



THE VILLAGE OF  
**Winnetka**



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22

**ANNUAL COMPREHENSIVE**

# **FINANCIAL REPORT**

FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2022



**VILLAGE OF WINNETKA, ILLINOIS**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR**  
**ENDED DECEMBER 31, 2022**

**Prepared by:**  
**Finance Department**

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## **INTRODUCTORY SECTION**

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

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

**VILLAGE OF WINNETKA, ILLINOIS**

**List of Principal Officials  
December 31, 2022**

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**LEGISLATIVE**

Christopher Rintz, Village President

Andrew Cripe, Trustee

Kim Handler, Trustee

Robert Dearborn, Trustee

John Swierk, Trustee

Tina Dalman, Trustee

Rob Apatoff, Trustee

**ADMINISTRATIVE**

Robert M. Bahan, Village Manager

Kristin Kazenas, Assistant Village Manager

Timothy J. Sloth, CPA, Finance Director

Mark Janek, Director of Public Works

Brian L. Keys, Director of Water & Electric

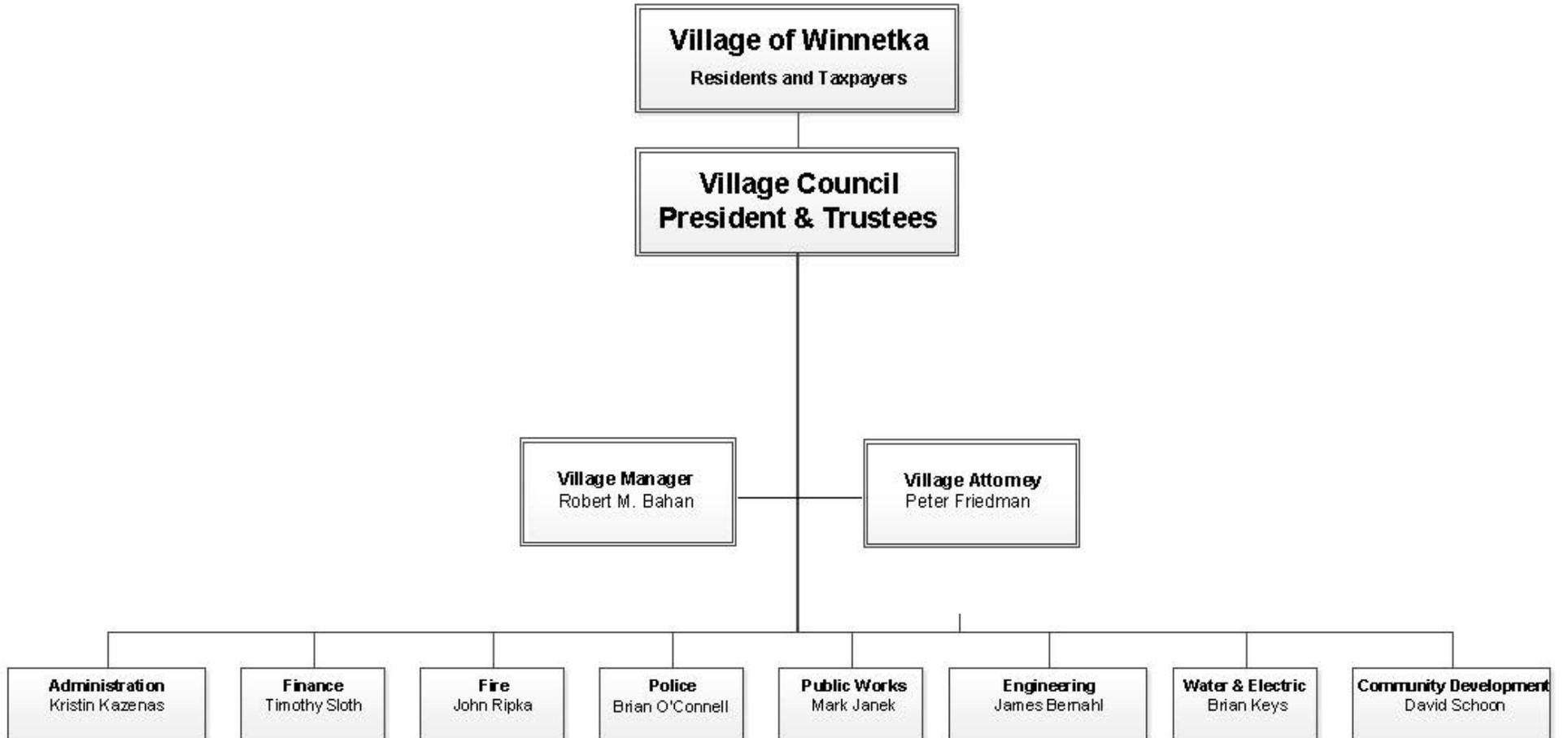
John Ripka, Fire Chief

Brian O'Connell, Chief of Police

David Schoon, Director of Community Development

James Bernahl, Director of Engineering

# Village of Winnetka Government





July 11, 2023

Village President,  
Members of the Village Council, and  
Village Manager

The Annual Comprehensive Financial Report (Annual Report) of the Village of Winnetka, Illinois for the fiscal year ended December 31, 2022, is hereby submitted, as required by State of Illinois Statutes. Responsibility for both the accuracy of the information and the completeness and fairness of the presentation, including disclosures, is that of the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

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

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

### **The Reporting Entity and Its Services**

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

The Village is approximately 3.9 square miles. According to the latest United States Census (2020), the population of the Village is 12,744 which is an increase of 557 people or 4.6% compared to the 2010 Census.

There are three commercial business districts within the Village, all located adjacent to three commuter rail stations. The Village is one of the most affluent in the Chicago area, having a median household income of over \$250,000. The Village obtained a Aaa bond rating from Moody's Investors Service in 1989 on General Obligation debt issued. At that time, the Village was only one of three communities having 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 November 2022.

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

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

The Village also participates in three proprietary joint ventures: 1) The Solid Waste Agency of Northern Cook County, 2) The Illinois Municipal Electric Agency, and 3) The Intergovernmental Personnel Benefit Cooperative. Additional disclosures regarding the financial reporting entity and these joint ventures are included in the notes to the financial statements.

### **Accounting System and Budgetary Control**

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

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

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

### **Economic Condition and Outlook**

The Village of Winnetka is primarily a residential community. The real estate property tax provided 56% of General Fund revenues for the year ending December 31, 2022. Intergovernmental revenues increased significantly (18%) in the current year compared to the previous fiscal period. Sales and Use tax revenues for this fiscal year totaled \$2,576,310. Sales and Use tax for the previous period totaled \$2,271,899. Income tax revenue also increased from 2021 to 2022 going from \$1,614,048 to \$2,076,600. Investment income decreased this year due to posting of unrealized losses. Fiscal year 2022 was the worst year on record for fixed income returns.

The Village continues to carefully evaluate productivity and changes in service levels to minimize the tax burden on the residents of the Village. The Village, although home rule, continues to operate within non-home rule tax caps. The Village has generally decreased the number of full-time employees over the last several years to control personnel costs. The Village has limited control over some expenses including pensions and insurance costs. The Village operated on a balanced budget and has not utilized fund balance to pay for any operating expenses. The Village utilizes a five-year capital plan to prioritize future capital expenses and maintains sufficient cash balances to buffer unexpected items.

The Village property taxes account for less than 14% 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.

At the beginning of 2022 the Village was still facing significant impacts from the global pandemic due to the Omicron variant. Throughout the remainder of the year the public health impacts from the pandemic largely dissipated while the financial impacts to the economy in the form of continued supply chain disruption and persistently high inflation continued. While these issues created challenges, the Village successfully navigated the year financially and moved forward with significant capital investments throughout the Village.

Overall, fiscal year 2022 was a great year to do business in Winnetka with the Village's three downtown districts' vibrant with activity. Retail occupancy rates improved from 92.79% at the beginning of the year to 94.11% by year end. Sales tax revenue, a leading economic indicator for the Village improved by 11.82% on the year and according to the Cook County House Price Index, Winnetka area home values increased an average of 7.29%. These economic indicators show that people want to live and shop in Winnetka.

During the year, the Village made significant capital investments throughout the Village. In July the Village broke ground on the first phase of the Stormwater Improvements project which includes construction of underground storage facilities at Duke Childs and Little Duke Fields. This project will provide over 25 million gallons of stormwater storage and is largely funded by a \$16 million stormwater grant received from the Illinois Department of Commerce and Economic Opportunity. Over the last several years the Village has made significant investments in its downtown business districts. In 2022, the Village completed phase 4 of these investments with the streetscape improvements at Chestnut Court.

### **Significant Budgetary Variations**

General Fund revenues totaled \$27,465,380 which is \$1,002,268 more than budgeted. The primary reason for this variation is improved intergovernmental revenue collections. Intergovernmental revenues including sales, income, personal property replacement taxes and grants totaled \$5,406,226 which was \$1,269,082 over budget. During the fall of 2021 when the 2022 budget was being developed there was significant uncertainty in developing revenue expectations for 2022. As such budgeted revenue for sales, income and corporate property replacement taxes were conservatively estimated to account for the chance that the economy could take a downturn due to the continued difficulties navigating the pandemic and supply chain / inflationary pressures.

On the expenditure side all departments operated under budget.

### **Fund Balances**

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

<b>General Fund Balances</b> (in millions of dollars)					
<b>Year</b>	<b>Total Fund Balance</b>	<b>Assigned Fund Balance</b>	<b>Unassigned Fund Balance</b>	<b>Budgeted Expenditures</b>	<b>Fund Balance as a Percentage of Budgeted Expenditures</b>
2015	\$18.94	\$—	\$18.94	\$24.63	76.9%
2016	\$20.32	\$—	\$20.32	\$24.24	83.8%
2017	\$20.67	\$—	\$20.67	\$25.12	82.3%
2018	\$22.28	\$—	\$22.28	\$25.80	86.4%
2019	\$24.65	\$—	\$24.65	\$26.30	95.1%
2020	\$25.85	\$—	\$25.85	\$25.93	98.3%
2021	\$30.03	\$—	\$30.03	\$25.30	118.7%
2022	\$32.08	\$16.30	\$15.77	\$25.87	61.0%

\* Note: For 2022, the Village has assigned \$16.3M of the General fund balances as amounts earmarked for future near-term capital projects and transfers into the Stormwater fund. The unassigned fund balance totals \$15,774,801 or 61.0% of budgeted expenditures, greater than the 50% target.

### **Enterprise Funds**

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

Residential electric rates increased 5.0% on average in 2022 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 2% to fund sewer repairs.

The Village's Refuse Fund no longer receives revenue from property taxes. For 2022 there were no changes to the monthly residential collection fees for weekly pickup.

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

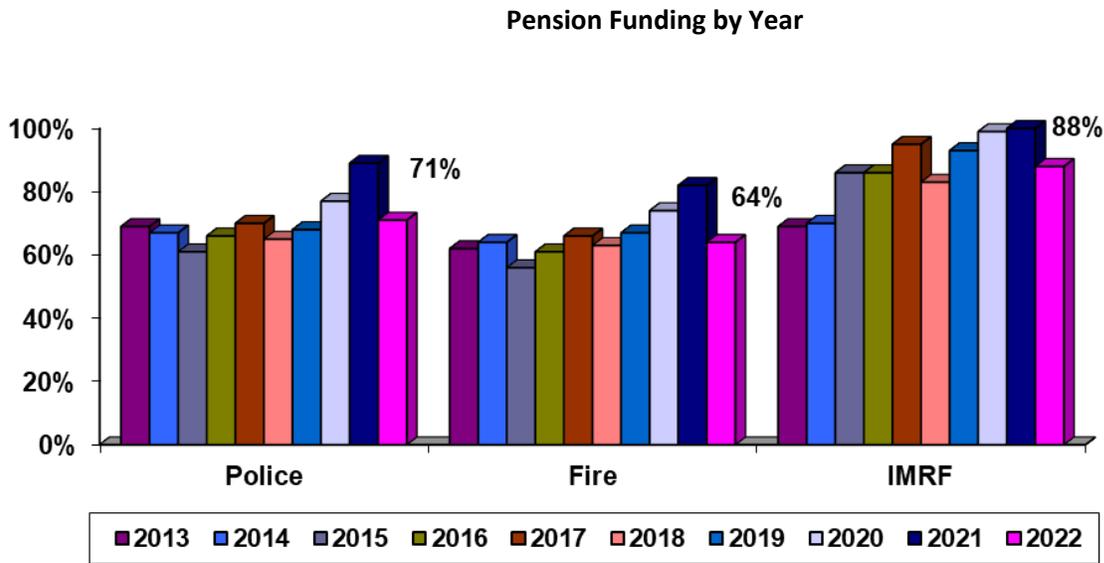
### **Pension Trust Funds**

While the Village has strived through the budget process to limit increases in operating expenses, one expense the Village has limited ability to control is the funding amounts required by the pensions. Qualified employees not participating in one of the public safety pension funds are required to participate in the Illinois Municipal Retirement Fund (IMRF). IMRF establishes a Village contribution percentage annually with employees contributing a fixed 4.5% on almost all types of income. The Village's IMRF plan and IMRF as a State-wide organization are both well-funded and healthy.

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

Both funds experienced a decrease in the funding ratio in 2022 with the Police Pension decreasing from 89% funded to 71% funded while the Fire Pension decreased from 82% funded to 64% funded.

The funding ratio from December 2013 to December 2022 is shown below:



In 2021, both pension funds changed their actuarial assumptions from targeting 100% funding by December 31, 2035, utilizing a 6.25% assumed rate of return to targeting 100% funded utilizing a rolling amortization period of 15 years (versus a set date of December 31, 2035). The funds also increased their assumed rate of return from 6.25% to 6.75%.

**Other Information**

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

Additionally, the Village’s financial policies, reserve policies, budget projections, capital plan, and other financial information can be found in the Village’s Annual Budget and 5-Year Capital Improvement Plan that can be viewed in the Fiscal Transparency section of the Village’s website (<http://villageofwinnetka.org>) or at the local library.

**Independent Audit**

Illinois State Statutes require an annual audit by an independent Certified Public Accountant. The accounting firm of Lauterbach & Amen, LLP, 668 North River Road, Naperville, Illinois 60563 was selected by the Village Board of Trustees to conduct the annual audit for fiscal year 2022. 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, 2021. 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 annual comprehensive 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 for her work 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, flowing 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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



**INDEPENDENT AUDITORS' REPORT**

July 11, 2023

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

**Report on the Audit of the Financial Statements**

*Opinion*

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, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinions*

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

**Responsibilities of Management for the Financial Statements**

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

## **Required Supplementary Information**

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

### **Supplementary Information**

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

### **Other Information**

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

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated July 11, 2023, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

MANAGEMENT'S  
DISCUSSION AND ANALYSIS  
DECEMBER 31, 2022

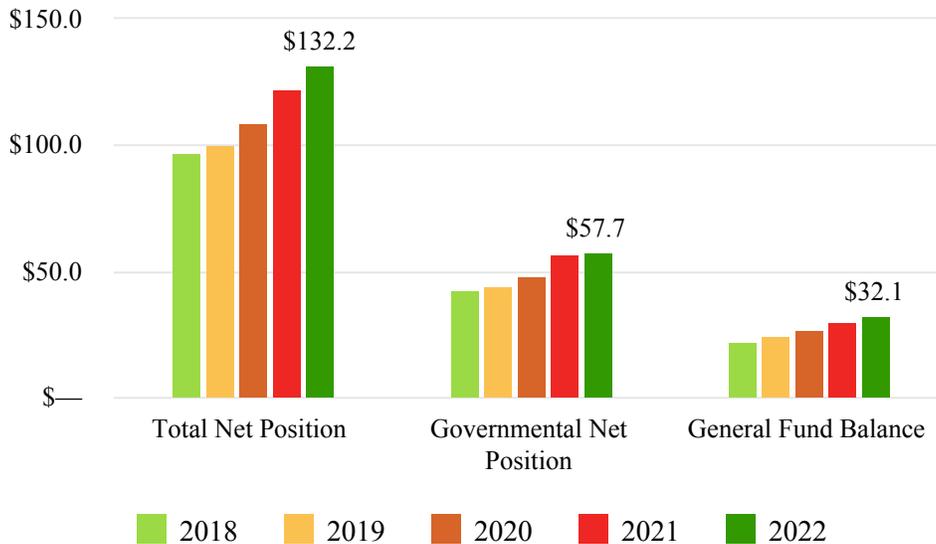
The Management Discussion and Analysis (MDA) section of the Village of Winnetka's Annual Comprehensive Financial Report presents discussion and analysis of the Village's financial activities during the Fiscal Year ending December 31, 2022. This section should be used in conjunction with the transmittal letter at the front of this report and with the Village's financial statements that follow this section. Where appropriate the MD&A refers to specific pages in the Annual Comprehensive Financial Report for additional information.

The management's discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify the Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds.

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

**FINANCIAL HIGHLIGHTS**

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



Government-wide net position increased 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 December 31, 2022. This is highlighted most notably in the total fund balance in the General Fund, which rose from \$30,027,257 to \$32,077,945 and represents 124.0 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 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.

STATEMENT OF NET POSITION

	Dec-22		Dec-21		Dec-22	Dec-21
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government
<u>Assets</u>						
Current and Other Assets	\$62,446,421	27,240,111	62,119,237	38,691,199	89,686,532	100,810,436
Capital Assets	50,403,355	67,468,081	49,547,092	48,830,318	117,871,436	98,377,410
Total Assets	112,849,776	94,708,192	111,666,329	87,521,517	207,557,968	199,187,846
Deferred Outflows	15,200,210	4,727,616	3,287,541	1,612,774	19,927,826	4,900,315
Total Assets/Deferred Outflows	128,049,986	99,435,808	114,953,870	89,134,291	227,485,794	204,088,161
<u>Liabilities</u>						
Current Liabilities	3,700,426	5,563,185	2,934,383	2,990,735	9,263,611	5,925,118
Long-Term Liabilities	41,544,218	19,044,717	18,723,938	14,578,610	60,588,935	33,302,548
Total Liabilities	45,244,644	24,607,902	21,658,321	17,569,345	69,852,546	39,227,666
Deferred Inflows	25,092,062	362,408	36,510,760	6,176,603	25,454,470	42,687,363
Total Liabilities/Deferred Inflows	70,336,706	24,970,310	58,169,081	23,745,948	95,307,016	81,915,029
<u>Net Position</u>						
Net Investment in						
Capital Assets	50,403,355	56,574,504	59,200,472	48,015,012	106,977,859	107,215,484
Restricted	3,816,909	—	3,390,907	—	3,816,909	3,390,907
Unrestricted	3,493,016	17,890,994	(5,806,590)	17,373,331	21,384,010	11,566,741
Total Net Position	57,713,280	74,465,498	56,784,789	65,388,343	132,178,778	122,173,132

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 \$122,173,132 in 2021 to \$132,178,778 in 2022. Net position for governmental activities increased \$928,491, which was substantially less than the increase in 2021 of \$4,265,724. This change was due primarily to decreases in charges for services of \$1,486,187 offset by increases in property taxes, sales taxes, and other taxes of \$571,399, \$766,962, and \$413,988, respectively. The net position for the business-type activities increased by \$9,077,155. This was due in large part to capital grants totaling \$7,228,938 being received in the current year.

