2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Twelve Months Ending December 31, 2025

THE VILLAGE OF
Winnetka

510 GREEN BAY ROAD, WINNETKA, IL 60093
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VILLAGE OF WINNETKA, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR
ENDED DECEMBER 31, 2025

Prepared by:
Finance Department

VILLAGE OF WINNETKA, ILLINOIS

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

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

VILLAGE OF WINNETKA, ILLINOIS

List of Principal Officials
As of December 31, 2025

LEGISLATIVE

Robert H. Dearborn, Village President

Bridget Orsic, Trustee	Kim Handler, Trustee
Scott Myers, Trustee	Kirk Albinson, Trustee
Tina Dalman, Trustee	Rob Apatoff, Trustee

ADMINISTRATIVE

Kristin Kazenas, Village Manager

Timothy J. Sloth, CPA, Chief Financial Officer

Tom Powers, Director of Public Works

Nick Narhi, Director of Water & Electric

John Ripka, Fire Chief

Brian O'Connell, Chief of Police

Scott Mangum, Director of Community Development

James Bernahl, Director of Engineering

VILLAGE OF WINNETKA
Residents, Taxpayers, & Voters

Village Council
Village President & Village Trustees

Village Boards & Commissions

- Firefighters' Pension Board
- Foreign Fire Insurance Board
- Design Review Board
- Environmental, Forestry & Sustainability Comm.
- Fire and Police Commission
- Historic Preservation Commission
- Plan Commission
- Police Pension Board
- Zoning Board of Appeals
- Planned Development Commission

Village Treasurer/ Collector
Timothy Sloth

Village Manager/ Village Clerk
Kristin Kazenas

Village Prosecutor
Wayne Addis

Village Attorney
Peter Friedman

Administration
Deputy Village Manager

Functions:
Village Clerk
Council Agendas
Communications
Strategic Planning
Economic Development
Human Resources
Benefits Administration
Risk Management
Workers Comp
Elections
Voter Registration
Business Licensing
Website Administration
Village Code Maintenance
Sustainability

Finance
Timothy Sloth
Chief Financial Officer

Functions:
Accounting
Billing
Budget Control
Cashiering
Collections
Computer Operations
Investments
Purchasing

Fire
John Ripka
Fire Chief

Functions:
Apparatus Maintenance
Blood Pressure Screening
Communications
CPR Training
Emergency Paramedical & Rescue Service
Facilities Maintenance
Fire Investigations
Fire Prevention
Fire Suppression
Hazardous Materials
Home Safety Surveys
Information Management
Juvenile Firesetters
Plan Review
Pre-fire Plans
Public Education Safety
SCUBA
Tools & Equipment
Training
Water Supply

Police
Brian O'Connell
Chief of Police

Functions:
Animal Control
Central Communications
Community Education
Community Policing
Crime Prevention
Emergency Services & Disaster Agency
Investigations
Juvenile Justice
Law Enforcement
Liquor Licensing
Neighborhood Watch
Parking Enforcement
Patrol
Records
Senior Citizen Services
Social Services
Taxi Licensing
Traffic Law Enforcement

Public Works
Tom Powers
Director

Functions:
Bridge Maintenance
Buildings & Grounds
Code Enforcement
Composting
Fleet Maintenance
Public Parking Lots
Refuse Disposal
Sanitary Sewers
Sidewalks Maintenance
Snow Removal
Storm Sewers Maintenance
Street Maintenance
Traffic Control Devices

Engineering
Jim Bernahl
Director/Village Engineer

Functions:
Capital Infrastructure
Construction & Rehabilitation
Engineering
Forestry
GIS
Stormwater Management

Water & Electric
Nick Narhi
Director

Functions:
Electric Distribution
Electric Generation
Engineering
Water Distribution
Water Purification

Community Development
Scott Mangum
Director

Functions:
Building Inspection
Building Permits
Census Tracking
Code Enforcement
Complaint Investigation
Design Review
Environmental
Health Services
Planning
Landmark Designation
Model Code
Records Management
Signs
Special Use Permits
Subdivisions
Zoning
Zoning Variations

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Village of
WINNETKA, IL

510 Green Bay Road · Winnetka, IL 60093 · 847.501.6000
contactus@villageofwinnetka.org · villageofwinnetka.org

June 22, 2026

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

The Annual Comprehensive Financial Report (Annual Report) of the Village of Winnetka, Illinois for the fiscal year ended December 31, 2025, 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 management 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 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 12,508 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 on November 17, 2025.

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 actual expenditures compared to budget monthly for the fiscal year. Each department is given the responsibility to maintain expenditures within budgetary guidelines.

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 Chief Financial Officer 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. Budgets are prepared for all funds.

Economic Condition and Outlook

The Village of Winnetka is primarily a residential community. The real estate property tax provided approximately 49% of General Fund revenues for the year ending December 31, 2025. Sales tax revenues for this fiscal year totaled $3,157,959 compared to the previous year total of $2,732,400, and income tax increased from $2,164,191 to $2,298,308. Intergovernmental revenue in the General Fund totaled $5,817,026. Investment income (governmental activities) for the year totaled $1,804,456, up from $1,612,185 in the prior year, reflecting the continued elevated interest rate environment.

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 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 12% 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.

Overall, fiscal year 2025 continued to be a great year to do business in Winnetka with the Village’s three downtown districts vibrant with activity. Retail occupancy rates continued to improve, going from 97.46% at the beginning of the year to 99.57% by year end. The Village's year-end retail occupancy rate of 99.57% exceeds the Chicago metropolitan area's overall retail occupancy of approximately 95% (CoStar, Q4 2025), with suburban corridors generally outperforming the metro average. Sales tax revenue, a leading economic indicator for the Village were robust increasing 15.57% on the year. According to the Cook County House Price Index, Winnetka area home values increased by an average of 2.90%. These economic indicators show that people want to live and shop in Winnetka.

Significant Budgetary Variations

General Fund revenues totaled $34,055,871 which is $2,864,227 more than the budgeted amount of $31,191,644. The primary drivers of this favorable variation were building permit activity, intergovernmental (sales and income tax) collections, and investment income. Intergovernmental revenues, including sales, income, personal property replacement taxes and grants, totaled $5,817,026, which was $634,486 more than budgeted, as sales and income tax revenue posted higher amounts than budgeted, partially offset by Corporate Property Replacement Tax coming in under budget. Investment income totaled $1,448,512, which was $502,051 greater than budget. Building permits totaled $3,883,444 which was $445,944 greater than budget driven by permits issued for large developments in the Elm Street Business District.

On the expenditure side, total General Fund expenditures of $31,312,570 were $199,444 below the budgeted amount of $31,512,014. All functions finished the year under budget except general government, fire department, and police. General government exceeded its appropriation due retirement and personnel transitions and to legal and litigation, while the Police Department's overage reflected higher overtime driven by retirements and vacancies. Overall, departments adhered closely to their spending plans. Detailed budget to actual amounts for all funds are shown on pages 102-141.

Fund Balances

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

General Fund Balances (in millions of dollars)					
Year	Total Fund	Assigned	Unassigned	Budgeted	Fund Balance
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	93.7%
2020	$25.85	$—	$25.85	$25.93	99.7%
2021	$30.03	$—	$30.03	$25.30	118.7%
2022	$32.08	$16.30	$15.77	$25.87	124.0%
2023	$29.79	$12.20	$17.59	$27.19	109.6%
2024	$28.94	$10.84	$18.10	$29.61	97.7%
2025	**$28.17**	**$11.12**	**$17.05**	**$31.51**	**89.4%**

* For 2025, the Village has assigned $11,115,000 of the General Fund balance. This equates to the amount identified in the 2026 5-Year Capital Improvement Plan for recurring capital infrastructure over the next five years along with $225,000 designated for the reconstruction of the parking lot near Hadley School in the East Elm Business District. The unassigned fund balance totals $17,053,233, or 54.5% of budgeted expenditures, which exceeds the 50% policy 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 7.25% on average in 2025 to account for ongoing capital improvements to the distribution system.

The retail water rate was increased 10.0%, primarily to fund capital improvements to the Village's water distribution system. The sanitary sewer rate was increased 4.95% to fund system improvements.

The Village's Refuse Fund no longer receives revenue from property taxes. For 2025 the monthly residential collection fees increased 3.5% 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.

