,378	2,273,209
Personnel Costs	1,617,322	1,507,344
	<u>3,998,700</u>	<u>3,780,553</u>
Total Police Department	<u>7,907,431</u>	<u>7,435,930</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department		
Administration		
Salaries	\$ 421,696	428,516
Personnel Costs	291,982	293,735
Contractual Services	142,592	135,652
Supplies	10,150	6,737
Vehicle Expense	63,816	32,545
Equipment	—	225
Building and Structures	110,000	75,868
	<u>1,040,236</u>	<u>973,278</u>
Training		
Salaries	40,000	13,068
Personnel Costs	580	184
Training	30,134	14,724
	<u>70,714</u>	<u>27,976</u>
Communications		
Contractual Services	205,927	194,850
Life Safety		
Salaries	117,062	70,111
Personnel Costs	8,335	5,345
Supplies	9,500	2,710
	<u>134,897</u>	<u>78,166</u>
Firefighting Force		
Salaries	2,265,791	2,310,711
Personnel Costs	1,936,981	1,923,450
Contractual Services	10,000	8,499
Supplies	90,700	62,485
	<u>4,303,472</u>	<u>4,305,145</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Ambulance Service		
Salaries	\$ 371,588	365,199
Personnel Costs	318,332	307,204
Contractual Services	1,500	101
Supplies	39,250	33,913
Training	7,965	3,965
	<u>738,635</u>	<u>710,382</u>
Total Fire Department	<u>6,493,881</u>	<u>6,289,797</u>
Total Public Safety	<u>14,401,312</u>	<u>13,725,727</u>
Community Development		
Community Development Department		
Salaries	696,871	715,097
Personnel Costs	257,379	278,407
Contractual Services	747,275	566,025
Supplies	24,700	10,510
Training	10,500	1,270
Vehicle Expense	1,656	845
Total Community Development	<u>1,738,381</u>	<u>1,572,154</u>
Public Works		
Public Works Department		
Administration		
Salaries	554,040	539,601
Personnel Costs	330,723	283,424
Contractual Services	318,783	362,287
Supplies	464,000	319,376

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Administration - Continued		
Training	\$ 25,200	3,705
Vehicle Expense	231,588	118,106
Equipment	360,000	178,120
	<u>2,284,334</u>	<u>1,804,619</u>
Engineering		
Salaries	238,510	182,996
Personnel Costs	138,114	80,578
Contractual Services	45,000	16,380
Supplies	3,000	—
	<u>424,624</u>	<u>279,954</u>
Street Maintenance		
Salaries	761,998	734,237
Personnel Costs	314,200	307,758
Contractual Services	199,000	141,718
	<u>1,275,198</u>	<u>1,183,713</u>
Pavement Reconstruction		
Equipment/Reconstruction	1,930,000	1,067,562
Drainage		
Salaries	—	383
Personnel Costs	—	82
Contractual Services	—	269
	<u>—</u>	<u>734</u>
Snow Removal and Ice Control		
Salaries	82,000	62,422
Personnel Costs	14,276	13,413
Supplies	162,000	107,078
	<u>258,276</u>	<u>182,913</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Forestry		
Salaries	\$ 121,801	227,639
Personnel Costs	55,759	64,584
Supplies	340,300	267,483
	<u>517,860</u>	<u>559,706</u>
Total Public Works	<u>6,690,292</u>	<u>5,079,201</u>
Total Expenditures	<u>26,264,530</u>	<u>23,835,904</u>

VILLAGE OF WINNETKA, ILLINOIS

Village Facilities - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 2,448	1,042
Expenditures		
Capital Outlay	115,000	7,531
Net Change in Fund Balance	<u>(112,552)</u>	(6,489)
Fund Balance - Beginning		<u>193,769</u>
Fund Balance - Ending		<u>187,280</u>

VILLAGE OF WINNETKA, ILLINOIS

**Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020**

	Special Revenue		Capital Projects		Totals
	Motor	Foreign	Downtown	Special	
	Fuel Tax	Fire Tax	Redevelopment	Service Areas	
ASSETS					
Cash and Investments	\$ 3,232,950	126,267	1,027,302	104,085	4,490,604
Due from Other Governments	40,456	—	—	—	40,456
Total Assets	<u>3,273,406</u>	<u>126,267</u>	<u>1,027,302</u>	<u>104,085</u>	<u>4,531,060</u>
LIABILITIES					
Accounts Payable	27,099	—	870	—	27,969
Due to Other Funds	—	—	—	31,801	31,801
Total Liabilities	<u>27,099</u>	<u>—</u>	<u>870</u>	<u>31,801</u>	<u>59,770</u>
FUND BALANCES					
Restricted	3,246,307	126,267	—	—	3,372,574
Assigned	—	—	1,026,432	72,284	1,098,716
Total Fund Balances	<u>3,246,307</u>	<u>126,267</u>	<u>1,026,432</u>	<u>72,284</u>	<u>4,471,290</u>
Total Liabilities and Fund Balances	<u>3,273,406</u>	<u>126,267</u>	<u>1,027,302</u>	<u>104,085</u>	<u>4,531,060</u>

VILLAGE OF WINNETKA, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended December 31, 2020

	Special Revenue		Capital Projects		Totals
	Motor Fuel Tax	Foreign Fire Tax	Downtown Redevelopment	Special Service Areas	
Revenues					
Taxes	\$ —	—	—	25,120	25,120
Intergovernmental	984,829	101,325	—	—	1,086,154
Investment Income	5,448	715	18,607	470	25,240
Total Revenues	990,277	102,040	18,607	25,590	1,136,514
Expenditures					
Public Safety	—	122,399	—	—	122,399
Capital Outlay	911,709	—	1,299,506	—	2,211,215
Total Expenditures	911,709	122,399	1,299,506	—	2,333,614
Excess (Deficiency) of Revenues Over (Under) Expenditures	78,568	(20,359)	(1,280,899)	25,590	(1,197,100)
Other Financing Sources					
Transfers In	—	—	1,500,000	—	1,500,000
Net Change in Fund Balances	78,568	(20,359)	219,101	25,590	302,900
Fund Balances - Beginning	3,167,739	146,626	807,331	46,694	4,168,390
Fund Balances - Ending	3,246,307	126,267	1,026,432	72,284	4,471,290