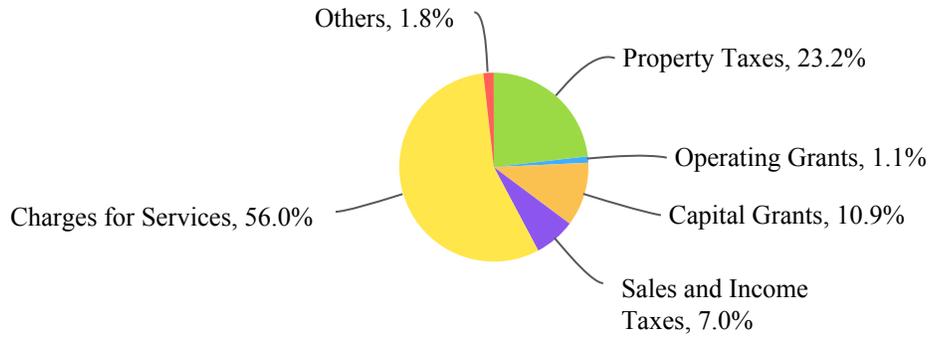
The following table provides a summary of the Village's changes in net position:

STATEMENT OF ACTIVITIES

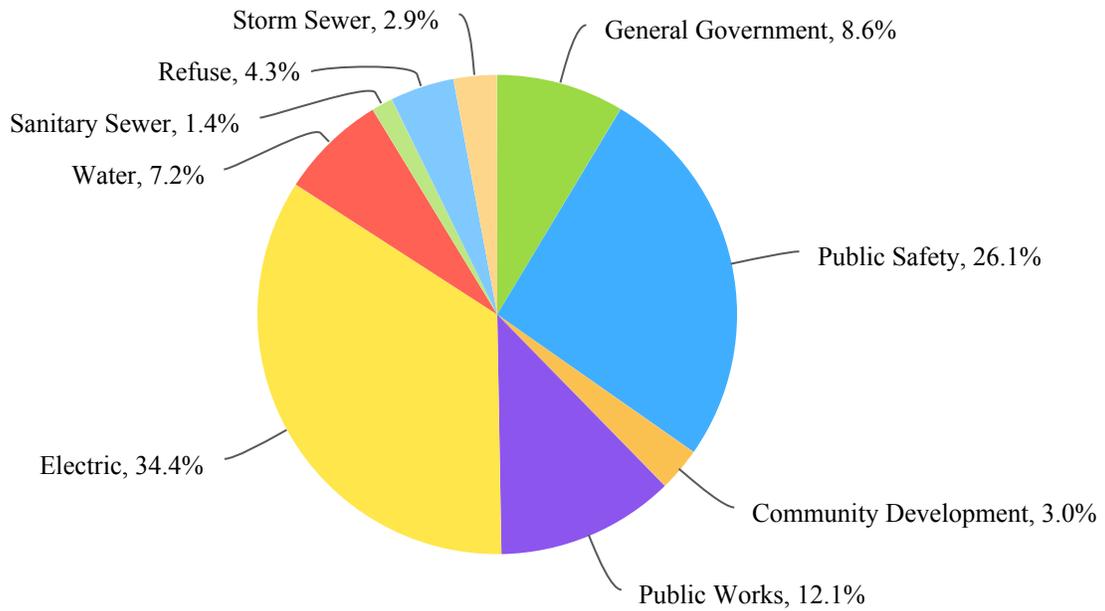
	Dec-22		Dec-21		Dec-22	Dec-21
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government
Revenue:						
Program Revenues:						
Charges for Services	\$ 6,397,669	30,606,249	7,883,856	31,413,355	37,003,918	39,297,211
Operating Grants	724,706	—	783,286	—	724,706	783,286
Capital Grants	—	7,228,938	—	—	7,228,938	—
General Revenues:						
Property Taxes	15,321,586	—	14,750,187	—	15,321,586	14,750,187
Sales and Income Taxes	4,652,910	—	3,885,948	—	4,652,910	3,885,948
Investment Income	(603,445)	(553,495)	(111,292)	(144,707)	(1,156,940)	(255,999)
Others	1,798,675	544,657	1,384,687	280,850	2,343,332	1,665,537
Total Revenues	28,292,101	37,826,349	28,576,672	31,549,498	66,118,450	60,126,170
Expenses:						
General Government	4,832,582	—	1,687,288	—	4,832,582	1,687,288
Public Safety	14,663,393	—	10,201,045	—	14,663,393	10,201,045
Community Development	1,653,866	—	1,604,896	—	1,653,866	1,604,896
Public Works	6,755,847	—	6,434,348	—	6,755,847	6,434,348
Electric	—	19,297,776	—	18,600,967	19,297,776	18,600,967
Water	—	4,040,670	—	3,645,073	4,040,670	3,645,073
Sewer	—	798,990	—	810,888	798,990	810,888
Refuse	—	2,434,580	—	2,460,060	2,434,580	2,460,060
Storm Sewer	—	1,635,100	—	1,149,180	1,635,100	1,149,180
Total Expenses	27,905,688	28,207,116	19,927,577	26,666,168	56,112,804	46,593,745
Increase (Decrease) in Net Position before Transfers	386,413	9,619,233	8,649,095	4,883,330	10,005,646	13,532,425
Transfers	542,078	(542,078)	(151,586)	151,586	—	—
Increase (Decrease) in Net Position	928,491	9,077,155	8,497,509	5,034,916	10,005,646	13,532,425
Net Position - Beginning	56,784,789	65,388,343	48,287,280	60,353,427	122,173,132	108,640,707
Net Position - Ending	57,713,280	74,465,498	56,784,789	65,388,343	132,178,778	122,173,132

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

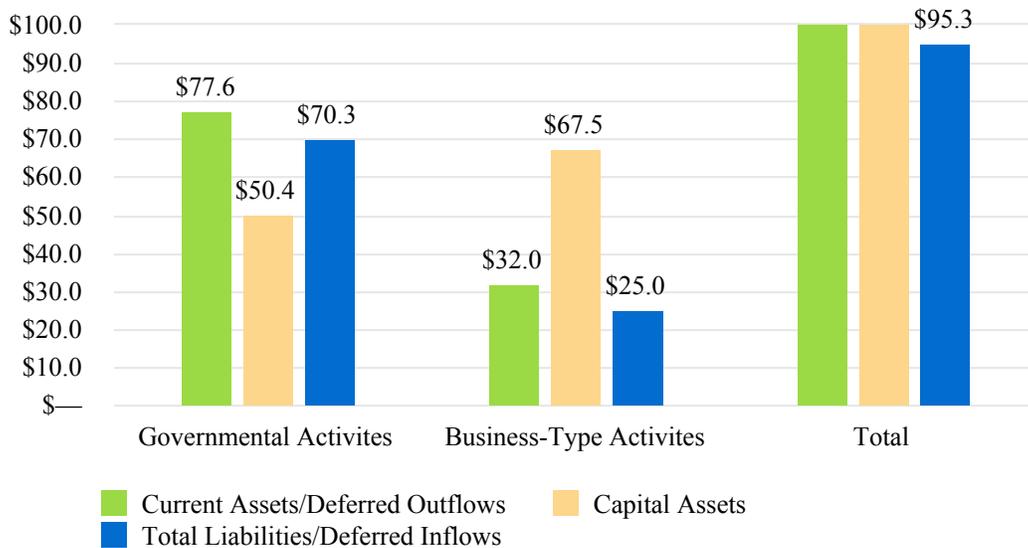
### Government-Wide Revenues by Type



### 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 \$36,477,208, an increase of \$2,001,849 from the prior year. This increase is attributable to a favorable revenue and operating expenditure experience for the General Fund and unspent Motor Fuel Tax (MFT) Fund revenue.

#### Major Governmental Funds

The General Fund is the Village’s primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund increased \$2,050,688 from \$30,027,257 to \$32,077,945. This increase is the result of favorable revenues and operating cost experience. The Village Council approved a budgeted drawdown of \$644,956; however at the end of the fiscal year the net change in fund balance was \$2,050,688. This increase is attributable to improved intergovernmental revenue of \$978,577.

The General Fund cash balance of \$30,109,843 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 \$78,767, which is available for future capital related improvements projects throughout the Village. In FY 2022, this fund decreased by \$101,508. This is primarily due to capital outlay expenditures of \$203,019 offset by a transfer in of \$100,000.

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

*Proprietary Funds*

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

*Major Proprietary Funds*

The proprietary funds operated by the Village are the Electric, Water, Sanitary Sewer, Refuse, and Storm Sewer funds. Electric rates were increased 5.0% (residential) in the current year. The water rate increased 8.5% and the sewer rate was increased 2% 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 \$2,538,559. The total for workers’ compensation, liability, and health insurance risks retained by the Village was \$2,001,320, a \$444,266 decrease from last year. While the Village’s existing reserves are adequate to fund known liabilities, the moderate (up to \$250,000) retention levels 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	\$ 3,351,187	3,318,145
Police Department	7,721,450	7,588,677
Fire Department	6,159,874	5,956,956
Community Development	1,746,360	1,633,671
Public Works	6,588,999	5,677,045
Contingency	300,000	—
Total	<u>25,867,870</u>	<u>24,174,494</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, 2022 was \$50,403,355, up \$856,263 from the prior year.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2022 was \$67,468,081, up \$18,637,763 from the prior year.

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

### *Long-Term Debt*

At the end of the fiscal year, the Village had total bonded debt outstanding of \$11,350,000. 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 November 2022.

### *Economic Factors*

The local Village economy remained steady in 2022. 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 12,437 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](http://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, 2022**

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**See Following Page**

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position  
December 31, 2022

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 38,022,495	17,088,680	55,111,175
Receivables - Net of Allowances			
Taxes	18,190,942	—	18,190,942
Accounts	142,452	11,156,894	11,299,346
Notes	194,900	—	194,900
Leases	2,400,209	—	2,400,209
Internal Balances	2,250,000	(2,250,000)	—
Prepays/Inventories	425,372	1,244,537	1,669,909
Due from Other Governments	820,051	—	820,051
Total Current Assets	<u>62,446,421</u>	<u>27,240,111</u>	<u>89,686,532</u>
Noncurrent Assets			
Capital Assets			
Nondepreciable	13,680,000	4,733,880	18,413,880
Depreciable	78,506,742	134,555,180	213,061,922
Accumulated Depreciation	(41,783,387)	(71,820,979)	(113,604,366)
Total Noncurrent Assets	<u>50,403,355</u>	<u>67,468,081</u>	<u>117,871,436</u>
Total Assets	<u>112,849,776</u>	<u>94,708,192</u>	<u>207,557,968</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	3,864,226	3,862,898	7,727,124
Deferred Items - Police Pension	4,951,063	—	4,951,063
Deferred Items - Firefighters' Pension	6,046,280	—	6,046,280
Deferred Items - RBP	338,641	161,971	500,612
Unamortized Loss on Refunding	—	702,747	702,747
Total Deferred Outflows of Resources	<u>15,200,210</u>	<u>4,727,616</u>	<u>19,927,826</u>
Total Assets and Deferred Outflows of Resources	<u>128,049,986</u>	<u>99,435,808</u>	<u>227,485,794</u>

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

	Governmental Activities	Business-Type Activities	Totals
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 2,118,285	3,769,241	5,887,526
Accrued Payroll	70,201	146,535	216,736
Accrued Interest Payable	—	12,192	12,192
Retainage Payable	—	702,617	702,617
Deposits Payable	1,000,829	377,431	1,378,260
Claims Payable	373,237	—	373,237
Current Portion of Long-Term Liabilities	137,874	555,169	693,043
Total Current Liabilities	<u>3,700,426</u>	<u>5,563,185</u>	<u>9,263,611</u>
Noncurrent Liabilities			
Claims Payable	478,961	—	478,961
Compensated Absences	1,240,868	451,520	1,692,388
Net Pension Liability - IMRF	5,337,350	5,335,515	10,672,865
Net Pension Liability - Police Pension	13,890,110	—	13,890,110
Net Pension Liability - Firefighters' Pension	18,029,267	—	18,029,267
Total OPEB Liability - RBP	2,567,662	1,228,099	3,795,761
General Obligation Bonds Payable - Net	—	11,091,324	11,091,324
Landfill Post-Closure Costs	—	938,259	938,259
Total Noncurrent Liabilities	<u>41,544,218</u>	<u>19,044,717</u>	<u>60,588,935</u>
Total Liabilities	<u>45,244,644</u>	<u>24,607,902</u>	<u>69,852,546</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Items - IMRF	47,012	46,995	94,007
Deferred Items - Police Pension	3,208,867	—	3,208,867
Deferred Items - Firefighters' Pension	1,787,590	—	1,787,590
Deferred Items - RBP	659,452	315,413	974,865
Property Taxes	15,309,260	—	15,309,260
Grants	1,676,018	—	1,676,018
Leases	2,403,863	—	2,403,863
Total Deferred Inflows of Resources	<u>25,092,062</u>	<u>362,408</u>	<u>25,454,470</u>
Total Liabilities and Deferred Inflows of Resources	<u>70,336,706</u>	<u>24,970,310</u>	<u>95,307,016</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	50,403,355	56,574,504	106,977,859
Restricted - Highways and Streets	3,613,138	—	3,613,138
Restricted - Foreign Fire Tax	203,771	—	203,771
Unrestricted	3,493,016	17,890,994	21,384,010
Total Net Position	<u>57,713,280</u>	<u>74,465,498</u>	<u>132,178,778</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, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
<b>Governmental Activities</b>				
General Government	\$ 4,832,582	2,831,304	—	—
Public Safety	14,663,393	1,631,549	226,101	—
Community Development	1,653,866	1,934,816	—	—
Public Works	6,755,847	—	498,605	—
Total Governmental Activities	27,905,688	6,397,669	724,706	—
<b>Business-Type Activities</b>				
Electric	19,297,776	18,188,204	—	—
Water	4,040,670	6,226,468	—	—
Refuse	2,434,580	2,612,705	—	—
Storm Sewer	1,635,100	1,549,886	—	7,228,938
Sanitary Sewer	798,990	2,028,986	—	—
Total Business-Type Activities	28,207,116	30,606,249	—	7,228,938
Total Primary Government	56,112,804	37,003,918	724,706	7,228,938

General Revenues

Taxes

Property

Telecommunications

Natural Gas

Intergovernmental - Unrestricted

Sales Taxes

Income Taxes

Personal Property Replacement

Other Taxes

Investment Income

Miscellaneous

Transfers - Internal Activity

Total General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Primary Government		
Net (Expenses)/Revenues		
Governmental Activities	Business-Type Activities	Totals
(2,001,278)	—	(2,001,278)
(12,805,743)	—	(12,805,743)
280,950	—	280,950
(6,257,242)	—	(6,257,242)
(20,783,313)	—	(20,783,313)
—	(1,109,572)	(1,109,572)
—	2,185,798	2,185,798
—	178,125	178,125
—	7,143,724	7,143,724
—	1,229,996	1,229,996
—	9,628,071	9,628,071
(20,783,313)	9,628,071	(11,155,242)
15,321,586	—	15,321,586
237,293	—	237,293
564,986	—	564,986
2,576,310	—	2,576,310
2,076,600	—	2,076,600
527,215	—	527,215
391,476	—	391,476
(603,445)	(553,495)	(1,156,940)
77,705	544,657	622,362
542,078	(542,078)	—
21,711,804	(550,916)	21,160,888
928,491	9,077,155	10,005,646
56,784,789	65,388,343	122,173,132
57,713,280	74,465,498	132,178,778

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

**VILLAGE OF WINNETKA, ILLINOIS**

**Balance Sheet - Governmental Funds**

**December 31, 2022**

	General	Capital Projects Village Facilities	Nonmajor	Totals
<b>ASSETS</b>				
Cash and Investments	\$ 30,109,843	87,604	4,716,873	34,914,320
Receivables - Net of Allowances				
Taxes	18,190,942	—	—	18,190,942
Accounts	101,753	—	—	101,753
Notes	194,900	—	—	194,900
Leases	2,400,209	—	—	2,400,209
Due from Other Governments	770,311	—	49,740	820,051
Due from Other Funds	2,250,000	—	—	2,250,000
<b>Total Assets</b>	<b>54,017,958</b>	<b>87,604</b>	<b>4,766,613</b>	<b>58,872,175</b>
<b>LIABILITIES</b>				
Accounts Payable	1,009,145	8,837	446,117	1,464,099
Accrued Payroll	62,312	—	—	62,312
Deposits Payable	1,000,829	—	—	1,000,829
Due to Other Funds	478,586	—	—	478,586
<b>Total Liabilities</b>	<b>2,550,872</b>	<b>8,837</b>	<b>446,117</b>	<b>3,005,826</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes	15,309,260	—	—	15,309,260
Grants	1,676,018	—	—	1,676,018
Leases	2,403,863	—	—	2,403,863
<b>Total Deferred Inflows of Resources</b>	<b>19,389,141</b>	<b>—</b>	<b>—</b>	<b>19,389,141</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>21,940,013</b>	<b>8,837</b>	<b>446,117</b>	<b>22,394,967</b>
<b>FUND BALANCES</b>				
Restricted	—	—	3,816,909	3,816,909
Assigned	16,303,144	78,767	503,587	16,885,498
Unassigned	15,774,801	—	—	15,774,801
<b>Total Fund Balances</b>	<b>32,077,945</b>	<b>78,767</b>	<b>4,320,496</b>	<b>36,477,208</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>54,017,958</b>	<b>87,604</b>	<b>4,766,613</b>	<b>58,872,175</b>

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, 2022

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<b>Total Governmental Fund Balances</b>	\$ 36,477,208
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.	50,403,355
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.	2,538,559
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	3,817,214
Deferred Items - Police Pension	1,742,196
Deferred Items - Firefighters' Pension	4,258,690
Deferred Items - RBP	(320,811)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,378,742)
Net Pension Liability/(Asset) - IMRF	(5,337,350)
Net Pension Liability - Police Pension	(13,890,110)
Net Pension Liability - Firefighters' Pension	(18,029,267)
Total OPEB Liability - RBP	<u>(2,567,662)</u>
<b>Net Position of Governmental Activities</b>	<u><u>57,713,280</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, 2022

	General	Capital Projects Village Facilities	Nonmajor	Totals
<b>Revenues</b>				
Taxes	\$ 16,121,723	—	2,142	16,123,865
Licenses and Permits	2,286,551	—	—	2,286,551
Intergovernmental	5,406,226	—	890,081	6,296,307
Charges for Services	4,031,837	—	—	4,031,837
Fines and Forfeitures	79,281	—	—	79,281
Investment Income (Loss)	(537,943)	1,511	24,823	(511,609)
Miscellaneous	77,705	—	—	77,705
Total Revenues	27,465,380	1,511	917,046	28,383,937
<b>Expenditures</b>				
General Government	3,318,145	—	—	3,318,145
Public Safety	13,545,633	—	78,152	13,623,785
Community Development	1,633,671	—	—	1,633,671
Public Works	5,677,045	—	—	5,677,045
Capital Outlay	—	203,019	2,468,501	2,671,520
Total Expenditures	24,174,494	203,019	2,546,653	26,924,166
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	3,290,886	(201,508)	(1,629,607)	1,459,771
<b>Other Financing Sources (Uses)</b>				
Transfers In	2,146,946	100,000	1,950,000	4,196,946
Transfers Out	(3,387,144)	—	(267,724)	(3,654,868)
	(1,240,198)	100,000	1,682,276	542,078
<b>Net Change in Fund Balances</b>				
	2,050,688	(101,508)	52,669	2,001,849
<b>Fund Balances - Beginning</b>				
	30,027,257	180,275	4,267,827	34,475,359
<b>Fund Balances - Ending</b>				
	32,077,945	78,767	4,320,496	36,477,208

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, 2022**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 2,001,849

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	4,232,918
Depreciation Expense	(3,376,655)

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

Change in Deferred Items - IMRF	9,633,875
Change in Deferred Items - Police Pension	8,899,196
Change in Deferred Items - Firefighters' Pension	8,662,549
Change in Deferred Items - RBP	(549,248)

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	(1,793)
Change in Net Pension Liability/(Asset) - IMRF	(10,164,040)
Change in Net Pension Liability - Police Pension	(8,953,774)
Change in Net Pension Liability - Firefighters' Pension	(9,117,784)
Change in Total OPEB Liability - RBP	488,744

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.