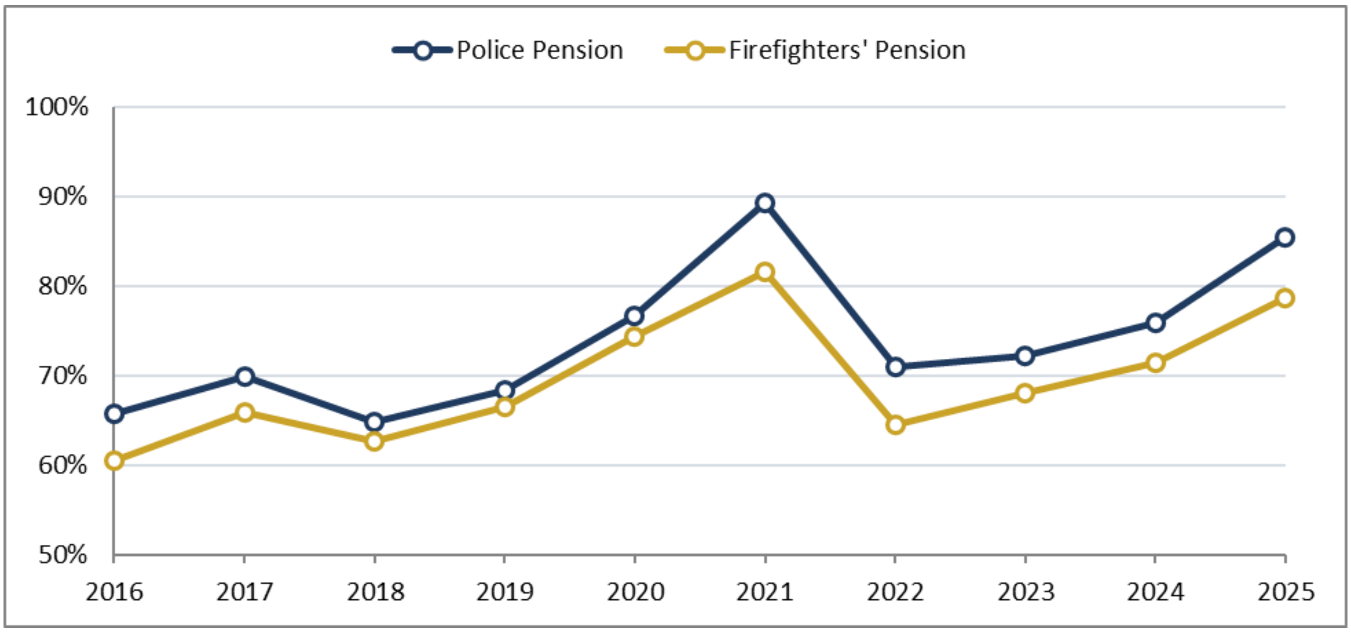
Pension Trust Funds - Continued

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 an increase in the funding ratio in 2025 with the Police Pension increasing from 75.88% funded to 85.45% funded while the Fire Pension increased from 71.42% funded to 78.74% funded.

The funding ratio for the last ten years, from December 2016 to December 2025, is shown below:

Pension Funding Ratio by Year



Other Information

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

Additionally, the Village's financial policies, reserve policies, budget projections, capital plan, and other financial information can be found in the 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 from 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 2025. 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 annual comprehensive financial report for the year ended December 31, 2024. 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 satisfies 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 annual comprehensive 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, Deputy Chief Financial Officer, 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,

Timothy J. Sloth

Timothy J. Sloth, CPA
Chief Financial Officer

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, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

This section includes:

- Independent Auditor's Report
- Management’s Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

INDEPENDENT AUDITOR'S REPORT

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

Lauterbach & Amen
668 N. River Road
Naperville, IL 60563
630.393.1483
lauterbachamen.com

INDEPENDENT AUDITOR'S REPORT

June 22, 2026

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Winnetka, Illinois, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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, 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 supplementary 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 is 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, the other supplementary information is 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.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

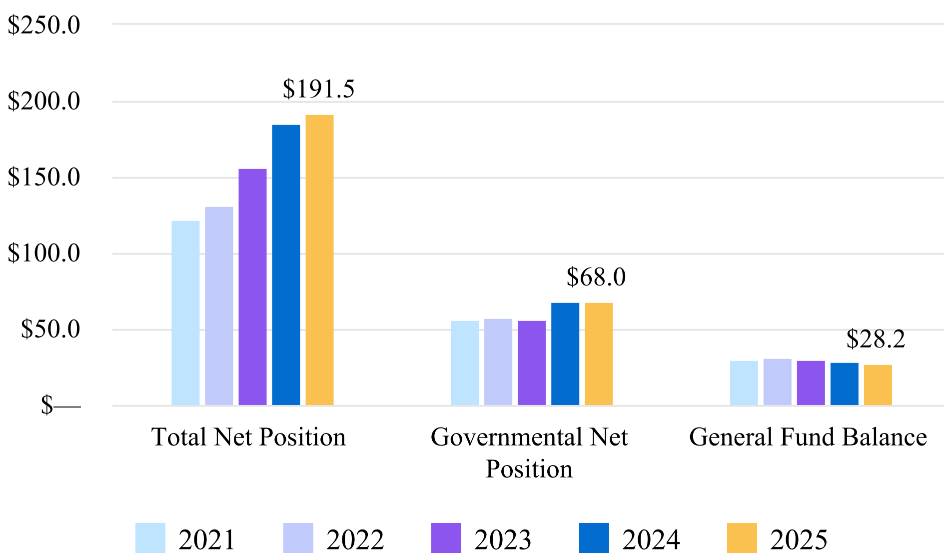
The Management Discussion and Analysis (MDA) section of the Village of Winnetka's (the Village) Annual Comprehensive Financial Report presents discussion and analysis of the Village's financial activities during the Fiscal Year ending December 31, 2025. This section should be used in conjunction with 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, 2025. This is highlighted most notably in the total fund balance in the General Fund, which decreased from $28,939,037 to $28,168,233 and represents 89.4 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 lean 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

	2025		2024		2025	2024
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government
Assets						
Current and Other Assets	$57,886,775	33,276,401	56,284,408	29,100,230	91,163,176	85,384,638
Capital Assets	63,588,561	108,039,409	63,428,744	104,488,252	171,627,970	167,916,996
Total Assets	121,475,336	141,315,810	119,713,152	133,588,482	262,791,146	253,301,634
Deferred Outflows	4,437,072	1,957,692	7,977,940	3,064,627	6,394,764	11,042,567
Total Assets/Deferred Outflows	125,912,408	143,273,502	127,691,092	136,653,109	269,185,910	264,344,201
Liabilities						
Current Liabilities	4,820,764	4,063,336	3,092,995	3,153,847	8,884,100	6,246,842
Long-Term Liabilities	24,671,002	12,745,948	36,481,840	15,706,266	37,416,950	52,188,106
Total Liabilities	29,491,766	16,809,284	39,574,835	18,860,113	46,301,050	58,434,948
Deferred Inflows	28,464,456	2,887,632	19,768,217	582,578	31,352,088	20,350,795
Total Liabilities/Deferred Inflows	57,956,222	19,696,916	59,343,052	19,442,691	77,653,138	78,785,743
Net Position						
Net Investment in Capital Assets	63,322,568	98,624,761	63,360,627	94,563,960	161,947,329	157,924,587
Restricted	2,213,117	—	3,419,463	—	2,213,117	3,419,463
Unrestricted	2,420,501	24,951,825	1,567,950	22,646,458	27,372,326	24,214,408
Total Net Position	67,956,186	123,576,586	68,348,040	117,210,418	191,532,772	185,558,458

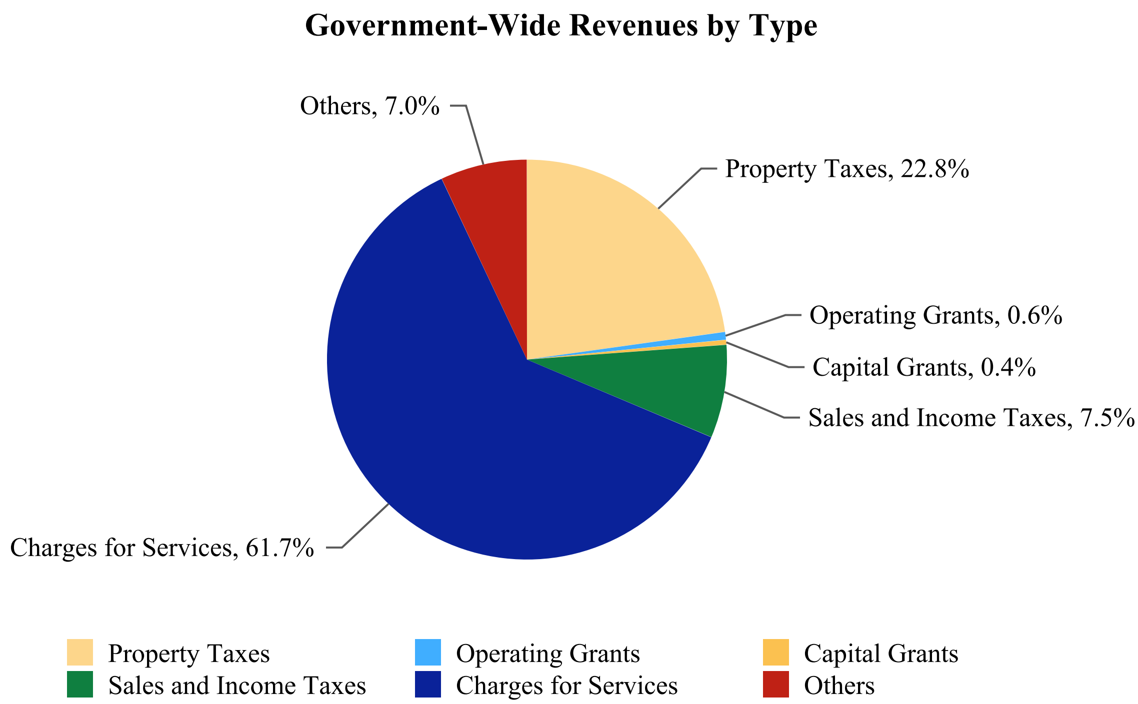
Government-wide net position saw an increase due most notably to a higher cash position at year end. The Village's overall net position increased from $185,558,458 in 2024 to $191,532,772 in 2025. Net position for governmental activities decreased $391,854, which was substantially less than the decrease in 2024 of $1,581,076. This change was due primarily to net transfers of $2,073,165. The net position for the business-type activities increased by $6,366,168. This was due in large part to charges for services exceeding operating expenses, which produced a $4,293,003 increase before transfers, together with $2,073,165 in net transfers from governmental activities and continued investment in capital assets.