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, 2020

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 300,000	260,107
Grants	572,000	724,722
Investment Income	6,000	5,448
Total Revenues	878,000	990,277
Expenditures		
Capital Outlay	1,292,000	911,709
Net Change in Fund Balance	<u>(414,000)</u>	78,568
Fund Balance - Beginning		<u>3,167,739</u>
Fund Balance - Ending		<u>3,246,307</u>

VILLAGE OF WINNETKA, ILLINOIS

Foreign Fire Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Foreign Fire Insurance Tax	\$ 78,000	101,325
Investment Income	1,000	715
Total Revenues	<u>79,000</u>	<u>102,040</u>
Expenditures		
Public Safety		
Supplies	<u>79,250</u>	<u>122,399</u>
Net Change in Fund Balance	<u>(250)</u>	(20,359)
Fund Balance - Beginning		<u>146,626</u>
Fund Balance - Ending		<u>126,267</u>

VILLAGE OF WINNETKA, ILLINOIS

Downtown Redevelopment - Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Revenues		
Investment Income	\$ 11,751	18,607
Expenditures		
Capital Outlay	1,390,500	1,299,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,378,749)	(1,280,899)
Other Financing Sources		
Transfers In	1,650,000	1,500,000
Net Change in Fund Balance	<u>271,251</u>	219,101
Fund Balance - Beginning		<u>807,331</u>
Fund Balance - Ending		<u><u>1,026,432</u></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, 2020

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 27,540	25,120
Investment Income	—	470
Total Revenues	<u>27,540</u>	<u>25,590</u>
Expenditures		
Capital Outlay	<u>—</u>	<u>—</u>
Net Change in Fund Balance	<u><u>27,540</u></u>	25,590
Fund Balance - Beginning		<u>46,694</u>
Fund Balance - Ending		<u><u>72,284</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Electric - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 17,703,341	17,391,390
Miscellaneous	58,687	17,854
Total Operating Revenues	<u>17,762,028</u>	<u>17,409,244</u>
Operating Expenses		
Administration		
General and Administrative	1,947,566	1,730,375
IMRF Net Pension Liability Expense	—	(764,597)
OPEB Net Pension Liability Expense	—	74,450
Operations		
Generation	10,801,455	10,659,178
Distribution	5,077,934	2,826,156
Depreciation	1,600,000	1,665,385
Total Operating Expenses	<u>19,426,955</u>	<u>16,190,947</u>
Operating Income (Loss)	<u>(1,664,927)</u>	<u>1,218,297</u>
Nonoperating Revenues		
Investment Income	64,267	71,635
Rental Income	159,672	574,960
Other Income	10,000	49,970
	<u>233,939</u>	<u>696,565</u>
Income (Loss) before Transfers	(1,430,988)	1,914,862
Transfers Out	<u>(1,059,059)</u>	<u>(1,059,059)</u>
Change in Net Position	<u>(2,490,047)</u>	855,803
Net Position - Beginning		<u>23,919,572</u>
Net Position - Ending		<u>24,775,375</u>

VILLAGE OF WINNETKA, ILLINOIS

Water - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 5,106,424	5,425,295
Miscellaneous	17,225	35,919
Total Operating Revenues	<u>5,123,649</u>	<u>5,461,214</u>
Operating Expenses		
Administration		
General and Administrative	1,444,190	1,250,726
IMRF Net Pension Liability Expense	—	(382,129)
OPEB Net Pension Liability Expense	—	27,145
Operations		
Pumping	1,283,377	1,090,318
Distribution	2,599,611	600,731
Depreciation	450,000	467,935
Total Operating Expenses	<u>5,777,178</u>	<u>3,054,726</u>
Operating Income (Loss)	<u>(653,529)</u>	<u>2,406,488</u>
Nonoperating Revenues		
Investment Income	27,235	33,643
Other Income	—	1,452
Disposal of Capital Assets	—	128
	<u>27,235</u>	<u>35,223</u>
Income (Loss) before Transfers	(626,294)	2,441,711
Transfers Out	<u>(526,560)</u>	<u>(526,560)</u>
Change in Net Position	<u>(1,152,854)</u>	1,915,151
Net Position - Beginning		<u>13,953,659</u>
Net Position - Ending		<u><u>15,868,810</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Refuse - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 2,708,750	2,739,537
Operating Expenses		
Administration		
General and Administrative	127,080	127,080
IMRF Net Pension Liability Expense	—	(270,162)
OPEB Net Pension Liability Expense	—	(38,218)
Operations		
Collection	1,786,560	1,336,024
Disposal	308,500	291,720
Recycling	275,400	242,585
Landfill Monitoring	140,000	75,414
Depreciation	135,000	131,163
Total Operating Expenses	<u>2,772,540</u>	<u>1,895,606</u>
Operating Income (Loss)	(63,790)	843,931
Nonoperating Revenues		
Investment Income	<u>6,027</u>	<u>11,080</u>
Income (Loss) before Transfers	(57,763)	855,011
Transfers Out	<u>(195,900)</u>	<u>(195,900)</u>
Change in Net Position	<u>(253,663)</u>	659,111
Net Position - Beginning		<u>404,690</u>
Net Position - Ending		<u><u>1,063,801</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Storm Sewer - Enterprise Fund

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

For the Fiscal Year Ended December 31, 2020

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,944,040	1,973,535
Operating Expenses		
Administration		
IMRF Net Pension Liability Expense	—	(51,397)
OPEB Net Pension Liability Expense	—	(152)
Operations	8,832,513	733,245
Depreciation	250,000	263,358
Total Operating Expenses	9,082,513	945,054
Operating Income (Loss)	(7,138,473)	1,028,481
Nonoperating Revenues (Expenses)		
Investment Income	117,725	21,146
Other Income	500,000	—
Interest Expense	(593,350)	(526,267)
	24,375	(505,121)
Change in Net Position	(7,114,098)	523,360
Net Position - Beginning		13,755,392
Net Position - Ending		14,278,752