(827,346)

**Changes in Net Position of Governmental Activities**

928,491

VILLAGE OF WINNETKA, ILLINOIS

Statement of Net Position - Proprietary Funds  
December 31, 2022

	Business-Type Activities - Enterprise					Totals	Governmental
	Electric	Water	Refuse	Storm Sewer	Nonmajor Sanitary Sewer		Internal Service
<b>ASSETS</b>							
Current Assets							
Cash and Investments	\$ 5,453,935	5,919,769	1,342,824	1,692,366	2,679,786	17,088,680	3,108,175
Receivables - Net of Allowances							
Accounts - Billed	1,057,572	348,912	159,628	118,462	78,148	1,762,722	40,699
Accounts - Unbilled	1,093,400	246,723	186,097	147,770	73,898	1,747,888	—
Accounts - Other	288,070	1,598	2,678	7,353,938	—	7,646,284	—
Inventories/Prepays	1,244,537	—	—	—	—	1,244,537	425,372
Total Current Assets	9,137,514	6,517,002	1,691,227	9,312,536	2,831,832	29,490,111	3,574,246
Noncurrent Assets							
Capital Assets							
Nondepreciable Capital Assets	69,003	95,005	—	4,569,872	—	4,733,880	—
Depreciable Capital Assets	67,003,826	27,118,437	3,533,761	27,562,620	9,336,536	134,555,180	299,598
	67,072,829	27,213,442	3,533,761	32,132,492	9,336,536	139,289,060	299,598
Accumulated Depreciation	(48,906,280)	(12,424,751)	(2,613,261)	(1,973,671)	(5,903,016)	(71,820,979)	(299,598)
Total Noncurrent Assets	18,166,549	14,788,691	920,500	30,158,821	3,433,520	67,468,081	—
Total Assets	27,304,063	21,305,693	2,611,727	39,471,357	6,265,352	96,958,192	3,574,246
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Items - IMRF	2,104,837	918,149	523,002	163,420	153,490	3,862,898	—
Deferred Items - RBP	87,211	39,833	18,100	9,151	7,676	161,971	—
Unamortized Loss on Refunding	—	—	—	702,747	—	702,747	—
Total Deferred Outflows of Resources	2,192,048	957,982	541,102	875,318	161,166	4,727,616	—
Total Assets and Deferred Outflows of Resources	29,496,111	22,263,675	3,152,829	40,346,675	6,426,518	101,685,808	3,574,246

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

	Business-Type Activities - Enterprise						Governmental
	Electric	Water	Refuse	Storm	Nonmajor	Totals	Internal Service
				Sewer	Sanitary Sewer		
<b>LIABILITIES</b>							
Current Liabilities							
Accounts Payable	\$ 1,179,375	245,410	37,435	2,010,767	296,254	3,769,241	175,600
Accrued Payroll	79,805	31,149	20,109	6,605	8,867	146,535	7,889
Accrued Interest Payable	—	—	—	12,192	—	12,192	—
Retainage Payable	—	—	—	702,617	—	702,617	—
Deposits Payable	377,431	—	—	—	—	377,431	—
Due to Other Funds	—	250,000	—	2,000,000	—	2,250,000	—
Claims Payable	—	—	—	—	—	—	373,237
Compensated Absences	31,820	15,673	2,676	—	—	50,169	—
General Obligation Bonds Payable	—	—	—	505,000	—	505,000	—
Total Current Liabilities	1,668,431	542,232	60,220	5,237,181	305,121	7,813,185	556,726
Noncurrent Liabilities							
Claims Payable	—	—	—	—	—	—	478,961
Compensated Absences	286,380	141,053	24,087	—	—	451,520	—
Net Pension Liability - IMRF	2,907,245	1,268,166	722,382	225,718	212,004	5,335,515	—
Total OPEB Liability - RBP	661,251	302,024	137,239	69,387	58,198	1,228,099	—
General Obligation Bonds Payable - Net	—	—	—	11,091,324	—	11,091,324	—
Landfill Post-Closure Costs	—	—	938,259	—	—	938,259	—
Total Noncurrent Liabilities	3,854,876	1,711,243	1,821,967	11,386,429	270,202	19,044,717	478,961
Total Liabilities	5,523,307	2,253,475	1,882,187	16,623,610	575,323	26,857,902	1,035,687
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Deferred Items - IMRF	25,607	11,170	6,363	1,988	1,867	46,995	—
Deferred Items - RBP	169,829	77,569	35,247	17,821	14,947	315,413	—
Total Deferred Inflows of Resources	195,436	88,739	41,610	19,809	16,814	362,408	—
Total Liabilities and Deferred Inflows of Resources	5,718,743	2,342,214	1,923,797	16,643,419	592,137	27,220,310	1,035,687
<b>NET POSITION</b>							
Net Investment in Capital Assets	18,166,549	14,788,691	920,500	19,265,244	3,433,520	56,574,504	—
Unrestricted	5,610,819	5,132,770	308,532	4,438,012	2,400,861	17,890,994	2,538,559
Total Net Position	23,777,368	19,921,461	1,229,032	23,703,256	5,834,381	74,465,498	2,538,559

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, 2022

	Electric	Water
Operating Revenues		
Charges for Services	\$ 18,007,289	6,159,699
Interfund Services	—	—
Miscellaneous	180,915	66,769
Total Operating Revenues	<u>18,188,204</u>	<u>6,226,468</u>
Operating Expenses		
Administration	2,263,403	1,567,415
Operations	15,354,743	1,918,950
Depreciation and Amortization	1,679,630	554,305
Total Operating Expenses	<u>19,297,776</u>	<u>4,040,670</u>
Operating Income (Loss)	<u>(1,109,572)</u>	<u>2,185,798</u>
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	(58,315)	(32,357)
Rental Income	221,088	—
Other Income	322,332	1,237
Interest Expense	—	—
	<u>485,105</u>	<u>(31,120)</u>
Income (Loss) Before Transfers and Capital Grants	<u>(624,467)</u>	<u>2,154,678</u>
Capital Grants	—	—
Transfers In	500,000	—
Transfers Out	(1,049,912)	(776,560)
	<u>(549,912)</u>	<u>(776,560)</u>
Change in Net Position	(1,174,379)	1,378,118
Net Position - Beginning	<u>24,951,747</u>	<u>18,543,343</u>
Net Position - Ending	<u><u>23,777,368</u></u>	<u><u>19,921,461</u></u>

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
2,612,705	2,028,986	1,549,886	30,358,565	—
—	—	—	—	6,152,783
—	—	—	247,684	—
2,612,705	2,028,986	1,549,886	30,606,249	6,152,783
185,500	(5,115)	134,663	4,145,866	701,114
2,122,656	1,030,739	546,094	20,973,182	6,187,179
126,424	302,782	118,233	2,781,374	—
2,434,580	1,328,406	798,990	27,900,422	6,888,293
178,125	700,580	750,896	2,705,827	(735,510)
(5,208)	(460,081)	2,466	(553,495)	(91,836)
—	—	—	221,088	—
—	—	—	323,569	—
—	(306,694)	—	(306,694)	—
(5,208)	(766,775)	2,466	(315,532)	(91,836)
172,917	(66,195)	753,362	2,390,295	(827,346)
—	7,228,938	—	7,228,938	—
—	1,104,868	—	1,604,868	775,000
(190,724)	—	(129,750)	(2,146,946)	(775,000)
(190,724)	8,333,806	(129,750)	6,686,860	—
(17,807)	8,267,611	623,612	9,077,155	(827,346)
1,246,839	15,435,645	5,210,769	65,388,343	3,365,905
1,229,032	23,703,256	5,834,381	74,465,498	2,538,559

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, 2022**

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 18,684,485	6,247,779
Interfund Services Provided	—	—
Payments to Suppliers	(14,305,182)	(2,335,810)
Payments to Employees	(2,683,016)	(1,199,973)
	<u>1,696,287</u>	<u>2,711,996</u>
Cash Flows from Noncapital Financing Activities		
Transfer In	500,000	—
Transfers Out	(1,049,912)	(776,560)
	<u>(549,912)</u>	<u>(776,560)</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,271,065)	(1,978,296)
Capital Grants	—	—
Principal Payments	—	—
Interest Payments	—	—
	<u>(1,271,065)</u>	<u>(1,978,296)</u>
Cash Flows from Investing Activities		
Interest Received	(58,315)	(32,357)
Net Change in Cash and Cash Equivalents	(183,005)	(75,217)
Cash and Cash Equivalents - Beginning	5,636,940	5,994,986
Cash and Cash Equivalents - Ending	<u>5,453,935</u>	<u>5,919,769</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(1,109,572)	2,185,798
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,679,630	554,305
Other Income	543,420	1,237
Other Expense - IMRF and OPEB	334,089	135,176
(Increase) Decrease in Current Assets	(47,139)	20,074
Increase (Decrease) in Current Liabilities	295,859	(184,594)
Net Cash Provided by Operating Activities	<u>1,696,287</u>	<u>2,711,996</u>

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

Business-Type Activities - Enterprise Funds				Governmental
Refuse	Storm Sewer	Nonmajor	Totals	Activities
		Sanitary Sewer		Internal Service
2,630,851	(5,307,578)	1,565,305	23,820,842	—
—	—	—	—	5,983,262
(1,665,895)	2,827,168	(515,887)	(15,995,606)	(6,500,218)
(605,338)	(207,749)	(300,274)	(4,996,350)	(435,843)
359,618	(2,688,159)	749,144	2,828,886	(952,799)
—	1,104,868	—	1,604,868	775,000
(190,724)	—	(129,750)	(2,146,946)	(775,000)
(190,724)	1,104,868	(129,750)	(542,078)	—
—	(17,100,251)	(341,551)	—	—
—	7,228,938	—	7,228,938	—
—	(495,000)	—	(495,000)	—
—	(306,694)	—	(306,694)	—
—	(10,673,007)	(341,551)	6,427,244	—
(5,208)	(460,081)	2,466	(553,495)	(91,836)
163,686	(12,716,379)	280,309	8,160,557	(1,044,635)
1,179,138	14,408,745	2,399,477	29,619,286	4,152,810
1,342,824	1,692,366	2,679,786	37,779,843	3,108,175
178,125	700,580	750,896	2,705,827	(735,510)
126,424	302,782	118,233	2,781,374	—
—	—	—	544,657	—
58,420	(5,115)	(5,377)	517,193	—
18,146	(7,336,564)	15,419	(7,330,064)	(169,521)
(21,497)	3,650,158	(130,027)	3,609,899	(47,768)
359,618	(2,688,159)	749,144	2,828,886	(952,799)

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

**VILLAGE OF WINNETKA, ILLINOIS**

**Statement of Fiduciary Net Position  
December 31, 2022**

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	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,513,140
Investments	
Illinois Police Officers' Pension Investment Fund	33,129,072
Illinois Firefighters' Pension Investment Fund	31,709,639
Due From Other Funds	<u>478,586</u>
Total Assets	66,351,851
<b>LIABILITIES</b>	
Accounts Payable	<u>—</u>
<b>NET POSITION</b>	
Net Position Restricted for Pensions	<u><u>66,351,851</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, 2022

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 2,558,672
Contributions - Plan Members	528,616
Contributions - Buy Back	<u>17,940</u>
Total Contributions	<u>3,105,228</u>
Investment Income	
Interest Earned	1,052,926
Net Change in Fair Value	<u>(12,605,063)</u>
	(11,552,137)
Less Investment Expenses	<u>(89,594)</u>
Net Investment Income	<u>(11,641,731)</u>
Total Additions	<u>(8,536,503)</u>
Deductions	
Administration	92,462
Benefits and Refunds	<u>5,227,094</u>
Total Deductions	<u>5,319,556</u>
Change in Fiduciary Net Position	(13,856,059)
Net Position Restricted for Pensions	
Beginning	<u>80,686,496</u>
Ending	<u><u>66,830,437</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, 2022

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

#### Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village 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, 2022

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### 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, 2022

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### 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, 2022

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### 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, 2022

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### 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, 2022

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### 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, 2022

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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, 2022

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### 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 a consumption/acquisition of net assets 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, 2022**

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**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 EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

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

Fund	Excess
Police Pension	\$ 62,349

# VILLAGE OF WINNETKA, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### 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, 2022

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$14,053,440 and the bank balances totaled \$14,476,053.

*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	\$ 28,627,429	3,818,467	24,808,962	—	—
U.S. Agency Obligations	12,430,306	6,473,307	5,619,417	48,197	289,385
Totals	41,057,735	10,291,774	30,428,379	48,197	289,385

The Village has the following recurring fair value measurements as of December 31, 2022:

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	\$ 28,627,429	28,627,429	—	—
U.S. Agency Obligations	12,430,306	—	12,430,306	—
Total Investments by Fair Value Level	41,057,735	28,627,429	12,430,306	—

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, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### Village - 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, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### Police Pension Fund

The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report, which can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at [www.ipopif.org](http://www.ipopif.org). The Fund transferred all eligible assets to the Investment Fund on June 24, 2022.

*Deposits.* The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$687,208 and the bank balances totaled \$700,122.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund's investment policy 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 entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

*Investments.* At year-end the Fund has \$33,129,072 invested in IPOPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at [www.ipopif.org](http://www.ipopif.org).

*Investment Policy.* IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 3 of the Illinois Pension Code.

##### Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not available. 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, 2022

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### NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

#### DEPOSITS AND INVESTMENTS - Continued

##### Firefighters' Pension Fund

The Illinois Firefighters' Pension Investment Fund (IFPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate firefighter pension funds. IFPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IFPIF by Illinois suburban and downstate firefighter pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IFPIF. A schedule of investment expenses is included in IFPIF's annual report. For additional information on IFPIF's investments, please refer to their annual report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at [www.ifpif.org](http://www.ifpif.org). The Fund transferred all eligible assets to the IFPIF on January 4, 2022.

*Deposits.* The Fund retains all its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IFPIF for purposes of the long-term investment for the Fund. At year-end, the carrying amount of the Fund's cash on hand totaled \$825,932 and the bank balances totaled \$831,307.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. 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 entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance.

*Investments.* At year-end the Fund has \$31,709,639 invested in IFPIF, which is measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at [www.ifpif.org](http://www.ifpif.org).

*Investment Policy.* IFPIF's current investment policy was adopted by the Board of Trustees on June 17, 2022. IFPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IFPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Sections 1-113.1 through 1-113.12 or Article 4 of the Illinois Pension Code.

##### Rate of Return

For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was not available. 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, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land and Right of Way	\$ 13,680,000	—	—	13,680,000
Depreciable Capital Assets				
Buildings and Improvements	16,571,927	428,210	—	17,000,137
Machinery and Equipment	12,540,630	332,800	—	12,873,430
Furniture and Fixtures	965,632	—	—	965,632
Infrastructure	44,195,635	3,471,908	—	47,667,543
	<u>74,273,824</u>	<u>4,232,918</u>	<u>—</u>	<u>78,506,742</u>
Less Accumulated Depreciation				
Buildings and Improvements	5,573,218	304,494	—	5,877,712
Machinery and Equipment	13,037,763	1,048,911	—	14,086,674
Furniture and Fixtures	965,632	—	—	965,632
Infrastructure	18,830,119	2,023,250	—	20,853,369
	<u>38,406,732</u>	<u>3,376,655</u>	<u>—</u>	<u>41,783,387</u>
Total Net Depreciable Capital Assets	<u>35,867,092</u>	<u>856,263</u>	<u>—</u>	<u>36,723,355</u>
Total Net Capital Assets	<u>49,547,092</u>	<u>856,263</u>	<u>—</u>	<u>50,403,355</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 226,186
Public Safety	500,075
Community Development	20,195
Public Works	<u>2,630,199</u>
	<u>3,376,655</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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
<b>Nondepreciable Capital Assets</b>				
Land	\$ 164,008	1,270,500	—	1,434,508
Construction in Progress	1,249,844	2,049,528	—	3,299,372
	<u>1,413,852</u>	<u>3,320,028</u>	<u>—</u>	<u>4,733,880</u>
<b>Depreciable Capital Assets</b>				
Buildings	13,655,489	138,194	—	13,793,683
Plants and Equipment	15,747,739	81,655	—	15,829,394
Distribution System	54,740,565	2,873,189	—	57,613,754
Sewer System	20,032,725	14,824,391	—	34,857,116
Other Equipment	12,304,910	156,323	—	12,461,233
	<u>116,481,428</u>	<u>18,073,752</u>	<u>—</u>	<u>134,555,180</u>
<b>Less Accumulated Depreciation</b>				
Buildings	5,935,693	226,364	—	6,162,057
Plants and Equipment	12,600,853	303,298	—	12,904,151
Distribution System	34,042,890	1,614,928	—	35,657,818
Sewer System	5,924,356	357,555	—	6,281,911
Other Equipment	10,561,170	253,872	—	10,815,042
	<u>69,064,962</u>	<u>2,756,017</u>	<u>—</u>	<u>71,820,979</u>
Total Other Capital Assets	<u>47,416,466</u>	<u>15,317,735</u>	<u>—</u>	<u>62,734,201</u>
Total Capital Assets	<u>48,830,318</u>	<u>18,637,763</u>	<u>—</u>	<u>67,468,081</u>

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

Electric	\$ 1,679,630
Water	554,305
Refuse	126,424
Storm Sewer	277,425
Sanitary Sewer	118,233
	<u>2,756,017</u>

**VILLAGE OF WINNETKA, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**INTERFUND BALANCES**

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

Receivable Fund	Payable Fund	Amount
General	Water	\$ 250,000
General	Storm Sewer	2,000,000
Police Pension	General	223,880
Firefighters' Pension	General	<u>254,706</u>
		<u><u>2,250,000</u></u>

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

**INTERFUND TRANSFERS**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Water	\$ 500,000 (1)
Village Facilities	General	100,000 (2)
Nonmajor Governmental	General	1,950,000 (2)
Electric	General	500,000 (2)
General	Electric	1,049,912 (1)
General	Water	276,560 (1)
General	Refuse	190,724 (1)
General	Nonmajor Business-Type	129,750 (1)
Information Technology	Health Insurance	250,000 (1)
Information Technology	Fleet	250,000 (1)
Liability Insurance	Workers' Compensation Insurance	275,000 (1)
Storm Sewer	General	837,144 (2)
Storm Sewer	Nonmajor Governmental	<u>267,724 (1)</u>
		<u><u>6,576,814</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**VILLAGE OF WINNETKA, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

**NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued**

**LEASES RECEIVABLE**

The Village is a lessor on the following leases at year end:

Lease	Term	Start Date	Payments	Interest Range
Verizon	9 years	January 1, 2022	Varies per year	3.00%
AT&T - PSB	9 years	January 1, 2022	Varies per year	3.00%
AT&T - Tower Road	9 years	January 1, 2022	Varies per year	3.00%

During the fiscal year, the Village recognized \$199,096 of lease revenue.