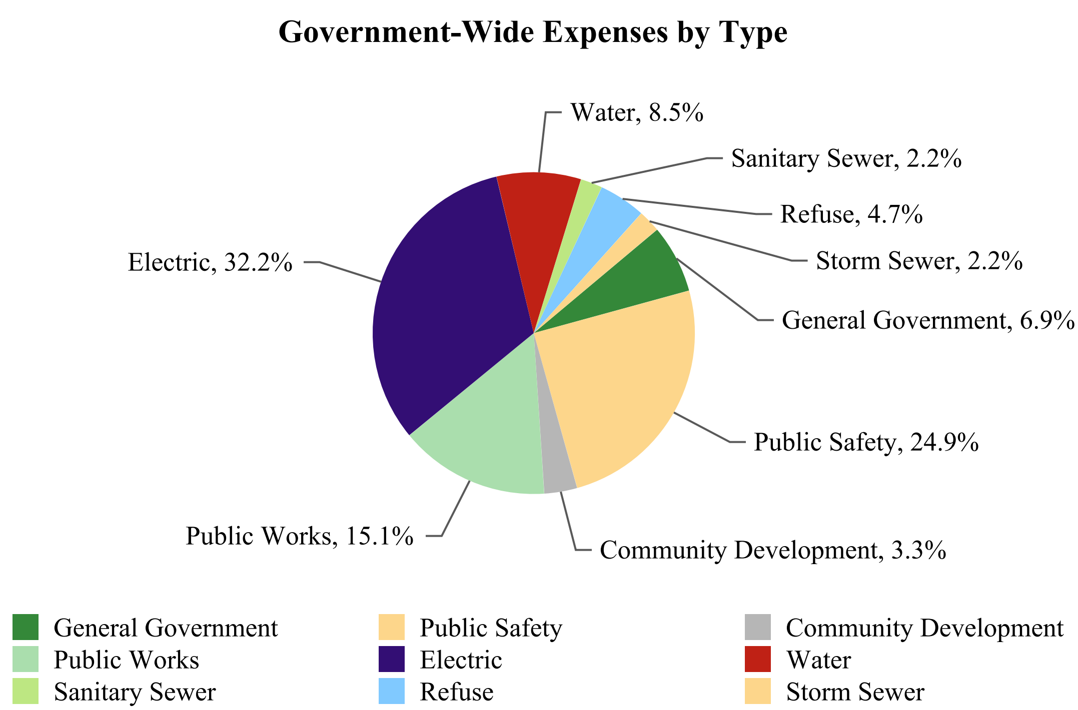
The following table provides a summary of the Village's changes in net position:

STATEMENT OF ACTIVITIES

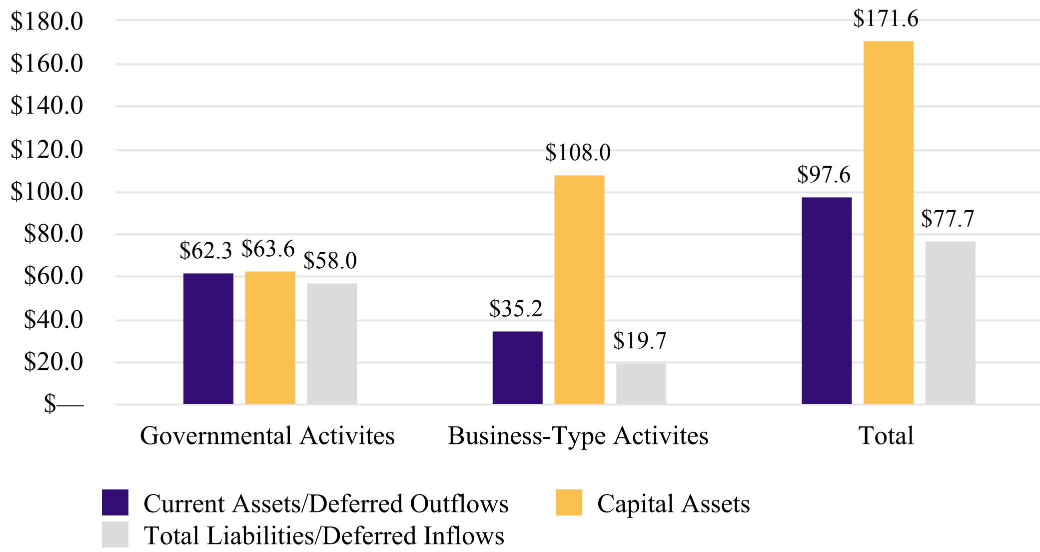
	2025		2024		2025	2024
	Governmental Activities	Business-Type Activities	Governmental Activities	Business-Type Activities	Total Primary Government	Total Primary Government
Revenue:						
Program Revenues:						
Charges for Services	$ 9,049,863	35,718,753	7,323,856	33,200,017	44,768,616	40,523,873
Operating Grants	460,173	—	521,728	—	460,173	521,728
Capital Grants	—	300,000	—	7,152,003	300,000	7,152,003
General Revenues:						
Property Taxes	16,543,184	—	15,962,031	—	16,543,184	15,962,031
Sales and Income Taxes	5,456,267	—	4,896,591	—	5,456,267	4,896,591
Investment Income	1,804,456	958,069	1,612,185	893,773	2,762,525	2,505,958
Others	1,796,772	524,413	1,358,822	348,287	2,321,185	1,707,109
Total Revenues	35,110,715	37,501,235	31,675,213	41,594,080	72,611,950	73,269,293
Expenses:						
General Government	4,576,582	—	3,913,391	—	4,576,582	3,913,391
Public Safety	16,599,047	—	15,475,374	—	16,599,047	15,475,374
Community Development	2,200,930	—	3,565,310	—	2,200,930	3,565,310
Public Works	10,052,845	—	7,802,612	—	10,052,845	7,802,612
Electric	—	21,477,171	—	18,591,409	21,477,171	18,591,409
Water	—	5,647,581	—	5,023,460	5,647,581	5,023,460
Sewer	—	1,456,630	—	1,176,764	1,456,630	1,176,764
Refuse	—	3,135,124	—	2,760,703	3,135,124	2,760,703
Storm Sewer	—	1,491,726	—	1,014,992	1,491,726	1,014,992
Total Expenses	33,429,404	33,208,232	30,756,687	28,567,328	66,637,636	59,324,015
Increase in Net Position before Transfers	1,681,311	4,293,003	918,526	13,026,752	5,974,314	13,945,278
Transfers	(2,073,165)	2,073,165	(2,499,602)	2,499,602	—	—
Increase (Decrease) in Net Position	(391,854)	6,366,168	(1,581,076)	15,526,354	5,974,314	13,945,278
Net Position - Beginning	68,348,040	117,210,418	69,929,116	101,684,064	185,558,458	171,613,180
Net Position - Ending	67,956,186	123,576,586	68,348,040	117,210,418	191,532,772	185,558,458

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





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 $35,390,766, an increase of $262,220 from the prior year. This increase is primarily due to a $1,033,024 net increase in the Village's capital project and other governmental funds, which more than offset the $770,804 decrease in the General Fund.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund decreased $770,804 from $28,939,037 to $28,168,233. This decrease is primarily due to planned transfers to the Village's capital funds, which exceeded the General Fund's operating surplus for the year. The Village Council approved a budgeted drawdown of $3,834,475; however at the end of the fiscal year the net change in fund balance was a negative $770,804. This favorable performance is primarily driven by revenues exceeding budget - particularly building permit activity, sales and income taxes, and investment income - combined with total expenditures finishing under budget.

The General Fund cash balance of $27,787,731 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 $146,640, which is available for future capital related improvements projects throughout the Village. In FY 2025, this fund increased by $116,996. This is primarily due to capital expenditures ending the year under budget.

Within the governmental funds, GASB 68 pension expenses included $1,254,690 for IMRF (General Government), $624,115 for Police Pension (Public Safety), and $1,554,847 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 7.25% (residential) in the current year. The water rate increased 10.0% and the sanitary sewer rate was increased 4.95% to fund 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 $1,118,959. The total for workers' compensation, liability, and health insurance risks retained by the Village was $745,378, a $596,405 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 functions within the General Fund comparing budget to actual amounts. All functions ended the year under budget, except general government and public safety. The Village's conservative budgeting for expenditures, along with favorable operating expenditure experience, has contributed to the functions' ending the year under budget.