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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,417,101	1,514,300
Operating Expenses		
Administration		
General and Administrative	140,040	140,040
IMRF Net Pension Liability Expense	—	(71,904)
OPEB Net Pension Liability Expense	—	651
Operations	1,208,084	702,003
Depreciation	110,000	128,578
Total Operating Expenses	<u>1,458,124</u>	<u>899,368</u>
Operating Income (Loss)	<u>(41,023)</u>	614,932
Nonoperating Revenues		
Investment Income	7,690	14,590
Other Income	1,500	—
	<u>9,190</u>	<u>14,590</u>
Income (Loss) before Transfers	(31,833)	629,522
Transfers Out	<u>(113,368)</u>	<u>(113,368)</u>
Change in Net Position	<u>(145,201)</u>	516,154
Net Position - Beginning		<u>3,850,535</u>
Net Position - Ending		<u><u>4,366,689</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds
Combining Statement of Net Position
December 31, 2020

	<u>Information Technology</u>
ASSETS	
Current Assets	
Cash and Investments	\$ 206,702
Receivables - Net of Allowances	
Accounts	—
Inventories/Prepays	—
Total Current Assets	<u>206,702</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Capital Assets	<u>—</u>
Total Assets	<u>206,702</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	36,654
Accrued Payroll	—
Claims Payable	—
Total Current Liabilities	<u>36,654</u>
Noncurrent Liabilities	
Claims Payable	<u>—</u>
Total Liabilities	<u>36,654</u>
NET POSITION	
Unrestricted	<u><u>170,048</u></u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
1,855,646	1,037,291	1,247,782	781,063	5,128,484
—	349	4,998	5,372	10,719
—	218,940	—	31,499	250,439
1,855,646	1,256,580	1,252,780	817,934	5,389,642
—	—	—	—	299,598
—	—	—	—	(299,598)
—	—	—	—	—
1,855,646	1,256,580	1,252,780	817,934	5,389,642
—	327	14,559	33,520	85,060
—	—	—	8,950	8,950
601,338	—	—	—	601,338
601,338	327	14,559	42,470	695,348
601,338	—	115,000	—	716,338
1,202,676	327	129,559	42,470	1,411,686
652,970	1,256,253	1,123,221	775,464	3,977,956

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended December 31, 2020

	<u>Information Technology</u>
Operating Revenues	
Interfund Services	<u>\$ 374,917</u>
Operating Expenses	
Administration	60,816
Operations	<u>638,175</u>
Total Operating Expenses	<u>698,991</u>
Operating Income (Loss)	(324,074)
Nonoperating Revenues	
Investment Income	<u>92,584</u>
Change in Net Position	(231,490)
Net Position - Beginning	<u>401,538</u>
Net Position - Ending	<u><u>170,048</u></u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
547,956	3,748,275	25,176	643,020	5,339,344
145,758	—	412,378	44,000	662,952
378,566	3,669,901	324,103	730,662	5,741,407
524,324	3,669,901	736,481	774,662	6,404,359
23,632	78,374	(711,305)	(131,642)	(1,065,015)
34,286	25,377	195,773	9,664	357,684
57,918	103,751	(515,532)	(121,978)	(707,331)
595,052	1,152,502	1,638,753	897,442	4,685,287
652,970	1,256,253	1,123,221	775,464	3,977,956

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2020

	<u>Information Technology</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 374,917
Payments to Suppliers	(494,928)
Payments to Employees	(169,662)
	<u>(289,673)</u>
Cash Flows from Investing Activities	
Interest Received	<u>92,584</u>
Net Change in Cash and Cash Equivalents	(197,089)
Cash and Cash Equivalents - Beginning	<u>403,791</u>
Cash and Cash Equivalents - Ending	<u><u>206,702</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(324,074)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities	
(Increase) Decrease in Current Assets	—
Increase (Decrease) in Current Liabilities	<u>34,401</u>
Net Cash Provided by Operating Activities	<u><u>(289,673)</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
547,956	3,731,989	29,382	645,776	5,330,020
(533,026)	(3,669,913)	(738,481)	(566,431)	(6,002,779)
—	—	—	(224,836)	(394,498)
14,930	62,076	(709,099)	(145,491)	(1,067,257)
34,286	25,377	195,773	9,664	357,684
49,216	87,453	(513,326)	(135,827)	(709,573)
1,806,430	949,838	1,761,108	916,890	5,838,057
1,855,646	1,037,291	1,247,782	781,063	5,128,484
23,632	78,374	(711,305)	(131,642)	(1,065,015)
—	(16,286)	4,206	2,756	(9,324)
(8,702)	(12)	(2,000)	(16,605)	7,082
14,930	62,076	(709,099)	(145,491)	(1,067,257)

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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 371,117	374,917
Operating Expenses		
Administration	60,816	60,816
Operations	632,052	638,175
Total Operating Expenses	692,868	698,991
Operating (Loss)	(321,751)	(324,074)
Nonoperating Revenues		
Investment Income	7,334	92,584
Change in Net Position	<u>(314,417)</u>	(231,490)
Net Position - Beginning		<u>401,538</u>
Net Position - Ending		<u><u>170,048</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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 537,565	547,956
Operating Expenses		
Administration	150,800	145,758
Operations	600,000	378,566
Total Operating Expenses	750,800	524,324
Operating Income (Loss)	(213,235)	23,632
Nonoperating Revenues		
Investment Income	26,612	34,286
Change in Net Position	<u>(186,623)</u>	57,918
Net Position - Beginning		<u>595,052</u>
Net Position - Ending		<u><u>652,970</u></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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 3,773,163	3,748,275
Operating Expenses		
Administration	5,000	—
Operations	3,791,912	3,669,901
Total Operating Expenses	3,796,912	3,669,901
Operating Income (Loss)	(23,749)	78,374
Nonoperating Revenues		
Investment Income	10,000	25,377
Change in Net Position	<u>(13,749)</u>	103,751
Net Position - Beginning		<u>1,152,502</u>
Net Position - Ending		<u><u>1,256,253</u></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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 10,000	25,176
Operating Expenses		
Administration	217,200	412,378
Operations	200,000	324,103
Total Operating Expenses	417,200	736,481
Operating (Loss)	(407,200)	(711,305)
Nonoperating Revenues		
Investment Income	22,557	195,773
Change in Net Position	<u>(384,643)</u>	(515,532)
Net Position - Beginning		<u>1,638,753</u>
Net Position - Ending		<u><u>1,123,221</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, 2020