The future minimum lease assets and the net present value of these minimum lease receipts as of year-end, are as follows:

Fiscal Year	Principal	Interest	Total
2023	\$ 269,293	63,609	332,902
2024	280,179	53,675	333,854
2025	291,470	43,670	335,140
2026	303,180	33,581	336,761
2027	315,328	23,399	338,727
2028	327,932	13,112	341,044
2029	340,696	2,619	343,315
2030	38,313	153	38,466
	<u>2,166,391</u>	<u>233,818</u>	<u>2,400,209</u>

**VILLAGE OF WINNETKA, ILLINOIS**

**Notes to the Financial Statements**

**December 31, 2022**

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**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
\$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	\$ 11,845,000	—	495,000	11,350,000

**Landfill Closure Costs**

On June 1, 1993, the Village Council approved closing the landfill by April 1, 1994, depending on the final outcome of federal regulations. The post-closure costs of \$938,259 are based on landfill capacity used to date and have been estimated by the Village engineers. The Village annually reviews these costs and adjusts them as necessary. On April 1, 1994, the Village established the Refuse Fund as a separate enterprise fund. The post-closure costs will be funded by the operations of the Refuse Fund. The landfill is closed; however, there has been no work on it to be permanently closed.

**Legal Debt Margin**

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

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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
<b>Governmental Activities</b>					
Compensated Absences	\$ 1,376,949	3,586	1,793	1,378,742	137,874
Net Pension Liabilities/(Asset)					
IMRF	(4,826,690)	10,164,040	—	5,337,350	—
Police	4,936,336	8,953,774	—	13,890,110	—
Fire	8,911,483	9,117,784	—	18,029,267	—
Total OPEB Liability - RBP	3,056,406	—	488,744	2,567,662	—
	<u>13,454,484</u>	<u>28,239,184</u>	<u>490,537</u>	<u>41,203,131</u>	<u>137,874</u>
<b>Business-Type Activities</b>					
Compensated Absences	501,616	146	73	501,689	50,169
Net Pension Liability/(Asset) - IMRF	(4,500,546)	9,836,061	—	5,335,515	—
Total OPEB Liability - RBP	1,578,888	—	350,789	1,228,099	—
General Obligation Bonds	11,845,000	—	495,000	11,350,000	505,000
Plus: Unamortized Bond Premium	260,009	—	13,685	246,324	—
Landfill Post-Closure Costs	938,259	—	—	938,259	—
	<u>10,623,226</u>	<u>9,836,207</u>	<u>859,547</u>	<u>19,599,886</u>	<u>555,169</u>

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

For the business-type activities, compensated absences, the net pension liability/(asset), 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, 2022

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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
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>11,350,000</u>	<u>3,029,577</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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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, 2022:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	\$	50,403,355
Less Capital Related Debt:		<u>                    —</u>
		<u>50,403,355</u>
Business-Type Activities		
Capital Assets - Net of Accumulated Depreciation		67,468,081
Plus: Unamortized Loss on Refunding		702,747
Less Capital Related Debt:		
Taxable General Obligation Refunding Bonds of 2020	(11,350,000)	
Unamortized Premium		<u>(246,324)</u>
Net Investment in Capital Assets		<u>56,574,504</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, 2022

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
<b>Restricted</b>				
Highways and Streets	\$ —	—	3,613,138	3,613,138
Foreign Fire Tax	—	—	203,771	203,771
	—	—	3,816,909	3,816,909
<b>Assigned</b>				
Infrastructure Improvement Projects	16,303,144	78,767	—	16,381,911
Downtown Redevelopment	—	—	451,005	451,005
Special Service Areas	—	—	52,582	52,582
	16,303,144	78,767	503,587	16,885,498
<b>Unassigned</b>				
	15,774,801	—	—	15,774,801
<b>Total Fund Balances</b>	<b>32,077,945</b>	<b>78,767</b>	<b>4,320,496</b>	<b>36,477,208</b>

PROPERTY TAXES

Property taxes for 2022 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 2022 tax levy is intended to fund expenditures for the 2022 fiscal year, these taxes are deferred as of December 31, 2022.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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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 2022 from the coverage amounts in effect for 2019. The Village's self-insurance activities are reported in the Health Insurance, General Liability Insurance and Workers' Compensation internal service funds. All of the Villages claims are considered noncurrent liabilities.

Premiums are paid into the internal service funds by the departments of the General Fund and other funds based upon historical cost estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Reported liabilities are actuarially determined and include an amount for claims that have been incurred but not reported. There were no insurance claim settlements which exceeded the amounts of insurance coverage during 2022 and 2021.

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

	Workers'		
	Compensation	Liability	Totals
Claims Payable - December 31, 2020	\$ 1,202,676	115,000	1,317,676
Incurred Claims	174,199	609,695	783,894
Claims Paid	(449,777)	(607,785)	(1,057,562)
Claims Payable - December 31, 2021	927,098	116,910	1,044,008
Incurred Claims	322,823	531,177	854,000
Claims Paid	(503,447)	(542,363)	(1,045,810)
Claims Payable - December 31, 2022	746,474	105,724	852,198
Amount Due Within One Year			<u>373,237</u>

# VILLAGE OF WINNETKA, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### 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.

# VILLAGE OF WINNETKA, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

#### JOINT VENTURES

##### Illinois Municipal Electric Agency (IMEA) - Continued

###### 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 \$787 million of long-term debt outstanding and \$46 million due in the current fiscal year ending April 30, 2022. 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 \$787 million for debt principal outstanding through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2022.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Illinois Municipal Electric Agency (IMEA) - Continued

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

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

\* Per April 30, 2022 financial statements.

Summary of Operating Revenues, Operating Expenses and Changes in Net Position for the year ended April 30, 2022, in millions of dollars:

Operating Revenues	\$ 313.6
Operating Expenses	<u>238.8</u>
Net Operating Income	74.8
Other Nonoperating Expenses (Net)	<u>(36.0)</u>
Change in Net Position	<u><u>38.8</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](http://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 77 W. Hintz Road, Suite 200, Wheeling, Illinois 60090.

# VILLAGE OF WINNETKA, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### 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](http://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	Net Pension Liability	Deferred Outflows	Deferred Inflows
IMRF	\$ 2,257,353	10,672,865	7,727,124	94,007
Police Pension	1,252,642	13,890,110	4,951,063	3,208,867
Firefighters' Pension	1,815,843	18,029,267	6,046,280	1,787,590
	<u>5,325,838</u>	<u>42,592,242</u>	<u>18,724,467</u>	<u>5,090,464</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, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	166
Inactive Plan Members Entitled to but not yet Receiving Benefits	55
Active Plan Members	<u>98</u>
Total	<u><u>319</u></u>

*Contributions.* As set by statute, the Village's Regular Plan Members are required to contribute 4.50% 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, 2022, the Village's contribution was 11.01% of covered payroll.

*Net Pension Liability/(Asset).* The Village's net pension liability/(asset) was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of that date.

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2022, 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	2.75%
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, 2022**

**NOTE 4 - OTHER INFORMATION - Continued**

**EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued**

**Illinois Municipal Retirement Fund (IMRF) - Continued**

**Plan Descriptions - Continued**

*Actuarial Assumptions - Continued.*

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	25.50%	4.90%
Domestic Equities	35.50%	6.50%
International Equities	18.00%	7.60%
Real Estate	10.50%	6.20%
Blended	9.50%	6.25% - 9.90%
Cash and Cash Equivalents	1.00%	4.00%

**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 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 (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability	\$ 20,053,753	10,672,865	3,129,003

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension Liability/(Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability/(Asset) (A) - (B)
Balances at December 31, 2021	\$ 89,982,377	99,309,613	(9,327,236)
Changes for the Year:			
Service Cost	847,561	—	847,561
Interest on the Total Pension Liability	6,325,416	—	6,325,416
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	103,520	—	103,520
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,130,656	(1,130,656)
Contributions - Employees	—	463,654	(463,654)
Net Investment Income	—	(13,744,280)	13,744,280
Benefit Payments, including Refunds of Employee Contributions	(6,318,073)	(6,318,073)	—
Other (Net Transfer)	—	(573,634)	573,634
Net Changes	958,424	(19,041,677)	20,000,101
Balances at December 31, 2022	90,940,801	80,267,936	10,672,865

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2022, the Village recognized pension expense of \$2,257,353. At December 31, 2022, 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	\$ 803,821	—	803,821
Change in Assumptions	—	(94,007)	(94,007)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,923,303	—	6,923,303
Total Deferred Amounts Related to IMRF	<u>7,727,124</u>	<u>(94,007)</u>	<u>7,633,117</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 Outflows/ (Inflows) of Resources
2023	\$ (151,357)
2024	1,295,010
2025	2,339,024
2026	4,150,440
2027	—
Thereafter	—
Totals	<u>7,633,117</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - 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, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	34
Inactive Plan Members Entitled to but not yet Receiving Benefits	10
Active Plan Members	<u>26</u>
Total	<u><u>70</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, 2022

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### 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 1<sup>st</sup> 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, 2022, the Village's contribution was 41.35% of covered payroll.

*Concentrations.* 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, 2022**

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**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, 2022, using the following actuarial methods and assumptions:

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%, 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, 2022

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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 20,175,259	13,890,110	8,728,309

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 46,185,968	41,249,632	4,936,336
Changes for the Year:			
Service Cost	642,010	—	642,010
Interest on the Total Pension Liability	3,073,728	—	3,073,728
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	593,176	—	593,176
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,198,064	(1,198,064)
Contributions - Employees	—	287,146	(287,146)
Contributions - Buy Back	17,940	17,940	—
Net Investment Income	—	(6,071,483)	6,071,483
Benefit Payments, Including Refunds of Employee Contributions	(2,582,553)	(2,582,553)	—
Other (Net Transfer)	—	(58,587)	58,587
Net Changes	1,744,301	(7,209,473)	8,953,774
Balances at December 31, 2022	47,930,269	34,040,159	13,890,110

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the Village recognized pension expense of \$1,252,642. At December 31, 2022, 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	\$ 776,159	(834,259)	(58,100)
Change in Assumptions	—	(2,374,608)	(2,374,608)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,174,904	—	4,174,904
Total Deferred Amounts Related to Police Pension	<u>4,951,063</u>	<u>(3,208,867)</u>	<u>1,742,196</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 Outflows/ (Inflows) of Resources
2023	\$ (201,861)
2024	61,708
2025	720,432
2026	1,063,054
2027	98,863
Thereafter	<u>—</u>
Total	<u>1,742,196</u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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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, 2022, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	37
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>24</u>
Total	<u><u>65</u></u>

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

# VILLAGE OF WINNETKA, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### NOTE 4 - OTHER INFORMATION - Continued

#### EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

##### Firefighters' Pension Plan - Continued

##### Plan Descriptions - Continued

*Benefits Provided - Continued.* Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e.,  $\frac{1}{2}$  percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions.* Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2022, the Village's contribution was 53.28% 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, 2022**

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**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, 2022, using the following actuarial methods and assumptions:

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

Mortality rates are based on the PubS-2010 Employee mortality, unadjusted, with generational improvements with Scale MP-2020.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.75%, 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, 2022

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Discount Rate Sensitivity

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

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	\$ 24,664,485	18,029,267	12,564,868

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ 48,348,347	39,436,864	8,911,483
Changes for the Year:			
Service Cost	649,557	—	649,557
Interest on the Total Pension Liability	3,218,105	—	3,218,105
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	1,248,077	—	1,248,077
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,360,608	(1,360,608)
Contributions - Employees	—	241,470	(241,470)
Net Investment Income	—	(5,570,248)	5,570,248
Benefit Payments, Including Refunds of Employee Contributions	(2,644,542)	(2,644,542)	—
Other (Net Transfer)	—	(33,875)	33,875
Net Changes	2,471,197	(6,646,587)	9,117,784
Balances at December 31, 2022	50,819,544	32,790,277	18,029,267

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the Village recognized pension expense of \$1,815,843. At December 31, 2022, 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	\$ 1,675,469	(229,657)	1,445,812
Change in Assumptions	211,570	(1,557,933)	(1,346,363)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,159,241	—	4,159,241
Total Deferred Amounts Related to Firefighters' Pension	<u>6,046,280</u>	<u>(1,787,590)</u>	<u>4,258,690</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 Outflows of Resources
2023	\$ 603,229
2024	589,325
2025	1,177,339
2026	1,888,797
2027	—
Thereafter	—
Total	<u>4,258,690</u>

# VILLAGE OF WINNETKA, ILLINOIS

## Notes to the Financial Statements

December 31, 2022

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### 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, 2022, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	46
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	<u>140</u>
Total	<u><u>186</u></u>

##### Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2022, and was determined by an actuarial valuation as of that date.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the December 31, 2022 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, 2022

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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	4.31%
Healthcare Cost Trend Rates	6.00% for 2022 decreasing to an ultimate rate of 4.50% for 2037 and later years
Retirees' Share of Benefit-Related Costs	100% of projected health insurance premiums for retirees

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

Mortality rates were based on the PubG.H-2010(B) Mortality Table - General (below-median income) with future mortality improvement using Scale MP-2020.

**Change in the Total OPEB Liability**

	Total OPEB Liability
Balance at December 31, 2021	<u>\$ 4,635,294</u>
Changes for the Year:	
Service Cost	268,143
Interest on the Total OPEB Liability	100,272
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	(331,608)
Changes of Assumptions or Other Inputs	(518,794)
Benefit Payments	(357,546)
Other Changes	—
Net Changes	<u>(839,533)</u>
Balance at December 31, 2022	<u><u>3,795,761</u></u>

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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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 4.31%, while the prior valuation used 2.25%. 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 (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total OPEB Liability	\$	4,067,704	3,795,761	3,548,405

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	\$	3,477,059	3,795,761	4,168,144

VILLAGE OF WINNETKA, ILLINOIS

Notes to the Financial Statements

December 31, 2022

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, 2022, the Village recognized OPEB expense of \$338,711. At December 31, 2022, 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	\$ 8,893	(295,165)	(286,272)
Change in Assumptions	491,719	(679,700)	(187,981)
Net Difference Between Projected and Actual Earnings	—	—	—
Total Deferred Amounts Related to OPEB	<u>500,612</u>	<u>(974,865)</u>	<u>(474,253)</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 (Inflows) of Resources
2023	\$ (29,705)
2024	(29,705)
2025	(50,214)
2026	(68,241)
2027	(106,059)
Thereafter	<u>(190,329)</u>
Totals	<u>(474,253)</u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

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

Notes to the Required Supplementary Information

Budgetary information - Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF WINNETKA, ILLINOIS**

**Illinois Municipal Retirement Fund  
Schedule of Employer Contributions  
December 31, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 1,355,725	\$ 1,458,442	\$ 102,717	\$ 9,317,696	15.65%
2016	1,347,077	1,376,867	29,790	9,393,842	14.66%
2017	1,284,332	1,507,708	223,376	9,464,493	15.93%
2018	1,313,581	1,319,781	6,200	9,595,185	13.75%
2019	1,146,391	1,215,748	69,357	9,756,517	12.46%
2020	1,417,899	1,508,402	90,503	10,091,807	14.95%
2021	1,326,925	1,454,767	127,842	9,902,428	14.69%
2022	1,130,656	1,130,656	—	10,269,362	11.01%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	21 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.85% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	See the Notes to the Financial Statements
Mortality	For non-disabled 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.

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, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,089,023	\$ 1,095,000	\$ 5,977	\$ 2,440,019	44.88%
2015	1,110,899	1,154,177	43,278	2,546,092	45.33%
2016	1,308,146	1,307,493	(653)	2,607,617	50.14%
2017	1,446,665	1,423,835	(22,830)	2,568,172	55.44%
2018	1,488,956	1,467,306	(21,650)	2,691,970	54.51%
2019	1,519,805	1,496,469	(23,336)	2,857,689	52.37%
2020	1,720,195	1,681,054	(39,141)	2,671,838	62.92%
2021	1,291,013	1,256,878	(34,135)	2,753,118	45.65%
2022	1,188,074 *	1,198,064	9,990	2,897,538	41.35%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Open)
Remaining Amortization Period	15 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	Service Based
Investment Rate of Return	6.75%
Retirement Age	50-70
Mortality	PubS-2010 Employee mortality, unadjusted, with generational improvements with the most recent projections scale.

Notes:

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

\* In 2022, the Village contributed based on an actuarially determined contribution amount of \$1,188,074 which is based on the Illinois State statute of being 90% funded by December 31, 2040. The Police Pension fund's actuarially determined recommended contribution amount was \$1,789,832 and was based on being 100% funded by December 31, 2035.

**VILLAGE OF WINNETKA, ILLINOIS**

**Firefighters' Pension Fund  
Schedule of Employer Contributions  
December 31, 2022**

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 1,315,341	\$ 1,321,000	\$ 5,659	\$ 2,409,734	54.82%
2015	1,327,823	1,391,267	63,444	2,440,604	57.01%
2016	1,451,602	1,439,948	(11,654)	2,421,648	59.46%
2017	1,723,176	1,708,105	(15,071)	2,560,651	66.71%
2018	1,776,163	1,743,268	(32,895)	2,428,840	71.77%
2019	1,819,236	1,792,372	(26,864)	2,571,425	69.70%
2020	1,968,569	1,929,099	(39,470)	2,674,991	72.12%
2021	1,425,539	1,385,927	(39,612)	2,540,201	54.56%
2022	1,356,132 *	1,360,608	4,476	2,553,887	53.28%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Open)
Remaining Amortization Period	15 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.50%
Salary Increases	Service Based
Investment Rate of Return	6.75%
Retirement Age	50-70
Mortality	PubS-2010 Employee mortality, unadjusted, with generational improvements with the most recent projections scale.

Notes:

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

\* In 2022, the Village contributed based on an actuarially determined contribution amount of \$1,356,132 which is based on the Illinois State statute of being 90% funded by December 31, 2040. The Fire Pension fund's actuarially determined recommended contribution amount was \$1,949,012 and was based on being 100% funded by December 31, 2035.

VILLAGE OF WINNETKA, ILLINOIS

Illinois Municipal Retirement Fund

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

December 31, 2022

	<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/(Asset)	<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/(Asset) as a Percentage of Covered Payroll	119.12%

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

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2014 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2014 and 2017.