	Budget	Actual	Variance
Function			
General Government	$ 4,714,681	4,943,142	228,461
Public Safety	15,928,394	16,746,305	817,911
Community Development	2,325,283	2,187,397	(137,886)
Public Works	8,543,656	7,435,726	(1,107,930)
Total	31,512,014	31,312,570	(199,444)

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, 2025 was $63,588,561, up $159,817 from the prior year.

The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2025 was $108,039,409, up $3,551,157 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 $9,795,000. 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 on November 17, 2025.

Economic Factors

The local Village economy remained steady in 2025. 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 12,508 per the 2020 U.S. Census, has remained relatively consistent 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 Chief Financial Officer, 510 Green Bay Road, Winnetka, IL 60093, or access the Village www.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.

Statement of Net Position
December 31, 2025

See Following Page

Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Totals
ASSETS			
Current Assets			
Cash and Investments	$ 36,375,201	26,475,293	62,850,494
Receivables - Net of Allowances			
Taxes	19,433,219	—	19,433,219
Accounts	234,537	4,534,117	4,768,654
Notes	35,047	—	35,047
Internal Balances	250,000	(250,000)	—
Prepaids/Inventories	558,422	2,516,991	3,075,413
Due from Other Governments	1,000,349	—	1,000,349
Total Current Assets	57,886,775	33,276,401	91,163,176
Noncurrent Assets			
Capital Assets			
Nondepreciable	13,680,000	54,037,658	67,717,658
Depreciable	96,803,703	129,773,533	226,577,236
Accumulated Depreciation	(46,895,142)	(75,771,782)	(122,666,924)
Total Noncurrent Assets	63,588,561	108,039,409	171,627,970
Total Assets	121,475,336	141,315,810	262,791,146
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Items - IMRF	1,139,256	1,146,014	2,285,270
Deferred Items - Police Pension	1,396,904	—	1,396,904
Deferred Items - Firefighters' Pension	1,465,867	—	1,465,867
Deferred Items - RBP	435,045	226,057	661,102
Unamortized Loss on Refunding	—	585,621	585,621
Total Deferred Outflows of Resources	4,437,072	1,957,692	6,394,764
Total Assets and Deferred Outflows of Resources	125,912,408	143,273,502	269,185,910

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

	Governmental Activities	Business-Type Activities	Totals
LIABILITIES			
Current Liabilities			
Accounts Payable	$ 2,905,715	2,635,808	5,541,523
Accrued Payroll	198,333	211,089	409,422
Accrued Interest Payable	—	10,572	10,572
Deposits Payable	1,036,025	462,951	1,498,976
Claims Payable	211,627	—	211,627
Current Portion of Long-Term Liabilities	469,064	742,916	1,211,980
Total Current Liabilities	4,820,764	4,063,336	8,884,100
Noncurrent Liabilities			
Claims Payable	343,215	—	343,215
Compensated Absences	1,472,323	439,585	1,911,908
Net Pension Liability - IMRF	616,165	619,821	1,235,986
Net Pension Liability - Police Pension	7,603,321	—	7,603,321
Net Pension Liability - Firefighters' Pension	12,166,139	—	12,166,139
Total OPEB Liability - RBP	2,469,839	1,306,699	3,776,538
General Obligation Bonds Payable - Net	—	9,441,584	9,441,584
Landfill Post-Closure Costs	—	938,259	938,259
Total Noncurrent Liabilities	24,671,002	12,745,948	37,416,950
Total Liabilities	29,491,766	16,809,284	46,301,050
DEFERRED INFLOWS OF RESOURCES			
Deferred Items - IMRF	2,652,532	2,668,267	5,320,799
Deferred Items - Police Pension	5,030,063	—	5,030,063
Deferred Items - Firefighters' Pension	3,677,557	—	3,677,557
Deferred Items - RBP	422,169	219,365	641,534
Property Taxes	16,682,135	—	16,682,135
Total Deferred Inflows of Resources	28,464,456	2,887,632	31,352,088
Total Liabilities and Deferred Inflows of Resources	57,956,222	19,696,916	77,653,138
NET POSITION			
Net Investment in Capital Assets	63,322,568	98,624,761	161,947,329
Restricted - Highways and Streets	1,932,195	—	1,932,195
Restricted - Foreign Fire Tax	280,922	—	280,922
Unrestricted	2,420,501	24,951,825	27,372,326
Total Net Position	67,956,186	123,576,586	191,532,772

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

Statement of Activities
For the Fiscal Year Ended December 31, 2025

		Program Revenues		
	Expenses	Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
Governmental Activities				
General Government	$ 4,576,582	2,872,100	—	—
Public Safety	16,599,047	1,945,811	159,695	—
Community Development	2,200,930	4,158,607	—	—
Public Works	10,052,845	73,345	300,478	—
Total Governmental Activities	33,429,404	9,049,863	460,173	—
Business-Type Activities				
Electric	21,477,171	21,201,954	—	—
Water	5,647,581	8,087,477	—	—
Refuse	3,135,124	2,740,596	—	—
Storm Sewer	1,491,726	1,667,531	—	300,000
Sanitary Sewer	1,456,630	2,021,195	—	—
Total Business-Type Activities	33,208,232	35,718,753	—	300,000
Total Primary Government	66,637,636	44,768,616	460,173	300,000

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
(1,704,482)	—	(1,704,482)
(14,493,541)	—	(14,493,541)
1,957,677	—	1,957,677
(9,679,022)	—	(9,679,022)
(23,919,368)	—	(23,919,368)
—	(275,217)	(275,217)
—	2,439,896	2,439,896
—	(394,528)	(394,528)
—	475,805	475,805
—	564,565	564,565
—	2,810,521	2,810,521
(23,919,368)	2,810,521	(21,108,847)
16,543,184	—	16,543,184
212,086	—	212,086
475,643	—	475,643
3,157,959	—	3,157,959
2,298,308	—	2,298,308
201,064	—	201,064
398,422	—	398,422
1,804,456	958,069	2,762,525
509,557	524,413	1,033,970
(2,073,165)	2,073,165	—
23,527,514	3,555,647	27,083,161
(391,854)	6,366,168	5,974,314
68,348,040	117,210,418	185,558,458
67,956,186	123,576,586	191,532,772

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

Balance Sheet - Governmental Funds
December 31, 2025

	General	Capital Projects Village Facilities	Nonmajor	Totals
ASSETS				
Cash and Investments	$ 27,787,731	354,022	7,104,503	35,246,256
Receivables - Net of Allowances				
Taxes	19,433,219	—	—	19,433,219
Accounts	186,259	—	—	186,259
Notes	35,047	—	—	35,047
Due from Other Governments	948,755	—	51,594	1,000,349
Due from Other Funds	458,246	—	—	458,246
Total Assets	48,849,257	354,022	7,156,097	56,359,376
LIABILITIES				
Accounts Payable	1,653,939	207,382	80,204	1,941,525
Accrued Payroll	182,577	—	—	182,577
Deposits Payable	1,036,025	—	—	1,036,025
Due to Other Funds	1,126,348	—	—	1,126,348
Total Liabilities	3,998,889	207,382	80,204	4,286,475
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	16,682,135	—	—	16,682,135
Total Liabilities and Deferred Inflows of Resources	20,681,024	207,382	80,204	20,968,610
FUND BALANCES				
Restricted	—	—	2,213,117	2,213,117
Assigned	11,115,000	146,640	4,862,776	16,124,416
Unassigned	17,053,233	—	—	17,053,233
Total Fund Balances	28,168,233	146,640	7,075,893	35,390,766
Total Liabilities, Deferred Inflows of Resources and Fund Balances	48,849,257	354,022	7,156,097	56,359,376

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

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities
December 31, 2025

Total Governmental Fund Balances	$ 35,390,766
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.	63,588,561
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.	1,118,959
Deferred outflows (inflows) of resources related to the pensions not reported in the funds.	
Deferred Items - IMRF	(1,513,276)
Deferred Items - Police Pension	(3,633,159)
Deferred Items - Firefighters' Pension	(2,211,690)
Deferred Items - RBP	12,876
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated Absences Payable	(1,635,914)
Net Pension Liability - IMRF	(616,165)
Net Pension Liability - Police Pension	(7,603,321)
Net Pension Liability - Firefighters' Pension	(12,166,139)
Total OPEB Liability - RBP	(2,775,312)
Net Position of Governmental Activities	67,956,186