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 945,000	643,020
Operating Expenses		
Administration	44,000	44,000
Operations	911,335	730,662
Total Operating Expenses	955,335	774,662
Operating (Loss)	(10,335)	(131,642)
Nonoperating Revenues		
Investment Income	9,425	9,664
Change in Net Position	<u>(910)</u>	(121,978)
Net Position - Beginning		<u>897,442</u>
Net Position - Ending		<u>775,464</u>

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position

December 31, 2019

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 1,759,728	1,191,339	2,951,067
Investments			
U.S. Government Obligations	3,700,632	2,774,879	6,475,511
U.S. Agency Obligations	4,524,061	5,176,515	9,700,576
Corporate Bonds	4,063,204	3,651,553	7,714,757
Common Stock	5,559,978	5,556,210	11,116,188
Mutual Funds	16,280,203	16,127,810	32,408,013
Insurance Contracts	2,207,757	1,538,785	3,746,542
Receivables - Net of Allowance			
Accrued Interest	51,593	43,608	95,201
Net Position Restricted for Pensions	38,147,156	36,060,699	74,207,855

VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2020

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,681,054	1,929,099	3,610,153
Contributions - Plan Members	291,770	257,357	549,127
Total Contributions	<u>1,972,824</u>	<u>2,186,456</u>	<u>4,159,280</u>
Investment Earnings			
Interest Earned	897,069	849,372	1,746,441
Net Change in Fair Value	5,207,162	4,000,291	9,207,453
	<u>6,104,231</u>	<u>4,849,663</u>	<u>10,953,894</u>
Less Investment Expenses	(84,761)	(93,082)	(177,843)
Net Investment Income	<u>6,019,470</u>	<u>4,756,581</u>	<u>10,776,051</u>
Total Additions	<u>7,992,294</u>	<u>6,943,037</u>	<u>14,935,331</u>
Deductions			
Administration	38,692	42,504	81,196
Benefits and Refunds	2,358,425	2,291,182	4,649,607
Total Deductions	<u>2,397,117</u>	<u>2,333,686</u>	<u>4,730,803</u>
Change in Fiduciary Net Position	5,595,177	4,609,351	10,204,528
Net Position Restricted for Pensions			
Beginning	<u>32,551,979</u>	<u>31,451,348</u>	<u>64,003,327</u>
Ending	<u>38,147,156</u>	<u>36,060,699</u>	<u>74,207,855</u>

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, 2020

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,725,195	1,681,054
Contributions - Plan Members	299,975	291,770
Total Contributions	<u>2,025,170</u>	<u>1,972,824</u>
Investment Income		
Interest Earned	1,865,365	897,069
Net Change in Fair Value	—	5,207,162
	<u>1,865,365</u>	<u>6,104,231</u>
Less Investment Expenses	—	(84,761)
Net Investment Income	<u>1,865,365</u>	<u>6,019,470</u>
Total Additions	<u>3,890,535</u>	<u>7,992,294</u>
Deductions		
Administration	81,950	38,692
Benefits and Refunds	2,366,301	2,358,425
Total Deductions	<u>2,448,251</u>	<u>2,397,117</u>
Change in Fiduciary Net Position	<u><u>1,442,284</u></u>	5,595,177
Net Position Restricted for Pensions		
Beginning		<u>32,551,979</u>
Ending		<u><u>38,147,156</u></u>

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, 2020

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,968,569	1,929,099
Contributions - Plan Members	247,995	257,357
Total Contributions	<u>2,216,564</u>	<u>2,186,456</u>
Investment Income		
Interest Earned	1,825,718	849,372
Net Change in Fair Value	—	4,000,291
	<u>1,825,718</u>	<u>4,849,663</u>
Less Investment Expenses	—	(93,082)
Net Investment Income	<u>1,825,718</u>	<u>4,756,581</u>
Total Additions	<u>4,042,282</u>	<u>6,943,037</u>
Deductions		
Administration	81,950	42,504
Benefits and Refunds	2,505,725	2,291,182
Total Deductions	<u>2,587,675</u>	<u>2,333,686</u>
Change in Fiduciary Net Position	<u>1,454,607</u>	4,609,351
Net Position Restricted for Pensions		
Beginning		<u>31,451,348</u>
Ending		<u>36,060,699</u>

VILLAGE OF WINNETKA, ILLINOIS

**Consolidated Year-End Financial Report
December 31, 2020**

CSFA #	Program Name	State	Federal	Other	Total
494-00-1005	Local Federal Bridge Program	\$ 273,604	—	—	273,604
494-00-1488	Motor Fuel Tax Program	638,105	—	—	638,105
	Other Grant Programs and Activities	—	106,967	—	106,967
	All Other Costs Not Allocated	—	—	47,009,360	47,009,360
		<u>911,709</u>	<u>106,967</u>	<u>47,009,360</u>	<u>48,028,036</u>



**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 15, 2021

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, 2020, 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 15, 2021. Our report includes a reference to other auditors who audited the financial statements of or the , as described in our report on the Village's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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) to determine the 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 may exist that have not been identified.

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 determination of financial statement amounts. 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 SCHEDULES

VILLAGE OF WINNETKA, ILLINOIS

**Long-Term Debt Requirements
General Obligation Bonds of 2014
December 31, 2020**

Date of Issue	January 7, 2014
Date of Maturity	December 15, 2043
Authorized Issue	\$7,500,000
Denomination of Bonds	\$5,000
Interest Rate	2.10% to 4.75%
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
2021	\$ 735,000	29,400	764,400	2021	14,700	2021	14,700

VILLAGE OF WINNETKA, ILLINOIS

Long-Term Debt Requirements

Taxable General Obligation Refunding Bonds of 2020

December 31, 2020

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
2021	\$ 190,000	338,122	528,122	2021	183,257	2021	154,865
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>12,035,000</u>	<u>3,672,679</u>	<u>15,707,679</u>		<u>1,850,541</u>		<u>1,822,138</u>

STATISTICAL SECTION (Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the 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, 2020 (Unaudited)