2016	2017	2018	2019	2020	2021	2022
963,903	942,741	885,530	954,153	921,534	895,986	847,561
5,657,743	5,819,726	5,895,632	5,987,185	6,054,543	6,215,634	6,325,416
—	—	—	—	—	—	—
261,926	2,116,018	439,147	(316,723)	1,850,991	786,466	103,520
(260,501)	(2,695,351)	2,135,288	—	(483,869)	—	—
(4,516,723)	(4,994,628)	(5,290,275)	(5,542,680)	(5,815,773)	(6,401,191)	(6,318,073)
2,106,348	1,188,506	4,065,322	1,081,935	2,527,426	1,496,895	958,424
77,515,945	79,622,293	80,810,799	84,876,121	85,958,056	88,485,482	89,982,377
79,622,293	80,810,799	84,876,121	85,958,056	88,485,482	89,982,377	90,940,801
1,376,867	1,507,708	1,319,781	1,215,748	1,508,402	1,454,767	1,130,656
453,957	427,932	431,783	439,043	454,131	445,610	463,654
4,475,261	12,392,876	(4,799,193)	13,756,052	11,732,110	15,397,830	(13,744,280)
(4,516,723)	(4,994,628)	(5,290,275)	(5,542,680)	(5,815,773)	(6,401,191)	(6,318,073)
691,482	(1,218,760)	1,839,918	(564,652)	627,559	87,710	(573,634)
2,480,844	8,115,128	-6,497,986	9,303,511	8,506,429	10,984,726	(19,041,677)
66,416,961	68,897,805	77,012,933	70,514,947	79,818,458	88,324,887	99,309,613
68,897,805	77,012,933	70,514,947	79,818,458	88,324,887	99,309,613	80,267,936
10,724,488	3,797,866	14,361,174	6,139,598	160,595	(9,327,236)	10,672,865
86.53%	95.30%	83.08%	92.86%	99.82%	110.37%	88.26%
9,393,842	9,464,493	9,595,185	9,756,517	10,091,807	9,902,428	10,269,362
114.17%	40.13%	149.67%	62.93%	1.59%	(94.19%)	103.93%

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund

Schedule of Changes in the Employer's Net Pension Liability

December 31, 2022

	2014
Total Pension Liability	
Service Cost	\$ 692,981
Interest	2,092,535
Changes in Benefit Terms	—
Differences Between Expected and Actual Experience	(42,166)
Contributions - Buy Back	—
Change of Assumptions	2,499,986
Benefit Payments, Including Refunds of Member Contributions	(1,809,323)
Net Change in Total Pension Liability	3,434,013
Total Pension Liability - Beginning	34,385,224
Total Pension Liability - Ending	37,819,237
Plan Fiduciary Net Position	
Contributions - Employer	\$ 1,095,000
Contributions - Members	249,185
Contributions - Buy Back	—
Net Investment Income	1,552,792
Benefit Payments, Including Refunds of Member Contributions	(1,809,324)
Administrative Expenses	(21,144)
Net Change in Plan Fiduciary Net Position	1,066,509
Plan Net Position - Beginning	24,445,682
Plan Net Position - Ending	25,512,191
Employer's Net Pension Liability	\$ 12,307,046
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.46%
Covered Payroll	\$ 2,440,019
Employer's Net Pension Liability as a Percentage of Covered Payroll	504.38%

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

2015	2016	2017	2018	2019	2020	2021	2022
605,710	646,828	694,278	650,562	695,274	769,301	679,789	642,010
2,308,101	2,577,750	2,559,175	2,675,377	2,854,673	2,950,995	3,071,328	3,073,727
—	—	—	—	229,968	—	—	—
1,146,129	(3,226,369)	742,631	446,263	(58,455)	704,611	(1,233,854)	593,176
—	—	—	—	—	—	—	17,940
1,429,187	1,572,183	(61,605)	1,160,243	—	—	(3,561,909)	—
(1,779,229)	(1,863,860)	(1,966,302)	(2,081,639)	(2,150,286)	(2,358,425)	(2,461,692)	(2,582,553)
3,709,898	(293,468)	1,968,177	2,850,806	1,571,174	2,066,482	(3,506,338)	1,744,300
37,819,237	41,529,135	41,235,667	43,203,844	46,054,650	47,625,824	49,692,306	46,185,968
41,529,135	41,235,667	43,203,844	46,054,650	47,625,824	49,692,306	46,185,968	47,930,268
1,154,177	1,307,493	1,423,835	1,467,306	1,496,469	1,681,054	1,256,878	1,198,064
252,560	288,079	268,576	267,464	280,725	291,770	272,834	287,146
—	—	—	—	—	—	—	17,940
159,423	2,178,422	3,373,306	31,794	3,112,125	6,019,470	4,067,163	(6,071,483)
(1,779,229)	(1,863,860)	(1,966,302)	(2,081,639)	(2,150,286)	(2,358,425)	(2,461,692)	(2,582,552)
(41,620)	(49,278)	(18,538)	(37,370)	(33,844)	(38,692)	(32,707)	(58,587)
(254,689)	1,860,856	3,080,877	(352,445)	2,705,189	5,595,177	3,102,476	(7,209,472)
25,512,191	25,257,502	27,118,358	30,199,235	29,846,790	32,551,979	38,147,156	41,249,632
25,257,502	27,118,358	30,199,235	29,846,790	32,551,979	38,147,156	41,249,632	34,040,160
16,271,633	14,117,309	13,004,609	16,207,860	15,073,845	11,545,150	4,936,336	13,890,108
60.82%	65.76%	69.90%	64.81%	68.35%	76.77%	89.31%	71.02%
2,546,092	2,607,617	2,568,172	2,691,970	2,857,689	2,671,838	2,753,118	2,897,538
639.08%	541.39%	506.38%	602.08%	527.48%	432.11%	179.30%	479.38%

VILLAGE OF WINNETKA, ILLINOIS

**Firefighters' Pension Fund**  
**Schedule of Changes in the Employer's Net Pension Liability**  
**December 31, 2022**

	<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
Contributions - Buy Back	—
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)
Net Change in Total Pension Liability	<u>2,770,971</u>
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
Contributions - Buy Back	—
Net Investment Income	1,494,221
Benefit Payments, Including Refunds of Member Contributions	(1,810,863)
Administrative Expenses	(13,037)
Net Change in Plan Fiduciary Net Position	<u>1,216,867</u>
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	2021	2022
689,460	709,007	805,556	794,903	717,160	804,634	819,686	649,557
2,267,675	2,633,017	2,610,776	2,689,044	2,885,682	2,930,142	3,005,840	3,218,105
—	—	—	—	156,709	—	—	—
593,014	(2,992,031)	332,317	663,472	(859,094)	(144,597)	944,049	1,248,077
3,413,519	1,111,971	(374,219)	1,269,421	—	—	(2,596,557)	—
—	—	—	—	—	—	150,081	—
(1,852,469)	(1,801,967)	(2,026,733)	(2,160,039)	(2,261,917)	(2,291,182)	(2,497,016)	(2,644,542)
5,111,199	(340,003)	1,347,697	3,256,801	638,540	1,298,997	(173,917)	2,471,197
37,209,033	42,320,232	41,980,229	43,327,926	46,584,727	47,223,267	48,522,264	48,348,347
42,320,232	41,980,229	43,327,926	46,584,727	47,223,267	48,522,264	48,348,347	50,819,544
1,391,267	1,439,948	1,708,105	1,743,268	1,792,372	1,929,099	1,385,927	1,360,608
232,443	251,855	237,416	229,800	246,106	257,357	240,176	241,470
—	—	—	—	—	—	150,081	—
(15,892)	1,957,213	3,286,168	866,522	2,499,794	4,756,581	4,134,871	(5,570,248)
(1,852,469)	(1,801,967)	(2,026,733)	(2,160,039)	(2,261,917)	(2,291,182)	(2,497,016)	(2,644,542)
(31,244)	(38,920)	(16,726)	(62,022)	(36,492)	(42,504)	(37,874)	(33,875)
(275,895)	1,808,129	3,188,230	617,529	2,239,863	4,609,351	3,376,165	(6,646,587)
23,873,492	23,597,597	25,405,726	28,593,956	29,211,485	31,451,348	36,060,699	39,436,864
23,597,597	25,405,726	28,593,956	29,211,485	31,451,348	36,060,699	39,436,864	32,790,277
18,722,635	16,574,503	14,733,970	17,373,242	15,771,919	12,461,565	8,911,483	18,029,267
55.76%	60.52%	65.99%	62.71%	66.60%	74.32%	81.57%	64.52%
2,440,604	2,421,648	2,560,651	2,428,840	2,571,425	2,674,991	2,540,201	2,553,887
767.13%	684.43%	575.40%	715.29%	613.35%	465.85%	350.82%	705.95%

**VILLAGE OF WINNETKA, ILLINOIS**

**Police Pension Fund  
Schedule of Investment Returns  
December 31, 2022**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.25%
2015	0.51%
2016	8.10%
2017	12.02%
2018	(5.64%)
2019	17.54%
2020	16.44%
2021	12.66%
2022	N/A

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

N/A - Not available

**VILLAGE OF WINNETKA, ILLINOIS**

**Firefighters' Pension Fund  
Schedule of Investment Returns  
December 31, 2022**

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Fiscal Year	Annual Money- Weighted Rate of Return, Net of Investment Expense
2014	6.57%
2015	(0.07%)
2016	7.99%
2017	12.74%
2018	(5.04%)
2019	18.12%
2020	13.90%
2021	12.69%
2022	N/A

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

N/A - Not available

VILLAGE OF WINNETKA, ILLINOIS

Retiree Benefit Plan

Schedule of Changes in the Employer's Total OPEB Liability

December 31, 2022

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	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 168,705
Interest	129,067
Changes in Benefit Terms	—
Differences Between Expected and Actual	
Experience	(21,690)
Change of Assumptions or Other Inputs	(123,895)
Benefit Payments	(301,219)
Other Changes	<u>351,757</u>
Net Change in Total OPEB Liability	202,725
Total OPEB Liability - Beginning	<u>4,003,372</u>
Total OPEB Liability - Ending	<u><u>4,206,097</u></u>
Covered-Employee Payroll	\$ 11,649,905
Total OPEB Liability as a Percentage of Covered-Employee Payroll	36.10%

Notes:

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

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

*Changes of Assumptions.* Changes in assumptions related to the discount rate were made in 2018 through 2022.

2019	2020	2021	2022
183,917	193,159	245,754	268,143
147,225	135,641	88,126	100,272
—	—	—	—
—	15,018	(103,789)	(331,608)
100,798	375,948	—	(518,794)
(322,949)	(306,986)	(321,809)	(357,546)
(856)	—	—	—
108,135	412,780	(91,718)	(839,533)
4,206,097	4,314,232	4,727,012	4,635,294
4,314,232	4,727,012	4,635,294	3,795,761
14,083,963	14,887,692	14,887,692	14,734,716
30.63%	31.75%	31.14%	25.76%

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, 2022

	2022		For the Fiscal
	Original and Final		Year Ended
	Budget	Actual	December 31, 2021
			Actual
Revenues			
Taxes	\$ 15,662,585	16,121,723	15,380,073
Licenses and Permits	2,156,500	2,286,551	2,267,812
Intergovernmental	4,137,144	5,406,226	4,427,649
Charges for Services	4,067,983	4,031,837	5,525,618
Fines and Forfeitures	189,100	79,281	90,426
Investment Income (Loss)	203,800	(537,943)	(101,475)
Miscellaneous	46,000	77,705	99,952
Total Revenues	<u>26,463,112</u>	<u>27,465,380</u>	<u>27,690,055</u>
Expenditures			
General Government	3,651,187	3,318,145	3,176,510
Public Safety	13,881,324	13,545,633	12,874,787
Community Development	1,746,360	1,633,671	1,586,009
Public Works	6,588,999	5,677,045	5,269,227
Total Expenditures	<u>25,867,870</u>	<u>24,174,494</u>	<u>22,906,533</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>595,242</u>	<u>3,290,886</u>	<u>4,783,522</u>
Other Financing Sources (Uses)			
Transfers In	2,146,946	2,146,946	297,321
Transfers Out	(3,387,144)	(3,387,144)	(1,650,000)
	<u>(1,240,198)</u>	<u>(1,240,198)</u>	<u>(1,352,679)</u>
Net Change in Fund Balance	<u>(644,956)</u>	2,050,688	3,430,843
Fund Balance - Beginning		<u>30,027,257</u>	26,596,414
Fund Balance - Ending		<u>32,077,945</u>	<u>30,027,257</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
- 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
- Grant Accountability and Transparency Act (GATA) – Consolidated Year-End Financial Report

## INDIVIDUAL FUND DESCRIPTIONS

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### GENERAL FUND

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

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### 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.

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### 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.

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## INDIVIDUAL FUND DESCRIPTIONS - Continued

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### 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.

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## INDIVIDUAL FUND DESCRIPTIONS - Continued

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### 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.

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### 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 - Continued**

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**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.

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VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original and Final Budget	Actual
Taxes		
Property - Current	\$ 15,007,585	15,319,444
Natural Gas	390,000	564,986
Telecommunications Tax	265,000	237,293
	<u>15,662,585</u>	<u>16,121,723</u>
Licenses and Permits		
Licenses		
Vehicle	315,000	293,865
Dog	10,000	14,282
Liquor	12,500	21,998
Other	4,000	21,590
Permits		
Building	1,680,000	1,867,404
Sewer, Sidewalks, and Miscellaneous	75,000	—
Compliance Fees	60,000	67,412
	<u>2,156,500</u>	<u>2,286,551</u>
Intergovernmental		
General Sales Tax	1,675,000	2,576,310
Illinois State Income Tax	1,275,000	2,076,600
Corporate Property Replacement Tax	175,000	527,215
Grants	1,012,144	226,101
	<u>4,137,144</u>	<u>5,406,226</u>
Charges for Services		
Administrative Charges	1,790,336	1,790,336
Franchise Fees	290,000	311,105
Public Safety Services	1,235,218	1,183,736
Ambulance Fees	140,000	242,683
False Alarm Charges	5,000	4,850
Parking	71,000	120,999
Property Rental	451,429	378,128
State Route Maintenance	85,000	—
	<u>4,067,983</u>	<u>4,031,837</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

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	Original and Final Budget	Actual
Fines and Forfeitures		
Justice Fines and Costs	\$ 189,100	79,281
Investment Income (Loss)	203,800	(537,943)
Miscellaneous		
Proceeds from Sale of Personal Property	—	29,165
Miscellaneous	46,000	48,540
	46,000	77,705
Total Revenues	26,463,112	27,465,380

**VILLAGE OF WINNETKA, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual**

**For the Fiscal Year Ended December 31, 2022**

	Original and Final Budget	Actual
General Government		
Public Affairs	\$ 137,000	115,735
General Administration	3,514,187	3,202,410
Total General Government	<u>3,651,187</u>	<u>3,318,145</u>
Public Safety		
Police Department		
Administration	2,893,108	2,955,866
Public Service Officers	344,266	328,443
General and Criminal Records	216,142	197,643
Investigation	564,887	581,657
Uniform Patrol	3,703,047	3,525,068
Total Police Department	<u>7,721,450</u>	<u>7,588,677</u>
Fire Department		
Administration	1,074,695	1,013,546
Training	67,685	82,998
Communications	207,939	216,475
Life Safety	140,746	104,101
Firefighting Force	4,029,831	4,265,096
Ambulance Service	638,978	274,740
Total Fire Department	<u>6,159,874</u>	<u>5,956,956</u>
Total Public Safety	<u>13,881,324</u>	<u>13,545,633</u>
Community Development		
Community Development Department	<u>1,746,360</u>	<u>1,633,671</u>
Public Works		
Public Works Department	<u>6,588,999</u>	<u>5,677,045</u>
Total Expenditures	<u><u>25,867,870</u></u>	<u><u>24,174,494</u></u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual

For the Fiscal Year Ended December 31, 2022

	Original and Final Budget	Actual
General Government		
Public Affairs		
Legal		
Contractual Services	\$ 53,000	53,346
Sundry		
Commodities	8,000	7,885
Contractual Services	76,000	54,504
	<u>84,000</u>	<u>62,389</u>
Total Public Affairs	<u>137,000</u>	<u>115,735</u>
General Administration		
Office of the Manager and Clerk		
Salaries	934,525	1,009,453
Personnel Costs	307,335	315,382
Contractual Services	250,458	171,775
Commodities	57,940	45,857
	<u>1,550,258</u>	<u>1,542,467</u>
Legal Expense		
Contractual Services	<u>50,000</u>	<u>60,460</u>
Financial Administration		
Salaries	980,812	995,245
Personnel Costs	371,612	362,222
Contractual Services	187,056	167,995
Commodities	63,400	65,085
Vehicle Expenditure	8,149	8,149
Training	2,900	787
Contingency	300,000	—
	<u>1,913,929</u>	<u>1,599,483</u>
Total General Administration	<u>3,514,187</u>	<u>3,202,410</u>
Total General Government	<u>3,651,187</u>	<u>3,318,145</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original and Final Budget	Actual
Public Safety		
Police Department		
Administration		
Salaries	\$ 806,382	849,789
Personnel Costs	426,784	470,599
Contractual Services	943,310	898,726
Supplies	239,950	247,787
Vehicle Expenditure	151,382	151,382
Equipment	—	111
Training	50,300	66,872
Building and Structures	275,000	270,600
	<u>2,893,108</u>	<u>2,955,866</u>
Public Service Officers		
Salaries	273,075	259,956
Personnel Costs	71,191	68,487
	<u>344,266</u>	<u>328,443</u>
General and Criminal Records		
Salaries	165,258	149,804
Personnel Costs	50,884	47,839
	<u>216,142</u>	<u>197,643</u>
Investigation		
Salaries	373,438	390,862
Personnel Costs	191,449	190,795
	<u>564,887</u>	<u>581,657</u>
Uniform Patrol		
Salaries	2,457,540	2,361,103
Personnel Costs	1,245,507	1,163,965
	<u>3,703,047</u>	<u>3,525,068</u>
Total Police Department	<u>7,721,450</u>	<u>7,588,677</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department		
Administration		
Salaries	\$ 422,388	460,135
Personnel Costs	238,528	239,205
Contractual Services	144,557	138,052
Supplies	50,150	55,152
Vehicle Expenditure	59,072	59,816
Equipment	60,000	46,386
Building and Structures	100,000	14,800
	<u>1,074,695</u>	<u>1,013,546</u>
Training		
Salaries	38,000	46,702
Personnel Costs	551	657
Training	29,134	35,639
	<u>67,685</u>	<u>82,998</u>
Communications		
Contractual Services	207,939	216,475
Life Safety		
Salaries	122,495	92,381
Personnel Costs	8,751	6,718
Supplies	9,500	5,002
	<u>140,746</u>	<u>104,101</u>
Firefighting Force		
Salaries	2,371,039	2,512,799
Personnel Costs	1,558,792	1,630,761
Contractual Services	10,000	10,217
Supplies	90,000	111,319
	<u>4,029,831</u>	<u>4,265,096</u>

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original and Final Budget	Actual
Public Safety - Continued		
Fire Department - Continued		
Ambulance Service		
Salaries	\$ 388,159	177,970
Personnel Costs	234,604	82,318
Contractual Services	1,500	203
Supplies	6,750	7,404
Training	7,965	6,845
	<u>638,978</u>	<u>274,740</u>
Total Fire Department	<u>6,159,874</u>	<u>5,956,956</u>
Total Public Safety	<u>13,881,324</u>	<u>13,545,633</u>
Community Development		
Community Development Department		
Salaries	753,239	790,658
Personnel Costs	251,090	242,892
Contractual Services	701,215	575,012
Supplies	25,000	18,821
Training	10,500	972
Vehicle Expenditure	5,316	5,316
	<u>1,746,360</u>	<u>1,633,671</u>
Total Community Development	<u>1,746,360</u>	<u>1,633,671</u>
Public Works		
Public Works Department		
Administration		
Salaries	380,375	442,801
Personnel Costs	184,896	188,034
Contractual Services	520,465	310,277
Supplies	486,615	447,039