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

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2025

	General	Capital Projects Village Facilities	Nonmajor	Totals
Revenues				
Taxes	$ 17,230,913	—	—	17,230,913
Licenses and Permits	4,541,370	—	—	4,541,370
Intergovernmental	5,817,026	—	698,900	6,515,926
Charges for Services	4,446,250	—	—	4,446,250
Fines and Forfeitures	62,243	—	—	62,243
Investment Income	1,448,512	4,434	250,240	1,703,186
Miscellaneous	509,557	—	—	509,557
Total Revenues	34,055,871	4,434	949,140	35,009,445
Expenditures				
General Government	4,943,142	—	—	4,943,142
Public Safety	16,746,305	—	69,471	16,815,776
Community Development	2,187,397	—	—	2,187,397
Public Works	7,435,726	—	—	7,435,726
Capital Outlay	—	428,378	863,641	1,292,019
Total Expenditures	31,312,570	428,378	933,112	32,674,060
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,743,301	(423,944)	16,028	2,335,385
Other Financing Sources (Uses)				
Transfers In	1,622,245	540,940	2,300,000	4,463,185
Transfers Out	(5,136,350)	—	(1,400,000)	(6,536,350)
	(3,514,105)	540,940	900,000	(2,073,165)
Net Change in Fund Balances	(770,804)	116,996	916,028	262,220
Fund Balances - Beginning	28,939,037	29,644	6,159,865	35,128,546
Fund Balances - Ending	28,168,233	146,640	7,075,893	35,390,766

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

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, 2025

Net Change in Fund Balances - Total Governmental Funds	$	262,220
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital Outlays		2,422,653
Depreciation Expense		(2,262,836)
The net effect of deferred outflows (inflows) of resources related to the pensions not reported in the funds.		
Change in Deferred Items - IMRF		(3,665,527)
Change in Deferred Items - Police Pension		(4,438,104)
Change in Deferred Items - Firefighters' Pension		(3,699,579)
Change in Deferred Items - RBP		(50,759)
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		(97,573)
Change in Net Pension Liability - IMRF		2,970,310
Change in Net Pension Liability - Police Pension		4,926,791
Change in Net Pension Liability - Firefighters' Pension		3,674,472
Change in Total OPEB Liability - RBP		230,462
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.		(664,384)
Changes in Net Position of Governmental Activities		(391,854)

Statement of Net Position - Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise						Governmental Activities
					Nonmajor		Internal
	Electric	Water	Refuse	Storm Sewer	Sanitary Sewer	Totals	Service
ASSETS							
Current Assets							
Cash and Investments	$ 6,663,378	7,350,616	1,322,659	8,269,756	2,868,884	26,475,293	1,128,945
Receivables - Net of Allowances							
Accounts - Billed	1,327,511	525,811	198,747	140,439	103,840	2,296,348	48,278
Accounts - Unbilled	1,321,033	302,742	187,694	147,717	81,037	2,040,223	—
Accounts - Other	69,064	1,418	2,064	125,000	—	197,546	—
Inventories/Prepaids	2,516,991	—	—	—	—	2,516,991	558,422
Total Current Assets	11,897,977	8,180,587	1,711,164	8,682,912	3,053,761	33,526,401	1,735,645
Noncurrent Assets							
Capital Assets							
Nondepreciable	69,003	95,005	360,000	53,093,650	420,000	54,037,658	—
Depreciable	69,978,738	34,198,961	2,229,929	13,691,391	9,674,514	129,773,533	299,598
	70,047,741	34,293,966	2,589,929	66,785,041	10,094,514	183,811,191	299,598
Accumulated Depreciation	(50,459,353)	(15,832,792)	(1,779,653)	(2,722,821)	(4,977,163)	(75,771,782)	(299,598)
Total Noncurrent Assets	19,588,388	18,461,174	810,276	64,062,220	5,117,351	108,039,409	—
Total Assets	31,486,365	26,641,761	2,521,440	72,745,132	8,171,112	141,565,810	1,735,645
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Items - IMRF	610,601	270,084	157,608	49,327	58,394	1,146,014	—
Deferred Items - RBP	115,839	55,133	38,706	8,144	8,235	226,057	—
Unamortized Loss on Refunding	—	—	—	585,621	—	585,621	—
Total Deferred Outflows of Resources	726,440	325,217	196,314	643,092	66,629	1,957,692	—
Total Assets and Deferred Outflows of Resources	32,212,805	26,966,978	2,717,754	73,388,224	8,237,741	143,523,502	1,735,645

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

	Business-Type Activities - Enterprise						Governmental Activities
				Storm	Nonmajor		Internal
	Electric	Water	Refuse	Sewer	Sanitary Sewer	Totals	Service
LIABILITIES							
Current Liabilities							
Accounts Payable	$ 1,471,915	271,194	85,400	159,176	648,123	2,635,808	46,088
Accrued Payroll	114,962	44,872	28,968	9,514	12,773	211,089	15,756
Accrued Interest Payable	—	—	—	10,572	—	10,572	—
Deposits Payable	462,951	—	—	—	—	462,951	—
Due to Other Funds	—	250,000	—	—	—	250,000	—
Claims Payable	—	—	—	—	—	—	211,627
Compensated Absences	29,364	14,464	4,169	423	423	48,843	—
Total OPEB Liability - RBP	69,304	36,856	21,734	3,659	3,835	135,388	—
General Obligation Bonds Payable	—	—	—	558,685	—	558,685	—
Total Current Liabilities	2,148,496	617,386	140,271	742,029	665,154	4,313,336	273,471
Noncurrent Liabilities							
Claims Payable	—	—	—	—	—	—	343,215
Compensated Absences	264,293	130,174	37,518	3,800	3,800	439,585	—
Net Pension Liability - IMRF	330,243	146,075	85,242	26,679	31,582	619,821	—
Total OPEB Liability - RBP	669,671	314,854	225,182	48,294	48,698	1,306,699	—
General Obligation Bonds Payable - Net	—	—	—	9,441,584	—	9,441,584	—
Landfill Post-Closure Costs	—	—	938,259	—	—	938,259	—
Total Noncurrent Liabilities	1,264,207	591,103	1,286,201	9,520,357	84,080	12,745,948	343,215
Total Liabilities	3,412,703	1,208,489	1,426,472	10,262,386	749,234	17,059,284	616,686
DEFERRED INFLOWS OF RESOURCES							
Deferred Items - IMRF	1,421,663	628,836	366,959	114,849	135,960	2,668,267	—
Deferred Items - RBP	112,410	53,501	37,560	7,903	7,991	219,365	—
Total Deferred Inflows of Resources	1,534,073	682,337	404,519	122,752	143,951	2,887,632	—
Total Liabilities and Deferred Inflows of Resources	4,946,776	1,890,826	1,830,991	10,385,138	893,185	19,946,916	616,686
NET POSITION							
Net Investment in Capital Assets	19,588,388	18,461,174	810,276	54,647,572	5,117,351	98,624,761	—
Unrestricted	7,677,641	6,614,978	76,487	8,355,514	2,227,205	24,951,825	1,118,959
Total Net Position	27,266,029	25,076,152	886,763	63,003,086	7,344,556	123,576,586	1,118,959

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

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2025

	Electric	Water
Operating Revenues		
Charges for Services	$ 20,819,853	8,056,618
Interfund Services	—	—
Miscellaneous	382,101	30,859
Total Operating Revenues	21,201,954	8,087,477
Operating Expenses		
Administration	2,911,846	1,909,740
Operations	16,984,563	2,989,999
Depreciation and Amortization	1,580,762	747,842
Total Operating Expenses	21,477,171	5,647,581
Operating Income (Loss)	(275,217)	2,439,896
Nonoperating Revenues (Expenses)		
Investment Income	307,072	268,890
Lease Income	289,135	—
Other Income	108,438	126,840
Interest Expense	—	—
	704,645	395,730
Income (Loss) Before Capital Grants and Transfers	429,428	2,835,626
Capital Grants	—	—
Transfers In	—	—
Transfers Out	(1,079,805)	(331,770)
	(1,079,805)	(331,770)
Change in Net Position	(650,377)	2,503,856
Net Position - Beginning	27,916,406	22,572,296
Net Position - Ending	27,266,029	25,076,152

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

Business-Type Activities - Enterprise Funds				Governmental Activities
		Nonmajor		Internal
Refuse	Storm Sewer	Sanitary Sewer	Totals	Service
2,740,596	2,021,195	1,667,531	35,305,793	—
—	—	—	—	8,291,338
—	—	—	412,960	—
2,740,596	2,021,195	1,667,531	35,718,753	8,291,338
296,183	63,209	215,325	5,396,303	901,339
2,676,074	848,214	1,080,371	24,579,221	8,155,653
162,867	313,280	160,934	2,965,685	—
3,135,124	1,224,703	1,456,630	32,941,209	9,056,992
(394,528)	796,492	210,901	2,777,544	(765,654)
69,231	191,616	121,260	958,069	101,270
—	—	—	289,135	—
—	—	—	235,278	—
—	(267,023)	—	(267,023)	—
69,231	(75,407)	121,260	1,215,459	101,270
(325,297)	721,085	332,161	3,993,003	(664,384)
—	300,000	—	300,000	—
—	3,850,000	—	3,850,000	—
(229,915)	—	(135,345)	(1,776,835)	—
(229,915)	4,150,000	(135,345)	2,373,165	—
(555,212)	4,871,085	196,816	6,366,168	(664,384)
1,441,975	58,132,001	7,147,740	117,210,418	1,783,343
886,763	63,003,086	7,344,556	123,576,586	1,118,959