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

Net Position by Component - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

	2012	2013	2013**
Governmental Activities			
Net Investment in Capital Assets	\$ 44,214,136	46,280,785	47,250,543
Restricted	2,185,900	2,627,694	2,094,038
Unrestricted	28,439,596	28,949,463	20,457,756
Total Governmental Activities Net Position	74,839,632	77,857,942	69,802,337
Business-Type Activities			
Net Investment in Capital Assets	34,871,969	35,212,605	35,339,276
Unrestricted	8,465,142	11,784,098	17,519,178
Total Business-Type Activities Net Position	43,337,111	46,996,703	52,858,454
Primary Government			
Net Investment in Capital Assets	79,086,105	81,493,390	82,589,819
Restricted	2,185,900	2,627,694	2,094,038
Unrestricted	36,904,738	40,733,561	37,976,934
Total Primary Government Net Position	118,176,743	124,854,645	122,660,791

* Accrual Basis of Accounting

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

Data Source: Village Records

2014	2015	2016	2017	2018	2019	2020
48,774,440	49,376,918	49,319,892	49,438,471	49,248,640	49,515,028	49,150,525
2,131,857	2,429,573	2,664,797	2,938,353	2,961,505	3,314,365	3,372,574
20,470,416	(11,611,807)	(10,163,480)	(10,808,641)	(9,446,576)	(8,807,837)	(4,235,819)
71,376,713	40,194,684	41,821,209	41,568,183	42,763,569	44,021,556	48,287,280
35,411,186	37,665,272	37,023,731	37,685,412	38,421,511	39,333,586	38,685,364
17,259,068	17,099,774	16,905,510	17,076,191	16,135,748	16,550,262	21,668,063
52,670,254	54,765,046	53,929,241	54,761,603	54,557,259	55,883,848	60,353,427
84,185,626	87,042,190	86,343,623	87,123,883	87,670,151	88,848,614	87,835,889
2,131,857	2,429,573	2,664,797	2,938,353	2,961,505	3,314,365	3,372,574
37,729,484	5,487,967	6,742,030	6,267,550	6,689,172	7,742,425	17,432,244
124,046,967	94,959,730	95,750,450	96,329,786	97,320,828	99,905,404	108,640,707

VILLAGE OF WINNETKA, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years*
December 31, 2020 (Unaudited)

	2012	2013	2013**	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 3,588,121	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
Public Safety	10,732,430	11,291,203	9,179,353	12,316,145	16,821,380	14,156,626	13,540,856	14,520,344	14,901,003	12,336,987
Community Development	1,551,413	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
Public Works	5,205,126	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
Interest on Long-Term Debt	51,007	26,102	21,135	14,676	—	—	—	—	—	—
Total Governmental Activities Expenses	21,128,097	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
Business-Type Activities										
Electric	13,400,738	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
Water	2,959,737	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
Refuse	2,239,102	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
Storm Sewer	—	4,996	132,250	663,287	672,999	1,086,896	922,597	977,036	965,180	1,471,321
Sanitary Sewer	785,768	810,211	645,870	1,080,243	1,120,487	1,547,869	1,668,549	1,558,547	1,361,878	899,368
Total Business-Type Activities Expenses	19,385,345	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
Total Primary Government Expenses	40,513,442	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
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	2,833,541	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
Public Safety	1,361,370	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
Community Development	1,510,667	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
Public Works	168,891	187,290	152,371	120,635	187,165	183,475	141,645	102,628	91,773	99,165
Operating Grants/Contributions	111,043	85,341	64,841	73,632	68,868	—	—	—	—	993,798
Capital Grants/Contributions	53,932	614,646	53,932	—	—	138,138	81,119	177,204	536,139	—
Total Governmental Activities Program Revenues	6,039,444	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
Business-Type Activities										
Charges for Services										
Electric	14,570,744	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
Water	3,150,740	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
Refuse	615,392	531,817	394,792	536,127	527,518	573,913	1,060,386	1,885,381	2,742,553	2,739,537
Storm Sewer	731,083	954,368	776,137	874,447	952,464	1,047,078	1,207,369	1,248,855	1,226,400	1,514,300
Sanitary Sewer	—	—	—	941,417	1,767,587	2,017,000	1,924,602	1,910,189	1,909,121	1,973,535
Operating Grants/Contributions	—	—	—	134,794	2,000,000	—	—	—	—	—
Total Business-Type Activities Program Revenues	19,067,959	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
Total Primary Government Program Revenues	25,107,403	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

	2012	2013	2013**	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental Activities	\$ (15,088,653)	(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)
Business-Type Activities	(317,386)	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
Total Primary Government Net Revenue (Expense)	(15,406,039)	(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)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	12,437,894	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
Telecommunications	638,596	1,465,846	460,092	462,013	528,637	460,692	419,153	408,315	343,120	279,837
Natural Gas	458,790	295,395	303,383	558,631	487,513	328,044	436,323	404,394	393,381	319,213
Intergovernmental										
Sales Tax	1,321,062	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
Income Tax	979,922	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
Personal Property Replacement Tax	124,253	122,845	134,784	114,799	150,010	131,783	149,725	136,117	169,227	141,245
Other	369,074	417,081	305,705	380,319	369,855	383,275	388,781	391,113	392,259	361,432
Investment Income	364,513	342,022	95,607	54,617	20,904	258,993	234,975	606,137	954,462	841,226
Miscellaneous	79,240	64,442	110,640	336,521	265,142	83,273	25,616	209,752	124,195	63,311
Transfers	740,600	(1,342,472)	(5,393,583)	742,396	849,044	822,244	890,026	1,418,311	1,461,896	1,894,887
Total Governmental Activities	17,513,944	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
Business-Type Activities										
Property Taxes	1,086,582	1,074,565	1,068,036	1,076,358	1,088,001	1,078,490	1,073,096	(32,149)	—	—
Investment Income	84,272	143,444	55,458	73,113	19,349	245,491	180,264	467,121	753,354	152,094
Miscellaneous	454,527	535,461	693,625	641,826	253,314	173,527	214,693	408,166	317,980	626,510
Transfers	(740,600)	1,342,472	5,393,583	(742,396)	(849,044)	(822,244)	(890,026)	(1,418,311)	(1,461,896)	(1,894,887)
Total Business-Type Activities	884,781	3,095,942	7,210,702	1,048,901	511,620	675,264	578,027	(575,173)	(390,562)	(1,116,283)
Total Primary Government	18,398,725	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
Changes in Net Position										
Governmental Activities	2,425,291	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
Business-Type Activities	567,395	3,659,592	5,861,751	(188,200)	3,090,953	(835,805)	832,362	1,173,014	1,326,589	4,469,579
Total Primary Government	2,992,686	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