VILLAGE OF WINNETKA, ILLINOIS

General Fund

Schedule of Detailed Expenditures - Budget and Actual - Continued

For the Fiscal Year Ended December 31, 2022

	Original and Final Budget	Actual
Public Works - Continued		
Public Works Department - Continued		
Administration - Continued		
Training	\$ 23,915	8,342
Vehicle Expenditure	217,285	207,356
Equipment	2,312,000	1,807,057
	<u>4,125,551</u>	<u>3,410,906</u>
Street Maintenance		
Salaries	773,421	727,315
Personnel Costs	313,919	278,611
Contractual Services	185,193	121,623
Supplies	37,900	20,490
	<u>1,310,433</u>	<u>1,148,039</u>
Drainage		
Salaries	—	2,283
Personnel Costs	—	365
Contractual Services	—	121
	<u>—</u>	<u>2,769</u>
Snow Removal and Ice Control		
Salaries	82,000	90,055
Personnel Costs	15,024	15,266
Supplies	175,400	171,955
	<u>272,424</u>	<u>277,276</u>
Forestry		
Salaries	350,598	356,701
Personnel Costs	117,993	122,207
Supplies	412,000	359,147
	<u>880,591</u>	<u>838,055</u>
Total Public Works	<u>6,588,999</u>	<u>5,677,045</u>
Total Expenditures	<u>25,867,870</u>	<u>24,174,494</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, 2022

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	Original and Final Budget	Actual
Revenues		
Investment Income	\$          500	1,511
Expenditures		
Capital Outlay	<u>205,000</u>	<u>203,019</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(204,500)	(201,508)
Other Financing Sources		
Transfers In	<u>100,000</u>	<u>100,000</u>
Net Change in Fund Balance	<u><u>(104,500)</u></u>	(101,508)
Fund Balance - Beginning		<u>180,275</u>
Fund Balance - Ending		<u><u>78,767</u></u>

**VILLAGE OF WINNETKA, ILLINOIS**

**Nonmajor Governmental Funds  
Combining Balance Sheet  
December 31, 2022**

	Special Revenue		Capital Projects		Totals
	Motor	Foreign	Downtown	Special	
	Fuel Tax	Fire Tax	Redevelopment	Service Areas	
<b>ASSETS</b>					
Cash and Investments	\$ 3,711,784	204,180	748,327	52,582	4,716,873
Due from Other Governments	49,740	—	—	—	49,740
Total Assets	<u>3,761,524</u>	<u>204,180</u>	<u>748,327</u>	<u>52,582</u>	<u>4,766,613</u>
<b>LIABILITIES</b>					
Accounts Payable	<u>148,386</u>	<u>409</u>	<u>297,322</u>	<u>—</u>	<u>446,117</u>
<b>FUND BALANCES</b>					
Restricted	3,613,138	203,771	—	—	3,816,909
Assigned	—	—	451,005	52,582	503,587
Total Fund Balances	<u>3,613,138</u>	<u>203,771</u>	<u>451,005</u>	<u>52,582</u>	<u>4,320,496</u>
Total Liabilities and Fund Balances	<u>3,761,524</u>	<u>204,180</u>	<u>748,327</u>	<u>52,582</u>	<u>4,766,613</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, 2022

	Special Revenue		Capital Projects		Totals
	Motor Fuel Tax	Foreign Fire Tax	Downtown Redevelopment	Special Service Areas	
Revenues					
Taxes	\$ —	—	—	2,142	2,142
Intergovernmental	783,067	107,014	—	—	890,081
Investment Income (Loss)	28,400	1,783	(5,907)	547	24,823
Total Revenues	811,467	108,797	(5,907)	2,689	917,046
Expenditures					
Public Safety	—	78,152	—	—	78,152
Capital Outlay	148,386	—	2,320,115	—	2,468,501
Total Expenditures	148,386	78,152	2,320,115	—	2,546,653
Excess (Deficiency) of Revenues Over (Under) Expenditures	663,081	30,645	(2,326,022)	2,689	(1,629,607)
Other Financing Sources (Uses)					
Transfers In	—	—	1,950,000	—	1,950,000
Transfers Out	(267,724)	—	—	—	(267,724)
	(267,724)	—	1,950,000	—	1,682,276
Net Change in Fund Balances	395,357	30,645	(376,022)	2,689	52,669
Fund Balances - Beginning	3,217,781	173,126	827,027	49,893	4,267,827
Fund Balances - Ending	3,613,138	203,771	451,005	52,582	4,320,496

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, 2022

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 275,000	284,462
Grants	784,724	498,605
Investment Income	3,000	28,400
Total Revenues	1,062,724	811,467
Expenditures		
Capital Outlay	275,000	148,386
Excess (Deficiency) of Revenues Over (Under) Expenditures	787,724	663,081
Other Financing (Uses)		
Transfers Out	(267,724)	(267,724)
Net Change in Fund Balance	520,000	395,357
Fund Balance - Beginning		3,217,781
Fund Balance - Ending		3,613,138

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, 2022

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	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Foreign Fire Insurance Tax	\$ 85,000	107,014
Investment Income	200	1,783
Total Revenues	<u>85,200</u>	<u>108,797</u>
Expenditures		
Public Safety		
Supplies	<u>79,250</u>	<u>78,152</u>
Net Change in Fund Balance	<u>5,950</u>	30,645
Fund Balance - Beginning		<u>173,126</u>
Fund Balance - Ending		<u>203,771</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, 2022**

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	Original and Final Budget	Actual
Revenues		
Investment Income (Loss)	\$ 308,500	(5,907)
Expenditures		
Capital Outlay	2,875,500	2,320,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,567,000)	(2,326,022)
Other Financing Sources		
Transfers In	1,950,000	1,950,000
Net Change in Fund Balance	<u>(617,000)</u>	(376,022)
Fund Balance - Beginning		<u>827,027</u>
Fund Balance - Ending		<u><u>451,005</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, 2022

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 18,160,087	18,007,289
Miscellaneous	140,395	180,915
Total Operating Revenues	<u>18,300,482</u>	<u>18,188,204</u>
Operating Expenses		
Administration		
General and Administrative	2,129,310	1,929,314
IMRF Net Pension Liability Expense	—	365,488
Total OPEB Liability Expense	—	(31,399)
Operations		
Generation	12,559,816	11,741,770
Distribution	4,796,402	3,612,973
Depreciation	1,600,000	1,679,630
Total Operating Expenses	<u>21,085,528</u>	<u>19,297,776</u>
Operating (Loss)	<u>(2,785,046)</u>	<u>(1,109,572)</u>
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	45,000	(58,315)
Rental Income	208,382	221,088
Other Income	10,000	322,332
	<u>263,382</u>	<u>485,105</u>
(Loss) before Transfers	<u>(2,521,664)</u>	<u>(624,467)</u>
Transfers In	500,000	500,000
Transfers Out	(1,049,912)	(1,049,912)
	<u>(549,912)</u>	<u>(549,912)</u>
Change in Net Position	<u>(3,071,576)</u>	(1,174,379)
Net Position - Beginning		<u>24,951,747</u>
Net Position - Ending		<u>23,777,368</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, 2022

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 5,996,604	6,159,699
Miscellaneous	17,225	66,769
Total Operating Revenues	<u>6,013,829</u>	<u>6,226,468</u>
Operating Expenses		
Administration		
General and Administrative	1,799,264	1,432,239
IMRF Net Pension Liability Expense	—	156,381
Total OPEB Liability Expense	—	(21,205)
Operations		
Pumping	1,178,352	1,052,990
Distribution	3,482,696	865,960
Depreciation	450,000	554,305
Total Operating Expenses	<u>6,910,312</u>	<u>4,040,670</u>
Operating Income (Loss)	<u>(896,483)</u>	<u>2,185,798</u>
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	21,200	(32,357)
Other Income	—	1,237
	<u>21,200</u>	<u>(31,120)</u>
Income (Loss) before Transfers	(875,283)	2,154,678
Transfers Out	<u>(776,560)</u>	<u>(776,560)</u>
Change in Net Position	<u>(1,651,843)</u>	1,378,118
Net Position - Beginning		<u>18,543,343</u>
Net Position - Ending		<u>19,921,461</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, 2022

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 2,639,052	2,612,705
Operating Expenses		
Administration		
General and Administrative	127,080	127,080
IMRF Net Pension Liability Expense	—	88,991
Total OPEB Liability Expense	—	(30,571)
Operations		
Collection	1,355,924	1,277,238
Disposal	308,500	350,120
Recycling	442,340	409,146
Landfill Monitoring	140,000	86,152
Depreciation	135,000	126,424
Total Operating Expenses	<u>2,508,844</u>	<u>2,434,580</u>
Operating Income	130,208	178,125
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	<u>6,500</u>	<u>(5,208)</u>
Income before Transfers	136,708	172,917
Transfers Out	<u>(190,724)</u>	<u>(190,724)</u>
Change in Net Position	<u>(54,016)</u>	(17,807)
Net Position - Beginning		<u>1,246,839</u>
Net Position - Ending		<u><u>1,229,032</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, 2022

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 2,024,824	2,028,986
Operating Expenses		
Administration		
IMRF Net Pension Liability Expense	—	(10,515)
Total OPEB Liability Expense	—	5,400
Operations	20,490,600	1,030,739
Depreciation and Amortization	250,000	302,782
Total Operating Expenses	20,740,600	1,328,406
Operating Income (Loss)	(18,715,776)	700,580
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	125,000	(460,081)
Interest Expense	(305,630)	(306,694)
	(180,630)	(766,775)
(Loss) before Transfers and Capital Grants	(18,896,406)	(66,195)
Capital Grants	13,793,927	7,228,938
Transfers In	1,104,868	1,104,868
	14,898,795	8,333,806
Change in Net Position	(3,997,611)	8,267,611
Net Position - Beginning		15,435,645
Net Position - Ending		23,703,256

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, 2022

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services	\$ 1,621,880	1,549,886
Operating Expenses		
Administration		
General and Administrative	140,040	140,040
IMRF Net Pension Liability Expense	—	(3,813)
Total OPEB Liability Expense	—	(1,564)
Operations	1,308,066	546,094
Depreciation	110,000	118,233
Total Operating Expenses	1,558,106	798,990
Operating Income	63,774	750,896
Nonoperating Revenues		
Investment Income	8,750	2,466
Other Income	1,500	—
	10,250	2,466
Income before Transfers	74,024	753,362
Transfers Out	(129,750)	(129,750)
Change in Net Position	(55,726)	623,612
Net Position - Beginning		5,210,769
Net Position - Ending		5,834,381

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds  
Combining Statement of Net Position  
December 31, 2022

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	<u>Information Technology</u>
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 68,493
Receivables - Net of Allowances	
Accounts	3,800
Inventories/Prepays	58,582
Total Current Assets	<u>130,875</u>
Noncurrent Assets	
Capital Assets	
Depreciable	299,598
Accumulated Depreciation	<u>(299,598)</u>
Total Capital Assets	<u>—</u>
Total Assets	<u>130,875</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	45,126
Accrued Payroll	—
Claims Payable	—
Total Current Liabilities	<u>45,126</u>
Noncurrent Liabilities	
Claims Payable	<u>—</u>
Total Liabilities	<u>45,126</u>
<b>NET POSITION</b>	
Unrestricted	<u>85,749</u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
1,382,844	747,970	438,957	469,911	3,108,175
—	26,857	4,275	5,767	40,699
—	198,646	101,698	66,446	425,372
1,382,844	973,473	544,930	542,124	3,574,246
—	—	—	—	299,598
—	—	—	—	(299,598)
—	—	—	—	—
1,382,844	973,473	544,930	542,124	3,574,246
1,987	45,742	—	82,745	175,600
—	—	—	7,889	7,889
373,237	—	—	—	373,237
375,224	45,742	—	90,634	556,726
373,237	—	105,724	—	478,961
748,461	45,742	105,724	90,634	1,035,687
634,383	927,731	439,206	451,490	2,538,559

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended December 31, 2022

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	<u>Information Technology</u>
Operating Revenues	
Interfund Services	\$ 374,917
Operating Expenses	
Administration	60,816
Operations	792,456
Total Operating Expenses	<u>853,272</u>
Operating Income (Loss)	(478,355)
Nonoperating Revenues (Expenses)	
Investment Income (Loss)	<u>1,301</u>
Income (Loss) Before Transfers	<u>(477,054)</u>
Transfers In	500,000
Transfers Out	<u>—</u>
	<u>500,000</u>
Change in Net Position	22,946
Net Position - Beginning	<u>62,803</u>
Net Position - Ending	<u><u>85,749</u></u>

Workers' Compensation Insurance	Health Insurance	Liability Insurance	Fleet	Totals
337,178	4,171,266	345,865	923,557	6,152,783
110,752	—	485,546	44,000	701,114
142,199	4,178,714	45,631	1,028,179	6,187,179
252,951	4,178,714	531,177	1,072,179	6,888,293
84,227	(7,448)	(185,312)	(148,622)	(735,510)
(44,646)	(33,962)	(7,125)	(7,404)	(91,836)
39,581	(41,410)	(192,437)	(156,026)	(827,346)
—	—	275,000	—	775,000
(275,000)	(250,000)	—	(250,000)	(775,000)
(275,000)	(250,000)	275,000	(250,000)	—
(235,419)	(291,410)	82,563	(406,026)	(827,346)
869,802	1,219,141	356,643	857,516	3,365,905
634,383	927,731	439,206	451,490	2,538,559

VILLAGE OF WINNETKA, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended December 31, 2022

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	Information Technology
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 312,535
Payments to Suppliers	(650,266)
Payments to Employees	(172,010)
	<u>(509,741)</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	500,000
Transfers Out	—
	<u>500,000</u>
Cash Flows from Investing Activities	
Interest Received	1,301
	<u>1,301</u>
Net Change in Cash and Cash Equivalents	(8,440)
Cash and Cash Equivalents - Beginning	<u>76,933</u>
Cash and Cash Equivalents - Ending	<u><u>68,493</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	(478,355)
Adjustments to Reconcile Operating Income	
to Net Cash Provided by (Used in)	
Operating Activities	
(Increase) Decrease in Current Assets	(62,382)
Increase (Decrease) in Current Liabilities	30,996
	<u>30,996</u>
Net Cash Provided by Operating Activities	<u><u>(509,741)</u></u>

Worker's Compensated Insurance	Health Insurance	Liability Insurance	Fleet	Totals
337,564 (431,588)	4,170,280 (4,133,275)	255,053 (548,855)	907,830 (736,234)	5,983,262 (6,500,218)
—	—	—	(263,833)	(435,843)
(94,024)	37,005	(293,802)	(92,237)	(952,799)
—	—	275,000	—	775,000
(275,000)	(250,000)	—	(250,000)	(775,000)
(275,000)	(250,000)	275,000	(250,000)	—
(44,646)	(33,962)	(7,125)	(7,404)	(91,836)
(413,670)	(246,957)	(25,927)	(349,641)	(1,044,635)
1,796,514	994,927	464,884	819,552	4,152,810
1,382,844	747,970	438,957	469,911	3,108,175
84,227	(7,448)	(185,312)	(148,622)	(735,510)
386 (178,637)	(986) 45,439	(90,812) (17,678)	(15,727) 72,112	(169,521) (47,768)
(94,024)	37,005	(293,802)	(92,237)	(952,799)

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, 2022

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	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 371,117	374,917
Operating Expenses		
Administration	60,816	60,816
Operations	804,473	792,456
Total Operating Expenses	865,289	853,272
Operating (Loss)	(494,172)	(478,355)
Nonoperating Revenues		
Investment Income	2,000	1,301
(Loss) before Transfers	(492,172)	(477,054)
Transfers In	500,000	500,000
Change in Net Position	<u>7,828</u>	22,946
Net Position - Beginning		<u>62,803</u>
Net Position - Ending		<u>85,749</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, 2022

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	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 325,000	337,178
Operating Expenses		
Administration	141,800	110,752
Operations	500,000	142,199
Total Operating Expenses	641,800	252,951
Operating Income (Loss)	(316,800)	84,227
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	15,000	(44,646)
Income (Loss) before Transfers	(301,800)	39,581
Transfers Out	(275,000)	(275,000)
Change in Net Position	<u>(576,800)</u>	(235,419)
Net Position - Beginning		<u>869,802</u>
Net Position - Ending		<u><u>634,383</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, 2022

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	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 4,135,168	4,171,266
Operating Expenses		
Administration	5,000	—
Operations	4,206,200	4,178,714
Total Operating Expenses	4,211,200	4,178,714
Operating (Loss)	(76,032)	(7,448)
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	5,000	(33,962)
(Loss) before Transfers	(71,032)	(41,410)
Transfers Out	(250,000)	(250,000)
Change in Net Position	<u>(321,032)</u>	(291,410)
Net Position - Beginning		<u>1,219,141</u>
Net Position - Ending		<u>927,731</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, 2022

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	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 341,050	345,865
Operating Expenses		
Administration	466,285	485,546
Operations	160,000	45,631
Total Operating Expenses	626,285	531,177
Operating (Loss)	(285,235)	(185,312)
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	12,500	(7,125)
(Loss) before Transfers	(272,735)	(192,437)
Transfers Out	275,000	275,000
Change in Net Position	2,265	82,563
Net Position - Beginning		356,643
Net Position - Ending		439,206

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, 2022

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services	\$ 953,904	923,557
Operating Expenses		
Administration	44,000	44,000
Operations	1,031,430	1,028,179
Total Operating Expenses	1,075,430	1,072,179
Operating (Loss)	(121,526)	(148,622)
Nonoperating Revenues (Expenses)		
Investment Income (Loss)	4,750	(7,404)
(Loss) before Transfers	(116,776)	(156,026)
Transfers In	(250,000)	(250,000)
Change in Net Position	<u>(366,776)</u>	(406,026)
Net Position - Beginning		<u>857,516</u>
Net Position - Ending		<u><u>451,490</u></u>

**VILLAGE OF WINNETKA, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Fiduciary Net Position**

**December 31, 2022**

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	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 687,208	825,932	1,513,140
Investments			
Illinois Police Officers' Pension Investment Fund	33,129,072	—	33,129,072
Illinois Firefighters' Pension Investment Fund	—	31,709,639	31,709,639
Due From Other Funds	223,880	254,706	478,586
Total Assets	34,040,160	32,790,277	66,830,437
<b>LIABILITIES</b>			
Accounts Payable	—	—	—
<b>NET POSITION</b>			
Net Position Restricted for Pensions	34,040,160	32,790,277	66,830,437

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VILLAGE OF WINNETKA, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended December 31, 2022

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 1,198,064	1,360,608	2,558,672
Contributions - Plan Members	287,146	241,470	528,616
Contributions - Buy Back	17,940	—	17,940
Total Contributions	1,503,150	1,602,078	3,105,228
<b>Investment Earnings</b>			
Interest Earned	728,751	324,175	1,052,926
Net Change in Fair Value	(6,733,514)	(5,871,549)	(12,605,063)
	(6,004,763)	(5,547,374)	(11,552,137)
Less Investment Expenses	(66,720)	(22,874)	(89,594)
Net Investment Income	(6,071,483)	(5,570,248)	(11,641,731)
Total Additions	(4,568,333)	(3,968,170)	(8,536,503)
<b>Deductions</b>			
Administration	58,587	33,875	92,462
Benefits and Refunds	2,582,552	2,644,542	5,227,094
Total Deductions	2,641,139	2,678,417	5,319,556
Change in Fiduciary Net Position	(7,209,472)	(6,646,587)	(13,856,059)
<b>Net Position Restricted for Pensions</b>			
Beginning	41,249,632	39,436,864	80,686,496
Ending	34,040,160	32,790,277	66,830,437