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

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2025

	Electric	Water
Cash Flows from Operating Activities		
Receipts from Customers and Users	$ 21,405,931	8,188,905
Interfund Services Provided	—	—
Payments to Suppliers	(16,287,609)	(3,055,713)
Payments to Employees	(3,094,364)	(1,463,315)
	2,023,958	3,669,877
Cash Flows from Noncapital Financing Activities		
Transfer In	—	—
Transfers Out	(1,079,805)	(331,770)
	(1,079,805)	(331,770)
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(1,541,931)	(2,110,706)
Capital Grants	—	—
Principal Payments	—	—
Interest Payments	—	—
	(1,541,931)	(2,110,706)
Cash Flows from Investing Activities		
Interest Received	307,072	268,890
Net Change in Cash and Cash Equivalents	(290,706)	1,496,291
Cash and Cash Equivalents - Beginning	6,954,084	5,854,325
Cash and Cash Equivalents - Ending	6,663,378	7,350,616
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	(275,217)	2,439,896
Adjustments to Reconcile Operating Income Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	1,580,762	747,842
Other Income	397,573	126,840
Other Expense - IMRF and OPEB	529,827	202,509
(Increase) Decrease in Current Assets	(193,596)	(25,412)
Increase (Decrease) in Current Liabilities	(15,391)	178,202
Net Cash Provided by Operating Activities	2,023,958	3,669,877

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

Business-Type Activities - Enterprise Funds				Governmental Activities
		Nonmajor		
Refuse	Storm Sewer	Sanitary Sewer	Totals	Internal Service
2,724,765	9,021,309	1,653,863	42,994,773	—
—	—	—	—	8,262,574
(1,854,068)	(410,062)	(380,189)	(21,987,641)	(2,871,142)
(919,935)	(345,760)	(254,665)	(6,078,039)	(6,189,762)
(49,238)	8,265,487	1,019,009	14,929,093	(798,330)
—	3,850,000	—	3,850,000	—
(229,915)	—	(135,345)	(1,776,835)	—
(229,915)	3,850,000	(135,345)	2,073,165	—
—	(2,086,854)	(791,034)	(6,530,525)	—
—	300,000	—	300,000	—
—	(535,000)	—	(535,000)	—
—	(267,023)	—	(267,023)	—
—	(2,588,877)	(791,034)	(7,032,548)	—
69,231	191,616	121,260	958,069	101,270
(209,922)	9,718,226	213,890	10,927,779	(697,060)
1,532,581	(1,448,470)	2,654,994	15,547,514	1,826,005
1,322,659	8,269,756	2,868,884	26,475,293	1,128,945
(394,528)	796,492	210,901	2,777,544	(765,654)
162,867	313,280	160,934	2,965,685	—
—	—	—	524,413	—
166,106	101,899	74,462	1,074,803	—
(15,831)	7,000,114	(13,668)	6,751,607	(28,764)
32,148	53,702	586,380	835,041	(3,912)
(49,238)	8,265,487	1,019,009	14,929,093	(798,330)

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

Statement of Fiduciary Net Position
December 31, 2025

	Pension Trust
ASSETS	
Cash and Cash Equivalents	$ 955,640
Investments	
Illinois Police Officers' Pension Investment Fund	43,905,208
Illinois Firefighters' Pension Investment Fund	43,926,558
Due from Other Municipality Funds	1,126,348
Total Assets	89,913,754
LIABILITIES	
Accounts Payable	2,008
Due to Other Municipality Funds	208,246
Total Liabilities	210,254
NET POSITION	
Net Position Restricted for Pensions	89,703,500

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

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2025

	Pension Trust
Additions	
Contributions - Employer	$ 2,642,542
Contributions - Plan Members	657,805
Total Contributions	3,300,347
Investment Income	
Interest Earned	1,019,699
Net Change in Fair Value	12,651,183
	13,670,882
Less Investment Expenses	(118,896)
Net Investment Income	13,551,986
Total Additions	16,852,333
Deductions	
Administration	97,616
Benefits and Refunds	6,064,257
Total Deductions	6,161,873
Change in Fiduciary Net Position	10,690,460
Net Position Restricted for Pensions	
Beginning	79,013,040
Ending	89,703,500

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Winnetka (the 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 accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are two fiduciary component units that are required to be included in the financial statements of the Village as pension trust funds and there are no discretely component units to include in the reporting entity.

Police Pension Employees Retirement System

The Village's sworn 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 government 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 sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of those 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 FPERS.

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 balance, 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.

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 nonmajor 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 one nonmajor capital projects funds, the Downtown Redevelopment Fund.

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.

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 balance 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.

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 FUND BALANCE/ NET POSITION

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - Continued

Prepaids/Inventories

Prepaids/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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - 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.

Up to on year's vacation time may be carried over to the next calendar year, subject to the written approval of the Department Head. Eligible employees accrue sick leave benefits.

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, net position is 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND FUND BALANCE/ NET POSITION - 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.”

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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. Budgets are prepared for all funds.

The Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body. Expenditures may not legally exceed budgeted expenses at the fund level. During the year, no amendments were made.

EXCESS OF ACTUAL EXPENDITURES/EXPENSES, EXCLUSIVE OF DEPRECIATION, OVER BUDGET IN INDIVIDUAL FUNDS

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

Fund	Excess
Motor Fuel Tax	$ 198,118
Refuse	336,223
Workers Compensation Insurance	705,785
Police Pension	29,176

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

DEFICIT NET POSITION

The following fund had deficit net position as of the date of this report:

Fund	Deficit
Workers Compensation Insurance	$ 435,873

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.

Village

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled $15,980,317 and the bank balances totaled $17,378,338.

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

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less Than One	One to Five	Six to Ten	More Than Ten
U.S. Treasury Obligations	$ 36,391,779	1,763,720	34,628,059	—	—
U.S. Agency Obligations	9,325,858	—	9,325,858	—	—
Municipal Bonds	509,445	—	509,445	—	—
Mortgage Backed Securities	643,095	464,347	78,295	—	100,453
Totals	46,870,177	2,228,067	44,541,657	—	100,453

The Village has the following recurring fair value measurements as of December 31, 2025:

- U.S. Treasury Obligations of $36,391,779 are valued using quoted market prices (Level 1 inputs)
- U.S. Agency Obligations of $9,325,858 are valued using a matrix pricing model (Level 2 inputs)
- Municipal Bond Obligations of $509,445 are valued using a matrix pricing model (Level 2 inputs)
- Mortgage Backed Securities of $643,095 are valued using a matrix pricing model (Level 2 inputs)

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village - Continued

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

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, municipal bond obligations, and mortgage backed securities 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.

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 comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report, which can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org.

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 $540,815 and the bank balances totaled $509,551.

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 states that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. 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 $43,905,208 invested in IPOPIF, The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The fund may redeem shares with a seven calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 comprehensive financial report. For additional information on IFPIF's investments, please refer to their annual comprehensive financial report, which can be obtained from IFPIF at 1919 South Highland Avenue, Building A, Suite 237, Lombard, IL 60148 or at www.ifpif.org.

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 $414,825 and the bank balances totaled $411,905.

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 states that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default. 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 $43,926,558 invested in IFPIF. The pooled investments consist of the investments as noted in the target allocation table available at www.ifpif.org. Investments in IFPIF are valued at IFPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at year-end. The plan may redeem shares by giving notice by 5:00 pm central time on the 1st of each month. Requests properly submitted on or before the 1st of each month will be processed for redemption by the 14th of the month. Expedited redemptions may be processed at the sole discretion of IFPIF.

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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.50%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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	22,086,241	622,620	—	22,708,861
Machinery and Equipment	9,777,365	—	—	9,777,365
Infrastructure	62,517,444	1,800,033	—	64,317,477
	94,381,050	2,422,653	—	96,803,703
Less Accumulated Depreciation				
Buildings and Improvements	16,045,872	571,028	—	16,616,900
Machinery and Equipment	7,500,713	405,458	—	7,906,171
Infrastructure	21,085,721	1,286,350	—	22,372,071
	44,632,306	2,262,836	—	46,895,142
Total Net Depreciable Capital Assets	49,748,744	159,817	—	49,908,561
Total Net Capital Assets	63,428,744	159,817	—	63,588,561

Depreciation expense was charged to governmental activities as follows:

General Government	$ 151,577
Public Safety	335,121
Community Development	13,533
Public Works	1,762,605
	2,262,836

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS - Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 2,214,508	—	—	2,214,508
Construction in Progress	50,450,821	1,372,329	—	51,823,150
	52,665,329	1,372,329	—	54,037,658
Depreciable Capital Assets				
Buildings	7,192,946	831,904	—	8,024,850
Plants and Equipment	18,683,459	78,530	—	18,761,989
Distribution System	69,829,667	2,742,203	—	72,571,870
Sewer System	21,421,921	1,314,801	—	22,736,722
Other Equipment	7,487,344	190,758	—	7,678,102
	124,615,337	5,158,196	—	129,773,533
Less Accumulated Depreciation				
Buildings	4,929,462	188,955	—	5,118,417
Plants and Equipment	16,488,972	254,630	—	16,743,602
Distribution System	38,423,604	1,819,253	—	40,242,857
Sewer System	6,831,411	445,527	—	7,276,938
Other Equipment	6,118,965	271,003	—	6,389,968
	72,792,414	2,979,368	—	75,771,782
Total Net Depreciable Capital Assets	51,822,923	2,178,828	—	54,001,751
Total Net Capital Assets	104,488,252	3,551,157	—	108,039,409

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

Electric	$ 1,580,762
Water	747,842
Refuse	162,867
Storm Sewer	326,963
Sanitary Sewer	160,934
	2,979,368

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	(1)
General	Police Pension	208,246	(1)
Police Pension	General	405,246	(2)
Fire Pension	General	721,102	(2)
		1,584,594	

Interfund balances result from (1) the time lag between when transactions are recorded in the accounting system and when payments between funds are made, and (2) Village advanced funds to the pension funds to complete payroll due to delays in the County's property tax distributions.

INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount	
General	Electric	1,024,595	(1)
General	Water	276,560	(1)
General	Refuse	207,830	(1)
General	Nonmajor Proprietary	113,260	(1)
Village Facilities	General	386,350	(1)
Village Facilities	Electric	55,210	(1)
Village Facilities	Water	55,210	(1)
Village Facilities	Refuse	22,085	(1)
Village Facilities	Nonmajor Proprietary	22,085	(1)
Nonmajor Governmental	General	2,300,000	(2)
Storm Sewer	General	2,450,000	(2)
Storm Sewer	Nonmajor Governmental	1,400,000	(1)
		8,313,185	

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS

General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired by	Beginning Balances	Issuances	Retirements	Ending Balances
$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	$ 10,330,000	—	535,000	9,795,000

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - Continued

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	$ 1,538,341	97,573	—	1,635,914	163,591
Net Pension Liabilities					
IMRF	3,586,475	—	2,970,310	616,165	—
Police	12,530,112	—	4,926,791	7,603,321	—
Fire	15,840,611	—	3,674,472	12,166,139	—
Total OPEB Liability - RBP	3,005,774	—	230,462	2,775,312	305,473
	36,501,313	97,573	11,802,035	24,796,851	469,064
Business-Type Activities					
Compensated Absences	544,828	—	56,400	488,428	48,843
Net Pension Liability - IMRF	3,048,119	—	2,428,298	619,821	—
Total OPEB Liability - RBP	1,332,306	109,781	—	1,442,087	135,388
General Obligation Bonds	10,330,000	—	535,000	9,795,000	545,000
Plus: Unamortized Bond Premium	218,954	—	13,685	205,269	13,685
Landfill Post-Closure Costs	938,259	—	—	938,259	—
	16,412,466	109,781	3,033,383	13,488,864	742,916

Compensated absences are reported as the net change amount for the fiscal year.

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

For the business-type activities, the net pension liability and the total OPEB liability are liquidated by the Electric, Water, Refuse, Storm Sewer and Sanitary Sewer Funds. The general obligation bonds are liquidated by the Storm Sewer Fund. The Refuse Fund makes payments on the landfill post-closure costs.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM OBLIGATIONS - 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
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	9,795,000	2,189,887

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, 2025:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	$ 63,588,561
Less Capital Related Debt:	
Capital Related Accounts Payable	(265,993)
Net Investment in Capital Assets	63,322,568
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	108,039,409
Plus: Unamortized Loss on Refunding	585,621
Less Capital Related Debt:	
Taxable General Obligation Refunding Bonds of 2020	(9,795,000)
Unamortized Premium	(205,269)
Net Investment in Capital Assets	98,624,761

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.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

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.

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:

		Capital Projects		
	General	Village Facilities	Nonmajor	Totals
Restricted				
Highways and Streets	$ —	—	1,932,195	1,932,195
Foreign Fire Tax	—	—	280,922	280,922
	—	—	2,213,117	2,213,117
Assigned				
Infrastructure Improvement Projects	11,115,000	—	—	11,115,000
Downtown Redevelopment	—	—	4,862,776	4,862,776
Village Facilities	—	146,640	—	146,640
	11,115,000	146,640	4,862,776	16,124,416
Unassigned	17,053,233	—	—	17,053,233
Total Fund Balances	28,168,233	146,640	7,075,893	35,390,766

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2025 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 2025 tax levy is intended to fund expenditures for the 2025 fiscal year, these taxes are deferred as of December 31, 2025.

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 2025 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 2025 and 2024.

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

	Workers' Compensation	Liability	Totals
Claims Payable - December 31, 2023	$ 251,100	100,000	351,100
Incurred Claims	645,151	649,851	1,295,002
Claims Paid	(472,997)	(649,851)	(1,122,848)
Claims Payable - December 31, 2024	423,254	100,000	523,254
Incurred Claims	988,562	709,849	1,698,411
Claims Paid	(956,974)	(709,849)	(1,666,823)
Claims Payable - December 31, 2025	454,842	100,000	554,842
Amount Due Within One Year			211,627

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

From time to time, the Village is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the Village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the Village's financial position or results of operations.

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.

JOINT VENTURES

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.

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.

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Illinois Municipal Electric Agency (IMEA) - Continued

Description of Jointly Governed Organizations - Continued

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 $644 million of long-term debt outstanding and $52 million due in the current fiscal year ending April 30, 2025. 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 $644 million for debt principal outstanding through 2035 as part of its regular purchased power payments for debt outstanding as of April 30, 2025.

Below is a schedule of facilities where IMEA has on 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%	240	Operational
Total		393	

* Per April 30, 2025 financial statements.

NOTE 4 - OTHER INFORMATION - Continued

JOINT VENTURES - Continued

Illinois Municipal Electric Agency (IMEA) - Continued

Summary of Operating Revenues, Operating Expenses and Changes in Net Position for the year ended April 30, 2025, in millions of dollars:

Operating Revenues	$ 328.8
Operating Expenses	263.8
Net Operating Income	65.0
Other Nonoperating Expenses (Net)	(18.8)
Change in Net Position	46.2

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

Solid Waste Agency of Northern Cook County (SWANCC)

The Board of Directors determines the general policy of SWANCC, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by SWANCC, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in the SWANCC agreement or the by-laws. Separate audited financial statements are available at 77 W. Hintz Road, Suite 200, Wheeling, Illinois 60090.

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighter Pension Plans and may be obtained by writing to the Village at 510 Green Bay Road, Winnetka, IL 60093. IMRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained on-line at www.imrf.org. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois.

The aggregate amounts recognized for the pension plans is:

		Pension Expense	Net Pension Liability	Deferred Outflows	Deferred Inflows
IMRF	$	2,740,666	1,235,986	2,285,270	5,320,799
Police Pension		624,115	7,603,321	1,396,904	5,030,063
Firefighters' Pension		1,554,847	12,166,139	1,465,867	3,677,557
		4,919,628	21,005,446	5,148,041	14,028,419

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.

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, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	170
Inactive Plan Members Entitled to but not yet Receiving Benefits	71
Active Plan Members	106
Total	347

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, 2025, the Village's contribution was 9.29% of covered payroll.

Net Pension Liability. The Village's net pension liability was measured as of December 31, 2025. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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, 2025, 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 non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

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:

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	24.00%	4.75%
Domestic Equities	32.50%	7.35%
International Equities	18.00%	7.45%
Real Estate	10.50%	6.25%
Blended	14.00%	3.90% - 8.50%
Cash and Cash Equivalents	1.00%	3.00%

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability/(Asset)	$ 10,893,771	1,235,986	(6,523,437)

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

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2024	$ 94,540,283	87,905,689	6,634,594
Changes for the Year:			
Service Cost	1,006,912	—	1,006,912
Interest on the Total Pension Liability	6,628,079	—	6,628,079
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	—	—	—
Changes of Assumptions	1,404,152	—	1,404,152
Contributions - Employer	—	1,122,313	(1,122,313)
Contributions - Employees	—	541,109	(541,109)
Net Investment Income	—	13,900,516	(13,900,516)
Benefit Payments, including Refunds of Employee Contributions	(7,243,910)	(7,243,910)	—
Other (Net Transfer)	—	(1,126,187)	1,126,187
Net Changes	1,795,233	7,193,841	(5,398,608)
Balances at December 31, 2025	96,335,516	95,099,530	1,235,986

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, 2025, the Village recognized pension expense of $2,740,666. At December 31, 2025, 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	$ 2,285,270	(258,735)	2,026,535
Change in Assumptions	—	(18,548)	(18,548)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(5,043,516)	(5,043,516)
Total Deferred Amounts Related to IMRF	2,285,270	(5,320,799)	(3,035,529)

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
2026	$ 2,657,788
2027	(2,136,709)
2028	(2,002,513)
2029	(1,554,095)
2030	—
Thereafter	—
Totals	(3,035,529)

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, 2025, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	32
Inactive Plan Members Entitled to but not yet Receiving Benefits	7
Active Plan Members	32
Total	71

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Police Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2025, the Village's contribution was 30.74% 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).

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, 2025, 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	2.50%

Mortality rates are based on the PubS-2010 Employee mortality, unadjusted, with generational improvements with most recent projection scale (currently 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.