* 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, 2020 (Unaudited)

	2012	2013	2013**
General Fund			
Nonspendable	\$ 1,979	268	2,597
Restricted	84,846	69,660	235,815
Unassigned	24,298,449	25,231,521	16,612,063
Total General Fund	24,385,274	25,301,449	16,850,475
All Other Governmental Funds			
Restricted	2,121,696	2,561,975	2,033,126
Assigned	482,019	394,663	832,254
Unassigned	—	(193,267)	(171,253)
Total All Other Governmental Funds	2,603,715	2,763,371	2,694,127
Total Governmental Funds	26,988,989	28,064,820	19,544,602

* Accrual Basis of Accounting

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

Data Source: Village Records

2014	2015	2016	2017	2018	2019	2020
91,211	—	—	—	—	—	750,000
—	91,211	—	—	—	—	—
18,080,699	18,942,066	20,317,199	20,674,355	22,280,802	24,645,766	25,846,414
18,171,910	19,033,277	20,317,199	20,674,355	22,280,802	24,645,766	26,596,414
2,040,646	2,338,362	2,664,797	2,938,353	2,961,505	3,314,365	3,372,574
741,726	779,117	850,015	669,520	1,144,572	1,047,794	1,285,996
(126,377)	(86,485)	(44,974)	(13,891)	—	—	—
2,655,995	3,030,994	3,469,838	3,593,982	4,106,077	4,362,159	4,658,570
20,827,905	22,064,271	23,787,037	24,268,337	26,386,879	29,007,925	31,254,984

VILLAGE OF WINNETKA, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

	2012	2013	2013*
Revenues			
Taxes	\$ 13,535,280	14,079,981	6,891,719
Licenses and Permits	2,003,172	2,378,429	2,245,978
Intergovernmental	2,959,286	3,728,300	2,632,243
Charges for Services and Fees	3,656,488	3,652,741	2,711,133
Fines and Forfeits	214,809	215,280	144,351
Investment Income	271,790	260,413	80,397
Miscellaneous	79,240	64,442	110,640
Total Revenues	<u>22,720,065</u>	<u>24,379,586</u>	<u>14,816,461</u>
Expenditures			
General Government	2,738,434	3,001,449	2,464,557
Public Safety	10,433,116	11,024,520	8,753,436
Community Development	1,542,096	1,587,389	1,256,959
Public Works	5,179,881	4,979,279	4,953,498
Capital Outlay	2,901,665	905,843	52,671
Debt Service			
Principal Retirement	410,000	420,000	440,000
Interest	57,380	42,803	21,975
Total Expenditures	<u>23,262,572</u>	<u>21,961,283</u>	<u>17,943,096</u>
Excess of Revenues Over (Under) Expenditures	<u>(542,507)</u>	<u>2,418,303</u>	<u>(3,126,635)</u>
Other Financing Sources (Uses)			
Transfers In	2,380,360	2,447,833	1,864,302
Transfers Out	(1,639,760)	(3,790,305)	(7,257,885)
Disposal of Capital Assets	—	—	—
	<u>740,600</u>	<u>(1,342,472)</u>	<u>(5,393,583)</u>
Net Change in Fund Balances	<u>198,093</u>	<u>1,075,831</u>	<u>(8,520,218)</u>
Debt Service as a Percentage of Noncapital Expenditures	<u>2.44%</u>	<u>2.48%</u>	<u>2.94%</u>

*For the nine months ended December 31, 2013.

Data Source: Village Records

2014	2015	2016	2017	2018	2019	2020
13,916,455	13,880,388	13,894,565	14,059,570	14,101,765	15,349,044	15,294,783
2,396,870	2,289,140	2,240,851	1,866,741	1,785,951	1,948,625	1,998,247
3,264,569	3,391,759	3,253,091	3,322,553	3,476,973	4,096,224	4,581,807
3,810,622	3,814,244	4,030,475	4,182,256	4,217,114	4,143,423	3,997,440
188,961	166,776	191,582	187,852	235,728	193,748	110,091
38,729	16,029	198,119	190,017	498,598	781,190	483,542
336,521	265,142	83,273	25,616	209,752	124,195	63,311
23,952,727	23,823,478	23,891,956	23,834,605	24,525,881	26,636,449	26,529,221
2,947,643	3,304,296	2,956,361	3,016,519	2,814,898	2,994,684	3,458,822
11,847,222	12,680,756	12,590,006	13,273,553	13,181,538	13,612,476	13,848,126
2,059,844	1,650,761	1,374,119	1,513,155	1,412,091	1,438,439	1,572,154
5,981,049	5,322,647	5,989,321	6,112,882	6,224,138	5,318,492	5,079,201
98,285	227,696	91,627	327,222	383,323	2,115,559	2,218,746
460,000	—	—	—	—	—	—
17,777	—	—	—	—	—	—
23,411,820	23,186,156	23,001,434	24,243,331	24,015,988	25,479,650	26,177,049
540,907	637,322	890,522	(408,726)	509,893	1,156,799	352,172
2,079,116	1,849,044	1,522,244	1,515,026	2,193,311	3,095,806	3,394,887
(1,336,720)	(1,250,000)	(700,000)	(625,000)	(600,000)	(1,633,910)	(1,500,000)
—	—	10,000	—	15,338	2,351	—
742,396	599,044	832,244	890,026	1,608,649	1,464,247	1,894,887
1,283,303	1,236,366	1,722,766	481,300	2,118,542	2,621,046	2,247,059
2.34%	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, 2020 (Unaudited)**

Tax Levy Year	Residential Property	Commercial Property
2010	\$ 1,527,772,751	\$ 71,278,854
2011	1,374,421,539	59,890,282
2012	1,278,359,179	54,724,248
2013	1,169,861,689	49,963,175
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