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, 2022

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,188,074	1,198,064
Contributions - Plan Members	264,779	287,146
Contributions - Buy Back	—	17,940
Total Contributions	<u>1,452,853</u>	<u>1,503,150</u>
Investment Income		
Interest Earned	2,384,197	728,751
Net Change in Fair Value	—	(6,733,514)
	<u>2,384,197</u>	<u>(6,004,763)</u>
Less Investment Expenses	—	(66,720)
Net Investment Income	<u>2,384,197</u>	<u>(6,071,483)</u>
Total Additions	<u>3,837,050</u>	<u>(4,568,333)</u>
Deductions		
Administration	71,150	58,587
Benefits and Refunds	2,507,640	2,582,552
Total Deductions	<u>2,578,790</u>	<u>2,641,139</u>
Change in Fiduciary Net Position	<u>1,258,260</u>	(7,209,472)
Net Position Restricted for Pensions		
Beginning		<u>41,249,632</u>
Ending		<u>34,040,160</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, 2022

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,356,132	1,360,608
Contributions - Plan Members	249,394	241,470
Total Contributions	<u>1,605,526</u>	<u>1,602,078</u>
Investment Income		
Interest Earned	2,253,793	324,175
Net Change in Fair Value	—	(5,871,549)
	<u>2,253,793</u>	<u>(5,547,374)</u>
Less Investment Expenses	—	(22,874)
Net Investment Income	<u>2,253,793</u>	<u>(5,570,248)</u>
Total Additions	<u>3,859,319</u>	<u>(3,968,170)</u>
Deductions		
Administration	65,450	33,875
Benefits and Refunds	2,655,279	2,644,542
Total Deductions	<u>2,720,729</u>	<u>2,678,417</u>
Change in Fiduciary Net Position	<u>1,138,590</u>	(6,646,587)
Net Position Restricted for Pensions		
Beginning		<u>39,436,864</u>
Ending		<u>32,790,277</u>

VILLAGE OF WINNETKA, ILLINOIS

Grant Accountability and Transparency Act (GATA) – Consolidated Year-End Financial Report  
December 31, 2022

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CSFA #	Program Name	State	Federal	Other	Totals
420-00-1772	Storm Sewer Installation	\$ 7,228,938	—	—	7,228,938
494-00-1005	Local Federal Bridge Program	50,311	—	—	50,311
494-00-2356	Local Rebuild Illinois Bond Program	267,724	—	—	267,724
588-40-0448	Disaster Grants - Public Assistance	—	71,403	—	71,403
	Other Grant Programs and Activities	—	—	—	—
	All Other Costs Not Allocated	—	—	48,494,428	48,494,428
		<u>7,546,973</u>	<u>71,403</u>	<u>48,494,428</u>	<u>56,112,804</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 11, 2023

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, 2022, 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 11, 2023.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

*Lauterbach & Amen, LLP*  
LAUTERBACH & AMEN, LLP

## **SUPPLEMENTAL SCHEDULE**

**VILLAGE OF WINNETKA, ILLINOIS**

**Long-Term Debt Requirements**

**Taxable General Obligation Refunding Bonds of 2020**

**December 31, 2022**

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
2023	\$ 505,000	292,605	797,605	2023	146,303	2023	146,302
2024	515,000	279,980	794,980	2024	139,990	2024	139,990
2025	535,000	267,105	802,105	2025	133,553	2025	133,552
2026	545,000	253,730	798,730	2026	126,865	2026	126,865
2027	560,000	240,105	800,105	2027	120,053	2027	120,052
2028	575,000	226,105	801,105	2028	113,053	2028	113,052
2029	585,000	211,730	796,730	2029	105,865	2029	105,865
2030	600,000	197,105	797,105	2030	98,553	2030	98,552
2031	615,000	182,105	797,105	2031	91,053	2031	91,052
2032	630,000	166,730	796,730	2032	83,365	2032	83,365
2033	650,000	150,980	800,980	2033	75,490	2033	75,490
2034	665,000	134,730	799,730	2034	67,365	2034	67,365
2035	680,000	118,105	798,105	2035	59,053	2035	59,052
2036	700,000	100,425	800,425	2036	50,213	2036	50,212
2037	720,000	82,225	802,225	2037	41,113	2037	41,112
2038	740,000	62,425	802,425	2038	31,213	2038	31,212
2039	755,000	42,075	797,075	2039	21,038	2039	21,037
2040	775,000	21,312	796,312	2040	10,656	2040	10,656
	<u>11,350,000</u>	<u>3,029,577</u>	<u>14,379,577</u>		<u>1,514,794</u>		<u>1,514,783</u>

## **STATISTICAL SECTION (Unaudited)**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

**VILLAGE OF WINNETKA, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***

**December 31, 2022 (Unaudited)**

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**See Following Page**

**VILLAGE OF WINNETKA, ILLINOIS**

**Net Position by Component - Last Ten Fiscal Years\***  
**December 31, 2022 (Unaudited)**

	2013**	2014	2015
<b>Governmental Activities</b>			
Net Investment in Capital Assets	\$ 47,250,543	48,774,440	49,376,918
Restricted	2,094,038	2,131,857	2,429,573
Unrestricted	20,457,756	20,470,416	(11,611,807)
<b>Total Governmental Activities Net Position</b>	<b>69,802,337</b>	<b>71,376,713</b>	<b>40,194,684</b>
<b>Business-Type Activities</b>			
Net Investment in Capital Assets	35,339,276	35,411,186	37,665,272
Unrestricted	17,519,178	17,259,068	17,099,774
<b>Total Business-Type Activities Net Position</b>	<b>52,858,454</b>	<b>52,670,254</b>	<b>54,765,046</b>
<b>Primary Government</b>			
Net Investment in Capital Assets	82,589,819	84,185,626	87,042,190
Restricted	2,094,038	2,131,857	2,429,573
Unrestricted	37,976,934	37,729,484	5,487,967
<b>Total Primary Government Net Position</b>	<b>122,660,791</b>	<b>124,046,967</b>	<b>94,959,730</b>

\* Accrual Basis of Accounting

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

Data Source: Village Records

2016	2017	2018	2019	2020	2021	2022
49,319,892	49,438,471	49,248,640	49,515,028	49,150,525	59,200,472	50,403,355
2,664,797	2,938,353	2,961,505	3,314,365	3,372,574	3,390,907	3,816,909
(10,163,480)	(10,808,641)	(9,446,576)	(8,807,837)	(4,235,819)	(5,806,590)	3,493,016
41,821,209	41,568,183	42,763,569	44,021,556	48,287,280	56,784,789	57,713,280
37,023,731	37,685,412	38,421,511	39,333,586	38,685,364	48,015,012	56,574,504
16,905,510	17,076,191	16,135,748	16,550,262	21,668,063	17,373,331	17,890,994
53,929,241	54,761,603	54,557,259	55,883,848	60,353,427	65,388,343	74,465,498
86,343,623	87,123,883	87,670,151	88,848,614	87,835,889	107,215,484	106,977,859
2,664,797	2,938,353	2,961,505	3,314,365	3,372,574	3,390,907	3,816,909
6,742,030	6,267,550	6,689,172	7,742,425	17,432,244	11,566,741	21,384,010
95,750,450	96,329,786	97,320,828	99,905,404	108,640,707	122,173,132	132,178,778

# VILLAGE OF WINNETKA, ILLINOIS

## Changes in Net Position - Last Ten Fiscal Years\* December 31, 2022 (Unaudited)

	2013**	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 2,923,374	3,926,262	4,993,616	1,961,906	3,858,501	3,150,204	4,171,973	3,591,828	1,687,288	4,832,582
Public Safety	9,179,353	12,316,145	16,821,380	14,156,626	13,540,856	14,520,344	14,901,003	12,326,987	10,201,045	14,663,393
Community Development	1,267,068	1,676,984	1,479,285	1,458,538	1,687,357	1,467,428	1,455,318	1,589,877	1,604,896	1,653,866
Public Works	4,102,763	5,202,568	5,612,699	5,571,479	5,935,901	6,235,172	6,485,336	7,007,376	6,434,348	6,755,847
Interest on Long-Term Debt	21,135	14,676	—	—	—	—	—	—	—	—
<b>Total Governmental Activities Expenses</b>	<b>17,493,693</b>	<b>23,136,635</b>	<b>28,906,980</b>	<b>23,148,549</b>	<b>25,022,615</b>	<b>25,373,148</b>	<b>27,013,630</b>	<b>24,516,068</b>	<b>19,927,577</b>	<b>27,905,688</b>
<b>Business-Type Activities</b>										
Electric	11,635,540	14,646,688	14,504,327	16,555,150	15,409,288	16,275,615	16,303,693	16,190,947	18,600,967	19,297,776
Water	2,398,945	3,073,081	3,232,713	3,225,230	3,070,624	3,485,954	3,613,580	3,054,726	3,645,073	4,040,670
Refuse	1,837,660	2,455,202	2,265,737	2,408,865	2,619,639	2,004,219	2,530,173	1,895,606	2,460,060	2,434,580
Storm Sewer	132,250	663,287	672,999	1,086,896	922,597	977,036	965,180	899,368	810,888	1,635,100
Sanitary Sewer	645,870	1,080,243	1,120,487	1,547,869	1,668,549	1,558,547	1,361,878	1,471,321	1,149,180	798,990
<b>Total Business-Type Activities Expenses</b>	<b>16,650,265</b>	<b>21,918,501</b>	<b>21,796,263</b>	<b>24,824,010</b>	<b>23,690,697</b>	<b>24,301,371</b>	<b>24,774,504</b>	<b>23,511,968</b>	<b>26,666,168</b>	<b>28,207,116</b>
<b>Total Primary Government Expenses</b>	<b>34,143,958</b>	<b>45,055,136</b>	<b>50,703,243</b>	<b>47,972,559</b>	<b>48,713,312</b>	<b>49,674,519</b>	<b>51,788,134</b>	<b>48,028,036</b>	<b>46,593,745</b>	<b>56,112,804</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services</b>										
General Government	2,077,704	2,859,138	2,802,463	2,877,490	2,945,963	2,987,135	2,903,024	2,904,794	4,529,350	2,831,304
Public Safety	1,040,252	1,487,238	1,520,422	1,657,944	1,698,498	1,770,244	1,743,082	1,482,948	1,383,241	1,631,549
Community Development	1,831,135	1,929,442	1,760,110	1,743,999	1,450,743	1,378,786	1,547,917	1,618,871	1,894,245	1,934,816
Public Works	152,371	120,635	187,165	183,475	141,645	102,628	91,773	99,165	77,020	—
Operating Grants/Contributions	64,841	73,632	68,868	—	—	—	—	993,798	783,286	724,706
Capital Grants/Contributions	53,932	—	—	138,138	81,119	177,204	536,139	—	—	—
<b>Total Governmental Activities Program Revenues</b>	<b>5,220,235</b>	<b>6,470,085</b>	<b>6,339,028</b>	<b>6,601,046</b>	<b>6,317,968</b>	<b>6,415,997</b>	<b>6,821,935</b>	<b>7,099,576</b>	<b>8,667,142</b>	<b>7,122,375</b>
<b>Business-Type Activities</b>										
<b>Charges for Services</b>										
Electric	11,030,696	14,737,350	15,596,335	16,018,005	15,677,656	16,683,156	16,058,151	17,409,244	18,525,140	18,188,204
Water	3,099,689	3,457,265	3,531,692	3,656,945	4,075,019	4,321,977	4,555,430	5,461,214	6,576,310	6,226,468
Refuse	394,792	536,127	527,518	573,913	1,060,386	1,885,381	2,742,553	2,739,537	2,645,013	2,612,705
Storm Sewer	776,137	874,447	952,464	1,047,078	1,207,369	1,248,855	1,226,400	1,514,300	1,656,312	1,549,886
Sanitary Sewer	—	941,417	1,767,587	2,017,000	1,924,602	1,910,189	1,909,121	1,973,535	2,010,580	2,028,986
Operating Grants/Contributions	—	134,794	2,000,000	—	—	—	—	—	—	—
Capital Grants	—	—	—	—	—	—	—	—	—	7,228,938
<b>Total Business-Type Activities Program Revenues</b>	<b>15,301,314</b>	<b>20,681,400</b>	<b>24,375,596</b>	<b>23,312,941</b>	<b>23,945,032</b>	<b>26,049,558</b>	<b>26,491,655</b>	<b>29,097,830</b>	<b>31,413,355</b>	<b>37,835,187</b>
<b>Total Primary Government Program Revenues</b>	<b>20,521,549</b>	<b>27,151,485</b>	<b>30,714,624</b>	<b>29,913,987</b>	<b>30,263,000</b>	<b>32,465,555</b>	<b>33,313,590</b>	<b>36,197,406</b>	<b>40,080,497</b>	<b>44,957,562</b>

	2013**	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (12,273,458)	(16,666,550)	(22,567,952)	(16,547,503)	(18,704,647)	(18,957,151)	(20,191,695)	(17,416,492)	(11,260,435)	(20,783,313)
Business-Type Activities	(1,348,951)	(1,237,101)	2,579,333	(1,511,069)	254,335	1,748,187	1,717,151	5,585,862	4,747,187	9,628,071
<b>Total Primary Government Net Revenue (Expense)</b>	<b>(13,622,409)</b>	<b>(17,903,651)</b>	<b>(19,988,619)</b>	<b>(18,058,572)</b>	<b>(18,450,312)</b>	<b>(17,208,964)</b>	<b>(18,474,544)</b>	<b>(11,830,630)</b>	<b>(6,513,248)</b>	<b>(11,155,242)</b>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property	6,128,244	12,895,811	12,864,238	13,105,829	13,204,094	13,289,056	14,612,543	14,695,733	14,750,187	15,321,586
Telecommunications	460,092	462,013	528,637	460,692	419,153	408,315	343,120	279,837	253,686	237,293
Natural Gas	303,383	558,631	487,513	328,044	436,323	404,394	393,381	319,213	400,896	564,986
Intergovernmental										
Sales Tax	1,190,192	1,589,475	1,510,357	1,420,554	1,512,020	1,605,438	1,701,426	1,760,984	2,271,900	2,576,310
Income Tax	882,789	1,106,344	1,292,669	1,179,341	1,190,908	1,167,101	1,297,173	1,324,348	1,614,048	2,076,600
Personal Property Replacement Tax	134,784	114,799	150,010	131,783	149,725	136,117	169,227	141,245	255,513	527,215
Other	305,705	380,319	369,855	383,275	388,781	391,113	392,259	361,432	374,640	391,476
Investment Income	95,607	54,617	20,904	258,993	234,975	606,137	954,462	841,226	(111,292)	(603,445)
Miscellaneous	110,640	336,521	265,142	83,273	25,616	209,752	124,195	63,311	99,952	77,705
Transfers	(5,393,583)	742,396	849,044	822,244	890,026	1,418,311	1,461,896	1,894,887	(151,586)	542,078
<b>Total Governmental Activities</b>	<b>4,217,853</b>	<b>18,240,926</b>	<b>18,338,369</b>	<b>18,174,028</b>	<b>18,451,621</b>	<b>19,635,734</b>	<b>21,449,682</b>	<b>21,682,216</b>	<b>19,757,944</b>	<b>21,711,804</b>
Business-Type Activities										
Property Taxes	1,068,036	1,076,358	1,088,001	1,078,490	1,073,096	(32,149)	—	—	—	—
Investment Income	55,458	73,113	19,349	245,491	180,264	467,121	753,354	152,094	(144,707)	(553,495)
Miscellaneous	693,625	641,826	253,314	173,527	214,693	408,166	317,980	626,510	280,850	544,657
Transfers	5,393,583	(742,396)	(849,044)	(822,244)	(890,026)	(1,418,311)	(1,461,896)	(1,894,887)	151,586	(542,078)
<b>Total Business-Type Activities</b>	<b>7,210,702</b>	<b>1,048,901</b>	<b>511,620</b>	<b>675,264</b>	<b>578,027</b>	<b>(575,173)</b>	<b>(390,562)</b>	<b>(1,116,283)</b>	<b>287,729</b>	<b>(550,916)</b>
<b>Total Primary Government</b>	<b>11,428,555</b>	<b>19,289,827</b>	<b>18,849,989</b>	<b>18,849,292</b>	<b>19,029,648</b>	<b>19,060,561</b>	<b>21,059,120</b>	<b>20,565,933</b>	<b>20,045,673</b>	<b>21,160,888</b>
Changes in Net Position										
Governmental Activities	(8,055,605)	1,574,376	(4,229,583)	1,626,525	(253,026)	678,583	1,257,987	4,265,724	8,497,509	928,491
Business-Type Activities	5,861,751	(188,200)	3,090,953	(835,805)	832,362	1,173,014	1,326,589	4,469,579	5,034,916	9,077,155
<b>Total Primary Government</b>	<b>(2,193,854)</b>	<b>1,386,176</b>	<b>(1,138,630)</b>	<b>790,720</b>	<b>579,336</b>	<b>1,851,597</b>	<b>2,584,576</b>	<b>8,735,303</b>	<b>13,532,425</b>	<b>10,005,646</b>

\* 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, 2022 (Unaudited)**

	2013**	2014	2015
General Fund			
Nonspendable	\$ 2,597	91,211	—
Restricted	235,815	—	91,211
Assigned	—	—	—
Unassigned	16,612,063	18,080,699	18,942,066
Total General Fund	<u>16,850,475</u>	<u>18,171,910</u>	<u>19,033,277</u>
All Other Governmental Funds			
Restricted	2,033,126	2,040,646	2,338,362
Assigned	832,254	741,726	779,117
Unassigned	<u>(171,253)</u>	<u>(126,377)</u>	<u>(86,485)</u>
Total All Other Governmental Funds	<u>2,694,127</u>	<u>2,655,995</u>	<u>3,030,994</u>
Total Governmental Funds	<u><u>19,544,602</u></u>	<u><u>20,827,905</u></u>	<u><u>22,064,271</u></u>

\* Modified Accrual Basis of Accounting

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

Data Source: Village Records

2016	2017	2018	2019	2020	2021	2022
—	—	—	—	750,000	—	—
—	—	—	—	—	—	—
—	—	—	—	—	—	16,303,144
20,317,199	20,674,355	22,280,802	24,645,766	25,846,414	30,027,257	15,774,801
20,317,199	20,674,355	22,280,802	24,645,766	26,596,414	30,027,257	32,077,945
2,664,797	2,938,353	2,961,505	3,314,365	3,372,574	3,390,907	3,816,909
850,015	669,520	1,144,572	1,047,794	1,285,996	1,057,195	582,354
(44,974)	(13,891)	—	—	—	—	—
3,469,838	3,593,982	4,106,077	4,362,159	4,658,570	4,448,102	4,399,263
23,787,037	24,268,337	26,386,879	29,007,925	31,254,984	34,475,359	36,477,208

VILLAGE OF WINNETKA, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)