Data Source: Cook County Clerk

	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$	6,179,959	\$ 1,605,231,564	\$ 359,555	\$ 1,605,591,119	0.817
	5,560,414	1,439,872,235	381,855	1,440,254,090	1.558
	4,084,556	1,337,167,983	431,535	1,337,599,518	1.667
	3,845,561	1,223,670,425	532,312	1,224,202,737	1.847
	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

VILLAGE OF WINNETKA, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2020 (Unaudited)**

	2010	2011	2012
Village of Winnetka			
General Corporate Rate	0.817	0.936	1.038
Special Service Area #3	—	0.383	0.397
Special Service Area #4	—	0.128	0.117
Special Service Area #5	—	0.111	0.115
Total Direct Tax Rate	0.817	1.558	1.667
Overlapping Rates			
Cook County	0.423	0.462	0.531
Elections	—	0.025	—
Cook County Hospital	—	—	—
Forest Preserve	0.051	0.058	0.063
TB Sanitarium	—	—	—
Metropolitan Water Reclamation District	0.274	0.320	0.370
Mosquito Abatement District	0.009	0.010	0.010
New Trier Township	0.037	0.042	0.047
New Trier High School	1.474	1.674	1.864
Community College 535	0.160	0.196	0.219
Winnetka School District (36)	2.432	2.782	3.094
Winnetka Public Library	0.164	0.187	0.203
Winnetka Park District	0.271	0.310	0.347
Total Direct and Overlapping Tax Rates	6.112	7.624	8.415

Data Source: Cook County Clerk

2013	2014	2015	2016	2017	2018	2019
1.162	1.154	1.203	1.013	0.994	0.805	0.760
0.437	0.413	0.402	0.352	0.326	0.234	0.247
0.131	0.126	0.122	—	—	—	—
0.117	0.108	0.109	—	—	—	—
1.847	1.801	1.836	1.365	1.320	1.039	1.007
0.560	0.568	0.552	0.533	0.527	0.319	0.275
0.031	—	0.034	—	—	—	0.030
—	—	—	—	—	—	—
0.069	0.069	0.069	0.063	0.062	0.060	0.059
—	—	—	—	—	—	—
0.417	0.430	0.426	0.406	0.402	0.396	0.389
0.007	0.011	0.012	0.010	0.010	0.010	0.009
0.061	0.062	0.066	0.049	0.057	0.053	0.051
2.111	2.268	2.380	1.974	1.993	2.111	2.028
0.256	0.258	0.271	0.231	0.232	0.246	0.221
3.331	3.386	3.354	3.049	3.002	3.220	3.149
0.230	0.233	0.246	0.209	0.210	0.225	0.217
0.391	0.395	0.419	0.354	0.357	0.383	0.375
9.311	9.481	9.665	8.243	8.172	8.062	7.810

VILLAGE OF WINNETKA, ILLINOIS

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2020 (Unaudited)**

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Individual	\$ 8,446,747	1	0.56%	\$ 4,633,173	1	0.25%
Chicago Title Land Trust	5,750,381	2	0.38%			
Individual	4,692,412	3	0.31%	4,595,172	2	0.25%
Individual	4,228,200	4	0.28%	4,351,780	3	0.23%
Individual	4,141,513	5	0.28%	4,199,374	4	0.22%
Individual	3,975,041	6	0.27%	3,486,945	6	0.19%
CTLTC 008002377320	3,623,177	7	0.24%			
Individual	3,591,260	8	0.24%	3,026,535	8	0.16%
Individual	3,457,593	9	0.23%	2,865,117	9	0.15%
CTLTC 000000128287	3,314,240	10	0.22%			
Winnetka III, LLC				3,560,811	5	0.19%
Hulsizer & Just				3,240,776	7	0.17%
Individual				2,819,126	10	0.15%
Totals	<u>45,220,564</u>		<u>3.02%</u>	<u>36,778,809</u>		<u>1.96%</u>

Data Source: Cook County Tax Extension Office

Note: Based on the 2019 EAV of \$1,495,278,223.

VILLAGE OF WINNETKA, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
December 31, 2020 (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
2012	2011	\$ 13,472,400	\$ 13,341,410	99.03%	\$ N/A	\$ 13,341,410	99.03%
2013	2012	13,875,587	6,703,878	48.31%	N/A	6,703,878	48.31%
2013*	2012	13,875,587	6,551,164	47.21%	N/A	6,551,164	47.21%
2014	2013	14,222,477	13,927,317	97.92%	N/A	13,927,317	97.92%
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%

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, 2020 (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			
2012	\$ 1,320,000	\$ —	\$ 1,320,000	0.63%	\$ 108.31
2013	900,000	—	900,000	0.43%	73.85
2013*	460,000	9,000,000	9,460,000	4.53%	776.24
2014	—	16,500,000	16,500,000	7.81%	1,328.29
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

*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, 2020 (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)
2012	\$ 1,320,000	\$ 362,824	\$ 957,176	0.06%	\$ 78.54
2013	900,000	389,638	510,362	0.04%	41.88
2013*	9,460,000	342,761	9,117,239	0.68%	748.11
2014	16,500,000	—	16,500,000	1.35%	1,328.29
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

*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, 2020 (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	73,010,000	26.00%	18,983,896
Oakton Community College No. 535	47,200,000	5.86%	2,763,717
School District No. 36 (Winnetka)	4,495,000	98.08%	4,408,500
School District No. 37 (Avoca)	6,985,000	6.38%	445,713
School District No. 38 (Kenilworth)	7,200,000	9.22%	664,122
Total School Districts	138,890,000		27,265,948
Other Agencies:			
Cook County	2,663,661,750	0.90%	23,861,565
Forest Preserve District	122,255,000.00	0.90%	1,095,182
Metropolitan Water Reclamation	2,181,154,590	0.91%	19,869,388
Glencoe Park District	9,055,000	0.89%	80,516
Winnetka Park District	14,550,000	93.38%	13,587,026
Total Other Agencies	4,990,676,340		58,493,677
Total Overlapping Debt	5,129,566,340		85,759,625
Total Direct and Overlapping Debt	5,129,566,340		85,759,625