	2013	2013*	2014
<b>Revenues</b>			
Taxes	\$ 6,891,719	13,916,455	13,880,388
Licenses and Permits	2,245,978	2,396,870	2,289,140
Intergovernmental	2,632,243	3,264,569	3,391,759
Charges for Services and Fees	2,711,133	3,810,622	3,814,244
Fines and Forfeitures	144,351	188,961	166,776
Investment Income (Loss)	80,397	38,729	16,029
Miscellaneous	110,640	336,521	265,142
Total Revenues	14,816,461	23,952,727	23,823,478
<b>Expenditures</b>			
General Government	2,464,557	2,947,643	3,304,296
Public Safety	8,753,436	11,847,222	12,680,756
Community Development	1,256,959	2,059,844	1,650,761
Public Works	4,953,498	5,981,049	5,322,647
Capital Outlay	52,671	98,285	227,696
Debt Service			
Principal Retirement	440,000	460,000	—
Interest	21,975	17,777	—
Total Expenditures	17,943,096	23,411,820	23,186,156
Excess of Revenues Over (Under) Expenditures	(3,126,635)	540,907	637,322
<b>Other Financing Sources (Uses)</b>			
Transfers In	1,864,302	2,079,116	1,849,044
Transfers Out	(7,257,885)	(1,336,720)	(1,250,000)
Disposal of Capital Assets	—	—	—
	(5,393,583)	742,396	599,044
Net Change in Fund Balances	(8,520,218)	1,283,303	1,236,366
Debt Service as a Percentage of Noncapital Expenditures	2.94%	2.34%	0.00%

\*Modified Accrual Basis of Accounting

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

Data Source: Village Records

2015	2016	2017	2018	2019	2021	2022
13,894,565	14,059,570	14,101,765	15,349,044	15,294,783	15,404,769	16,123,865
2,240,851	1,866,741	1,785,951	1,948,625	1,998,247	2,267,812	2,286,551
3,253,091	3,322,553	3,476,973	4,096,224	4,581,807	5,299,387	6,296,307
4,030,475	4,182,256	4,217,114	4,143,423	3,997,440	5,525,618	4,031,837
191,582	187,852	235,728	193,748	110,091	90,426	79,281
198,119	190,017	498,598	781,190	483,542	(98,393)	(511,609)
83,273	25,616	209,752	124,195	63,311	99,952	77,705
23,891,956	23,834,605	24,525,881	26,636,449	26,529,221	28,589,571	28,383,937
2,956,361	3,016,519	2,814,898	2,994,684	3,458,822	3,176,510	3,318,145
12,590,006	13,273,553	13,181,538	13,612,476	13,848,126	12,926,072	13,623,785
1,374,119	1,513,155	1,412,091	1,438,439	1,572,154	1,586,009	1,633,671
5,989,321	6,112,882	6,224,138	5,318,492	5,079,201	5,269,227	5,677,045
91,627	327,222	383,323	2,115,559	2,218,746	2,259,792	2,671,520
—	—	—	—	—	—	—
—	—	—	—	—	—	—
23,001,434	24,243,331	24,015,988	25,479,650	26,177,049	25,217,610	26,924,166
890,522	(408,726)	509,893	1,156,799	352,172	3,371,961	1,459,771
1,522,244	1,515,026	2,193,311	3,095,806	3,394,887	1,947,321	4,196,946
(700,000)	(625,000)	(600,000)	(1,633,910)	(1,500,000)	(2,098,907)	(3,654,868)
10,000	—	15,338	2,351	—	—	—
832,244	890,026	1,608,649	1,464,247	1,894,887	(151,586)	542,078
1,722,766	481,300	2,118,542	2,621,046	2,247,059	3,220,375	2,001,849
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**VILLAGE OF WINNETKA, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
December 31, 2022 (Unaudited)**

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Tax Levy Year	Residential Property	Commercial Property
2012	\$ 1,278,359,179	\$ 54,724,248
2013	1,169,861,689	49,963,175
2014	1,180,513,548	54,144,041
2015	1,154,165,002	44,404,930
2016	1,392,060,810	48,201,322
2017	1,429,205,958	49,909,110
2018	1,378,919,469	49,003,297
2019	1,429,051,816	65,416,563
2020	1,410,236,124	69,342,391
2021	1,298,266,100	65,078,327

Data Source: Cook County Clerk

	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$	4,084,556	\$ 1,337,167,983	\$ 431,535	\$ 1,337,599,518	1.667
	3,845,561	1,223,670,425	532,312	1,224,202,737	1.847
	4,336,479	1,238,994,068	554,920	1,239,548,988	1.801
	—	1,198,569,932	665,627	1,199,235,559	1.836
	—	1,440,262,132	677,213	1,440,939,345	1.365
	—	1,479,115,068	690,858	1,479,805,926	1.320
	—	1,427,922,766	742,090	1,428,664,856	1.039
	—	1,494,468,379	809,844	1,495,278,223	1.007
	—	1,479,578,515	844,172	1,480,422,687	1.025
	—	1,363,344,427	844,172	1,364,188,599	1.117

**VILLAGE OF WINNETKA, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
December 31, 2022 (Unaudited)**

	2012	2013	2014
Village of Winnetka			
General Corporate Rate	1.038	1.162	1.154
Special Service Area #3	0.397	0.437	0.413
Special Service Area #4	0.117	0.131	0.126
Special Service Area #5	0.115	0.117	0.108
Total Direct Tax Rate	1.667	1.847	1.801
Overlapping Rates			
Cook County	0.531	0.560	0.568
Elections	—	0.031	—
Forest Preserve	0.063	0.069	0.069
Metropolitan Water Reclamation District	0.370	0.417	0.430
Mosquito Abatement District	0.010	0.007	0.011
New Trier Township	0.047	0.061	0.062
New Trier High School	1.864	2.111	2.268
Community College 535	0.219	0.256	0.258
Winnetka School District (36)	3.094	3.331	3.386
Winnetka Public Library	0.203	0.230	0.233
Winnetka Park District	0.347	0.391	0.395
Total Overlapping Tax Rates	6.748	7.464	7.680
 Total Direct and Overlapping Tax Rates	 8.415	 9.311	 9.481

Data Source: Cook County Clerk

2015	2016	2017	2018	2019	2020	2021
1.203	1.013	0.994	0.805	0.760	1.025	1.117
0.402	0.352	0.326	0.234	0.247	—	—
0.122	—	—	—	—	—	—
0.109	—	—	—	—	—	—
1.836	1.365	1.320	1.039	1.007	1.025	1.117
0.552	0.533	0.527	0.319	0.275	0.272	0.243
0.034	—	—	—	0.030	—	—
0.069	0.063	0.062	0.060	0.059	0.058	0.072
0.426	0.406	0.402	0.396	0.389	0.378	0.382
0.012	0.010	0.010	0.010	0.009	0.009	0.009
0.066	0.049	0.057	0.053	0.051	0.053	0.060
2.380	1.974	1.993	2.111	2.028	2.085	2.322
0.271	0.231	0.232	0.246	0.221	0.227	0.252
3.354	3.049	3.002	3.220	3.149	3.015	3.285
0.246	0.209	0.210	0.225	0.217	0.223	0.249
0.419	0.354	0.357	0.383	0.375	0.389	0.435
7.829	6.878	6.852	7.023	6.803	6.709	7.309
9.665	8.243	8.172	8.062	7.810	7.734	8.426

**VILLAGE OF WINNETKA, ILLINOIS**

**Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago  
December 31, 2022 (Unaudited)**

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Chicago Title Land Trust	\$ 10,647,663	1	0.78%			
Individual	7,827,368	2	0.57%	\$ 3,537,691	1	0.26%
Individual	5,384,322	3	0.39%	3,089,798	2	0.23%
Individual	4,632,907	4	0.34%	2,881,482	3	0.22%
Individual	3,698,335	5	0.27%	2,852,250	4	0.21%
Individual	3,560,694	6	0.26%	2,386,212	6	0.18%
Individual	3,292,970	7	0.24%	2,058,688	10	0.15%
Individual	3,157,702	8	0.23%			
521 Green Bay Road LLC	2,950,080	9	0.22%			
Individual	2,947,963	10	0.22%			
319 Sheridan LLC				2,739,879	5	0.21%
Hulsizer & Makowiec				2,219,665	7	0.17%
AH2 Signal Hill LTD				2,179,119	8	0.16%
Gould & Rathner LLC				2,100,386	9	0.16%
Totals	<u>48,100,004</u>		<u>3.53%</u>	<u>26,045,170</u>		<u>1.95%</u>

Data Source: Cook County Tax Extension Office

Note: Based on the 2021 EAV of \$1,364,188,599

**VILLAGE OF WINNETKA, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

Fiscal Year	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2013*	2012	\$ 13,875,587	\$ 6,551,164	47.21%	\$ N/A	\$ 6,551,164	47.21%
2014	2013	14,222,477	13,927,317	97.92%	N/A	13,927,317	97.92%
2015	2014	14,302,483	13,907,922	97.24%	N/A	13,907,922	97.24%
2016	2015	14,416,903	14,164,385	98.25%	N/A	14,164,385	98.25%
2017	2016	14,589,906	14,264,609	97.77%	N/A	14,264,609	97.77%
2018	2017	14,706,625	14,329,068	97.43%	N/A	14,329,068	97.43%
2019	2018	14,838,985	14,609,390	98.45%	N/A	14,609,390	98.45%
2020	2019	15,047,473	14,670,613	97.50%	N/A	14,670,613	97.50%
2021	2020	15,161,834	14,725,491	97.12%	N/A	14,725,491	97.12%
2022	2020	15,236,127	12,437,763	81.63%	N/A	12,437,763	81.63%

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, 2022 (Unaudited)**

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Bonds			
2013*	\$ 460,000	\$ 9,000,000	\$ 9,460,000	4.53%	\$ 776.24
2014	—	16,500,000	16,500,000	7.81%	1,328.29
2015	—	15,825,000	15,825,000	7.63%	1,267.01
2016	—	15,145,000	15,145,000	7.15%	1,220.68
2017	—	14,460,000	14,460,000	6.96%	1,162.66
2018	—	13,765,000	13,765,000	6.35%	1,100.85
2019	—	13,060,000	13,060,000	5.92%	1,060.41
2020	—	13,043,694	13,043,694	5.22%	1,067.93
2021	—	12,105,009	12,105,009	4.84%	970.34
2022	—	11,596,324	11,596,324	5.58%	932.41

\*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, 2022 (Unaudited)**

Fiscal Year	Gross General Obligation Bonds	Less: Amounts Available For Debt Service	Total	Percentage of Total Taxable Assessed Value of Property (1)	Per Capita (2)
2013*	\$ 9,460,000	\$ 342,761	\$ 9,117,239	0.68%	\$ 748.11
2014	16,500,000	—	16,500,000	1.35%	1,328.29
2015	15,825,000	—	15,825,000	1.28%	1,267.01
2016	15,145,000	—	15,145,000	1.26%	1,220.68
2017	14,460,000	—	14,460,000	1.00%	1,162.66
2018	13,765,000	—	13,765,000	0.93%	1,100.85
2019	13,060,000	—	13,060,000	0.91%	1,060.41
2020	13,043,694	—	13,043,694	0.87%	1,067.93
2021	12,105,009	—	12,105,009	0.82%	970.34
2022	11,596,324	—	11,596,324	0.85%	932.41

\*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, 2022 (Unaudited)**

Governmental Unit	Gross Debt	Percentage of Debt Applicable to Village (1)	Village's Share of Debt
Village of Winnetka	\$ —	100.00%	\$ —
School Districts:			
New Trier High School	118,640,000	25.67%	30,454,888
Oakton Community College No. 535	42,855,000	5.59%	2,395,595
School District No. 36 (Winnetka)	38,390,000	98.02%	37,629,878
School District No. 37 (Avoca)	8,005,000	6.19%	495,510
School District No. 38 (Kenilworth)	5,650,000	9.36%	528,840
Total School Districts	213,540,000		71,504,711
Other Agencies:			
Cook County	2,405,537,120	0.78%	18,763,190
Forest Preserve District	98,005,000	0.78%	764,439
Metropolitan Water Reclamation	2,585,694,346	0.79%	20,426,985
Glencoe Park District	6,915,000	0.89%	61,544
Winnetka Park District	14,240,000	92.78%	13,211,872
Total Other Agencies	5,110,391,466		53,228,030
Total Overlapping Debt	5,323,931,466		124,732,741
Total Direct and Overlapping Debt	5,323,931,466		124,732,741

(1) The 2022 information is not available as of the date of this report. 2021 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, 2022 (Unaudited)

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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, 2022 (Unaudited)**

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Fiscal Year	Property and Sales Tax Revenues	Principal	Interest	Coverage
2013*	\$ 7,318,436	440,000	21,975	15.84
2014	14,485,286	460,000	16,447	30.40
2015	14,374,595	N/A	N/A	N/A
2016	14,526,383	N/A	N/A	N/A
2017	14,716,114	N/A	N/A	N/A
2018	14,894,494	N/A	N/A	N/A
2019	16,338,898	N/A	N/A	N/A
2020	16,456,717	N/A	N/A	N/A
2021	17,022,087	N/A	N/A	N/A
2022	17,897,896	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, 2022 (Unaudited)**

Fiscal Year	(1) Population	Personal Income (in Thousands)	Per Capita Personal Income	(1) Median Age	(2) School Enrollment	Unemployment Rate
2013*	12,187	\$ 208,750	\$ 102,867	42.8	4,453	3.50%
2014	12,422	211,250	100,440	41.8	5,153	3.50%
2015	12,490	207,540	98,139	40.5	5,153	3.50%
2016	12,407	211,773	98,139	41.4	5,153	3.70%
2017	12,437	207,857	102,663	40.8	5,419	5.10%
2018	12,504	216,875	110,560	41.3	5,568	3.80%
2019	12,316	220,577	118,029	41.8	5,692	4.20%
2020	12,214	250,001	123,329	42.3	5,698	8.40%
2021	12,475	250,001	134,596	42.1	5,667	4.70%
2022	12,437	207,857	102,663	40.8	5,722	5.50%

\*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, 2022 (Unaudited)**

Employer	2022			2013		
	Employees	Rank	Percentage of Total Village Employment*	Employees	Rank	Percentage of Total Village Employment*
New Trier High School East	670	1	13.87%	483	1	9.72%
School District 36	340	2	7.04%	221	2	4.45%
Village of Winnetka	156	3	3.23%	155	3	3.10%
North Shore Country Day School	140	4	2.90%	115	6	2.27%
Coldwell Banker	130	5	2.69%	113	5	2.31%
Baird & Warner, Inc.	65	6	1.35%			
BMO Harris Bank	50	7	1.04%	65	7	1.31%
Sacred Heart School	45	8	0.93%	45	9	0.91%
Faith, Hope, & Charity School	45	9	0.93%	43	10	0.87%
Infodata Corp	41	10	0.85%			
Dyson, Dyson & Dunn, Inc.				150	4	3.02%
Killian Co., V.J.				45	8	0.91%
	<u>1,682</u>		<u>34.83%</u>	<u>1,435</u>		<u>28.87%</u>

Data Sources: 2022 Illinois Manufacturers Directory, 2022 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, 2022 (Unaudited)**

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**See Following Page**

**VILLAGE OF WINNETKA, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

Function	2013*	2014	2015
General Government			
Administration	5.0	5.0	4.5
Finance	14.0	14.0	13.0
Public Works	18.0	18.5	19.0
Police	36.0	35.0	37.5
Fire	26.0	26.0	25.0
Community Development	8.0	7.0	6.5
Water	7.0	7.0	7.0
Sewer	3.5	2.5	2.5
Stormwater Sewer	—	2.5	2.5
Electric	26.3	26.3	23.5
Refuse	7.0	7.0	8.0
Totals	150.8	150.8	149.0

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

Data Source: Village Records

2016	2017	2018	2019	2020	2021	2022
6.5	6.5	6.0	5.0	7.0	7.0	7.0
11.5	12.5	10.5	10.5	10.5	10.5	10.5
20.0	22.0	25.0	27.0	27.0	25.0	25.0
36.5	35.0	35.0	37.5	35.0	35.0	35.0
26.5	27.5	27.0	27.0	27.5	26.0	27.5
6.5	6.5	7.0	7.0	7.0	7.0	6.0
7.0	7.0	7.0	7.0	7.0	7.0	7.0
1.0	1.0	2.0	2.0	2.0	2.0	2.0
2.0	2.0	2.0	2.0	2.0	2.0	2.0
28.5	26.5	28.0	23.0	23.0	22.0	29.0
8.0	7.0	6.0	7.0	5.0	5.0	5.0
154.0	153.5	155.5	155.0	153.0	148.5	156.0

**VILLAGE OF WINNETKA, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

Function/Program	2013*	2014	2015
Public Works			
Forestry			
Number of Parkway Trees Planted	N/A	N/A	225
Fleet Services			
Number of Vehicles Maintained	N/A	N/A	143
Preventative Maintenance Services	N/A	N/A	470
Public Safety			
Fire			
Calls for Service	N/A	2,150	2,150
Number of Training Hours	N/A	7,250	6,316
ISO Rating	3	3	3
Police			
Crimes Against Persons	N/A	N/A	94
Crimes Against Property	N/A	N/A	204
Crimes Against Society	N/A	N/A	N/A
Calls for Service	N/A	N/A	7,449
State Tickets Issued	N/A	N/A	804
Compliance Tickets Issued	N/A	N/A	181
Community Development			
Number of Building Permits Issued	N/A	N/A	1,212
Number of Building Inspections	N/A	N/A	3,197
Highways and Streets			
Sidewalk Replaced (Sq. Ft.)	N/A	N/A	8,700
Annual Resurfacing Program (\$)	1,008,890	N/A	1,350,537
Water and Sewer			
Water Meters Read	N/A	N/A	37,500
Total Distribution Pumpage (1,000 Gallons)	937,610	1,035,500	1,000,092
Sanitary Sewer Repairs	N/A	N/A	6,605

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.

2016	2017	2018	2019	2020	2021	2022
168	215	128	170	168	192	174
135	138	136	119	115	120	127
218	253	263	280	275	272	269
2,119	2,169	2,222	2,209	1,981	2,159	2,231
6,174	8,844	6,000	6,420	4,951	5,143	6,722
3	3	3	3	3	3	3
82	151	110	80	125	14	36
209	199	131	149	337	163	228
N/A	N/A	N/A	N/A	N/A	32	47
7,670	15,610	22,959	22,102	19,792	19,768	18,736
834	873	1,013	1,074	759	756	652
138	136	215	197	190	209	153
1,344	1,200	1,164	1,105	1,170	1,281	1,159
3,401	2,922	2,879	2,376	2,059	2,657	2,664
17,777	15,908	36,373	22,746	15,013	23,012	21,613
1,345,014	1,406,230	1,417,211	834,695	991,195	1,182,977	774,356
37,500	37,500	37,500	37,500	37,500	37,500	37,500
1,036,306	1,055,907	1,064,100	1,074,741	1,144,754	1,470,389	1,486,011
15	12	4	6	5	7	5

**VILLAGE OF WINNETKA, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2022 (Unaudited)**

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Function/Program	2013*	2014	2015
Police			
Stations	1	1	1
Patrol Units	9	9	9
Fire Stations	1	1	1
Public Works			
Streets (Miles)	52	52	52
Sidewalks (Miles)	80	80	80
Streetlights	867	867	867
Water and Sewer			
Water Mains (Miles)	71	71	71
Fire Hydrants	667	667	667
Sanitary Sewers (Miles)	47	47	47

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

Data Source: Village Records

2016	2017	2018	2019	2020	2021	2022
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



THE VILLAGE OF  
**Winnetka**

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