(1) The 2020 information is not available as of the date of this report. 2019 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, 2020 (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, 2020 (Unaudited)**

Fiscal Year	Property and Sales Tax Revenues	Principal	Interest	Coverage
2012	\$ 14,969,791	\$ 410,000	\$ 57,380	32.03
2013	13,715,938	420,000	42,803	29.64
2013*	7,318,436	440,000	21,975	15.84
2014	14,485,286	460,000	16,447	30.40
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

*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, 2020 (Unaudited)**

Fiscal Year	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
2012	12,187	\$ 207,955	\$ 104,440	42.8	4,453	3.50%
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%

*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, 2020 (Unaudited)**

Employer	2020			2011		
	Employees	Rank	Percentage of Total Village Employment*	Employees	Rank	Percentage of Total Village Employment*
New Trier High School East	701	1	14.25%	452	1	9.10%
School District 36	340	2	6.91%	221	2	4.45%
Village of Winnetka	153	3	3.11%	158	3	3.18%
North Shore Country Day School				150	4	3.02%
Coldwell Banker	140	4	2.85%	115	6	2.31%
BMO Harris Bank	130	5	2.64%	128	5	2.58%
Baird & Warner, Inc.	65	6	1.32%	65	7	1.31%
Sacred Heart School	65	7	1.32%			
Faith, Hope, & Charity School	45	8	0.92%	45	9	0.91%
Infodata Corp	45	9	0.92%	43	10	0.87%
Dyson, Dyson & Dunn, Inc.	41	10	0.83%			
Killian Co., V.J.				45	8	0.91%
	<u>1,725</u>		<u>35.07%</u>	<u>1,422</u>		<u>28.64%</u>

Data Sources: 2020 Illinois Manufacturers Directory, 2020 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, 2020 (Unaudited)**

See Following Page

VILLAGE OF WINNETKA, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

Function	2012	2013	2013*
General Government			
Administration	5.0	5.0	5.0
Finance	14.0	14.0	14.0
Public Works	18.0	18.0	18.0
Police	36.0	36.0	36.0
Fire	25.0	25.0	26.0
Community Development	10.0	10.0	8.0
Water	7.0	7.0	7.0
Sewer	3.5	3.5	3.5
Stormwater Sewer	—	—	—
Electric	26.3	26.3	26.3
Refuse	7.0	7.0	7.0
Totals	<u>151.8</u>	<u>151.8</u>	<u>150.8</u>

*For the nine months ended December 31, 2013.

Data Source: Village Records

2014	2015	2016	2017	2018	2019	2020
5.0	4.5	6.5	6.5	6.0	5.0	7.0
14.0	13.0	11.5	12.5	10.5	10.5	10.5
18.5	19.0	20.0	22.0	25.0	27.0	27.0
35.0	37.5	36.5	35.0	35.0	37.5	35.0
26.0	25.0	26.5	27.5	27.0	27.0	27.5
7.0	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
2.5	2.5	1.0	1.0	2.0	2.0	2.0
2.5	2.5	2.0	2.0	2.0	2.0	2.0
26.3	23.5	28.5	26.5	28.0	23.0	23.0
7.0	8.0	8.0	7.0	6.0	7.0	5.0
150.8	149.0	154.0	153.5	155.5	155.0	153.0

VILLAGE OF WINNETKA, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

Function/Program	2012	2013	2013*
Public Works			
Forestry			
Number of Parkway Trees Planted	300	297	N/A
Fleet Services			
Number of Vehicles Maintained	136	136	N/A
Preventative Maintenance Services	N/A	N/A	N/A
Public Safety			
Fire			
Calls for Service	2,250	2,250	N/A
Number of Training Hours	7,000	7,000	N/A
ISO Rating	4	4	3
Police			
Part I Crime	N/A	N/A	N/A
Part II Crime	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.)	25,000	25,377	N/A
Annual Resurfacing Program (\$)	1,150,000	1,150,000	1,008,890
Water and Sewer			
Water Meters Read	37,500	37,500	N/A
Total Distribution Pumpage (1,000 Gallons)	1,113,878	1,290,813	937,610
Sanitary Sewer Repairs	14	12	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.

2014	2015	2016	2017	2018	2019	2020
N/A	225	168	215	128	170	168
N/A	143	135	138	136	119	115
N/A	470	218	253	263	280	275
2,150	2,150	2,119	2,169	2,222	2,209	1,981
7,250	6,316	6,174	8,844	6,000	6,420	4,951
3	3	3	3	3	3	3
N/A	94	82	151	110	80	125
N/A	204	209	199	131	149	337
N/A	7,449	7,670	15,610	22,959	22,102	19,792
N/A	804	834	873	1,013	1,074	759
N/A	181	138	136	215	197	190
N/A	1,212	1,344	1,200	1,164	1,105	1,170
N/A	3,197	3,401	2,922	2,879	2,376	2,059
N/A	8,700	17,777	15,908	36,373	22,746	15,013
N/A	1,350,537	1,345,014	1,406,230	1,417,211	834,695	991,195
N/A	37,500	37,500	37,500	37,500	37,500	37,500
1,035,500	1,000,092	1,036,306	1,055,907	1,064,100	1,074,741	1,144,754
N/A	6,605	15	12	4	6	5

VILLAGE OF WINNETKA, ILLINOIS

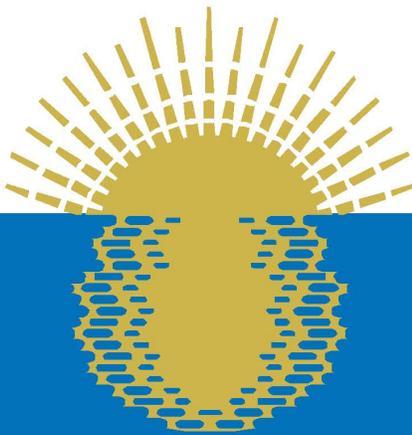
**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2020 (Unaudited)**

Function/Program	2012	2013	2013*
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	666	667	667
Sanitary Sewers (Miles)	47	47	47

*For the nine months ended December 31, 2013.

Data Source: Village Records

2014	2015	2016	2017	2018	2019	2020
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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