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	$ 14,368,011	7,603,321	2,029,002

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2024	$ 51,959,482	39,429,370	12,530,112
Changes for the Year:			
Service Cost	692,914	—	692,914
Interest on the Total Pension Liability	3,451,738	—	3,451,738
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(826,694)	—	(826,694)
Changes of Assumptions	—	—	—
Contributions - Employer	—	1,112,802	(1,112,802)
Contributions - Employees	—	358,800	(358,800)
Net Investment Income	—	6,819,485	(6,819,485)
Benefit Payments, Including Refunds of Employee Contributions	(3,031,096)	(3,031,096)	—
Other (Net Transfer)	—	(46,338)	46,338
Net Changes	286,862	5,213,653	(4,926,791)
Balances at December 31, 2025	52,246,344	44,643,023	7,603,321

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, 2025, the Village recognized pension expense of $624,115. At December 31, 2025, 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	$ 1,396,904	(1,241,500)	155,404
Change in Assumptions	—	(593,652)	(593,652)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(3,194,911)	(3,194,911)
Total Deferred Amounts Related to Police Pension	1,396,904	(5,030,063)	(3,633,159)

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

Fiscal Year	Net Deferred (Inflows) of Resources
2026	$ (258,167)
2027	(1,222,358)
2028	(874,081)
2029	(1,042,355)
2030	(118,099)
Thereafter	(118,099)
Total	(3,633,159)

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, 2025, the measurement date, membership consisted of the following:

Inactive Plan Members Currently Receiving Benefits	38
Inactive Plan Members Entitled to but not yet Receiving Benefits	2
Active Plan Members	25
Total	65

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

NOTE 4 - OTHER INFORMATION - Continued

EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PENSION PLANS - Continued

Firefighters' Pension Plan - Continued

Plan Descriptions - Continued

Benefits Provided - Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 48 consecutive months of service within the last 60 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or ½ of the change in the Consumer Price Index for the 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, 2025, the Village's contribution was 48.37% 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).

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, 2025, 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	2.25%

Mortality rates are based on the PubS-2010 Employee mortality, unadjusted, with generational improvements with the most recent projection scale (currently Scale MP-2021). 20% of active deaths are assumed to be in the line of duty.

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.

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	$ 19,444,671	12,166,139	6,154,660

Changes in the Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2024	$ 55,424,281	39,583,670	15,840,611
Changes for the Year:			
Service Cost	750,576	—	750,576
Interest on the Total Pension Liability	3,689,434	—	3,689,434
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	(129,200)	—	(129,200)
Changes of Assumptions	524,686	—	524,686
Contributions - Employer	—	1,529,740	(1,529,740)
Contributions - Employees	—	299,005	(299,005)
Net Investment Income	—	6,732,501	(6,732,501)
Benefit Payments, Including Refunds of Employee Contributions	(3,033,161)	(3,033,161)	—
Other (Net Transfer)	—	(51,278)	51,278
Net Changes	1,802,335	5,476,807	(3,674,472)
Balances at December 31, 2025	57,226,616	45,060,477	12,166,139

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, 2025, the Village recognized pension expense of $1,554,847. At December 31, 2025, 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	$ 1,046,119	(103,360)	942,759
Change in Assumptions	419,748	—	419,748
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	—	(3,574,197)	(3,574,197)
Total Deferred Amounts Related to Firefighters' Pension	1,465,867	(3,677,557)	(2,211,690)

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
2026	$ 703,537
2027	(1,185,260)
2028	(988,467)
2029	(741,500)
2030	—
Thereafter	—
Total	(2,211,690)

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 GASB 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, 2025, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	53
Inactive Plan Members Entitled to but not yet Receiving Benefits	—
Active Plan Members	153
Total	206

Total OPEB Liability

The Village's total OPEB liability was measured as of December 31, 2025, and was determined by an actuarial valuation as of December 31, 2024.

Actuarial Assumptions and Other Inputs. The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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	4.43%
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, 2024	$ 4,338,080
Changes for the Year:	
Service Cost	187,496
Interest on the Total OPEB Liability	176,235
Changes of Benefit Terms	—
Difference Between Expected and Actual Experience	—
Changes of Assumptions or Other Inputs	(43,550)
Benefit Payments	(440,862)
Other Changes	—
Net Changes	(120,681)
Balance at December 31, 2025	4,217,399

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 4.43%, while the prior valuation used 4.28%. 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 (3.43%)	Current Discount Rate (4.43%)	1% Increase (5.43%)
Total OPEB Liability	$ 4,512,338	4,217,399	3,949,253

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	$ 3,878,822	4,217,399	4,610,929

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, 2025, the Village recognized OPEB expense of $392,454. At December 31, 2025, 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	$ 409,017	(158,696)	250,321
Change in Assumptions	252,085	(482,838)	(230,753)
Net Difference Between Projected and Actual Earnings	—	—	—
Total Deferred Amounts Related to OPEB	661,102	(641,534)	19,568

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

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	$ 10,695
2027	(27,122)
2028	(36,996)
2029	4,538
2030	74,894
Thereafter	(6,441)
Totals	19,568

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 - Last Ten Fiscal Years
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund

- Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund

- Schedule of Investment Returns - Last Ten Fiscal Years
  - 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.

Illinois Municipal Retirement Fund
Schedule of Employer Contributions - Last Ten Fiscal Years
December 31, 2025

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
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%
2023	816,923	838,212	21,289	10,906,850	7.69%
2024	998,281	998,281	—	11,786,073	8.47%
2025	1,090,887	1,122,313	31,426	12,080,702	9.29%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	18 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	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. 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-2021. 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-2021.

Police Pension Fund
Schedule of Employer Contributions - Last Ten Fiscal Years
December 31, 2025

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
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%
2023	1,236,103	1,172,360	(63,743)	2,847,215	41.18%
2024	1,336,136	1,344,133	7,997	3,161,695	42.51%
2025*	1,135,073	1,112,802	(22,271)	3,620,585	30.74%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Open)
Remaining Amortization Period	12 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 (currently Scale MP-2021).

* In 2025, the Village contributed based on an actuarially determined contribution amount of $1,135,073 which is based on the Illinois State statute of being 100% funded in 15 years utilizing a 7.25% assumed rate of return. The Police Pension fund’s actuarially determined recommended contribution amount was $1,441,992 and was based on being 100% funded in 15 years utilizing a 7.25% assumed rate of return.

Firefighters' Pension Fund
Schedule of Employer Contributions - Last Ten Fiscal Years
December 31, 2025

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
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%
2023	1,602,287	1,523,953	(78,334)	2,894,479	52.65%
2024	1,760,416	1,776,023	15,607	2,955,643	60.09%
2025*	1,561,347	1,529,740	(31,607)	3,162,401	48.37%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level % Pay (Open)
Remaining Amortization Period	12 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 (currently Scale MP-2021).

* In 2025, the Village contributed based on an actuarially determined contribution amount of $1,561,347 which is based on the Illinois State statute of being 100% funded in 15 years utilizing a 7.25% assumed rate of return. The Fire Pension fund’s actuarially determined recommended contribution amount was $1,883,572 and was based on being 100% funded in 15 years utilizing a 6.75% rate of return.

VILLAGE OF WINNETKA, ILLINOIS

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
December 31, 2025

	2016	2017	2018
Total Pension Liability			
Service Cost	$ 963,903	942,741	885,530
Interest	5,657,743	5,819,726	5,895,632
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	261,926	2,116,018	439,147
Change of Assumptions	(260,501)	(2,695,351)	2,135,288
Benefit Payments, Including Refunds of Member Contributions	(4,516,723)	(4,994,628)	(5,290,275)
Net Change in Total Pension Liability	2,106,348	1,188,506	4,065,322
Total Pension Liability - Beginning	77,515,945	79,622,293	80,810,799
Total Pension Liability - Ending	79,622,293	80,810,799	84,876,121
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,376,867	1,507,708	1,319,781
Contributions - Members	453,957	427,932	431,783
Net Investment Income	4,475,261	12,392,876	(4,799,193)
Benefit Payments, Including Refunds of Member Contributions	(4,516,723)	(4,994,628)	(5,290,275)
Other (Net Transfer)	691,482	(1,218,760)	1,839,918
Net Change in Plan Fiduciary Net Position	2,480,844	8,115,128	-6,497,986
Plan Net Position - Beginning	66,416,961	68,897,805	77,012,933
Plan Net Position - Ending	68,897,805	77,012,933	70,514,947
Employer's Net Pension Liability/(Asset)	$ 10,724,488	3,797,866	14,361,174
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.53%	95.30%	83.08%
Covered Payroll	$ 9,393,842	9,464,493	9,595,185
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	114.17%	40.13%	149.67%

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.

	2019	2020	2021	2022	2023	2024	2025
	954,153	921,534	895,986	847,561	904,122	932,077	1,006,912
	5,987,185	6,054,543	6,215,634	6,325,416	6,395,539	6,337,316	6,628,079
	—	—	—	—	—	—	—
	(316,723)	1,850,991	786,466	103,520	(1,582,857)	3,567,524	1,404,152
	—	(483,869)	—	—	(113,465)	—	—
	(5,542,680)	(5,815,773)	(6,401,191)	(6,318,073)	(6,357,063)	(6,483,711)	(7,243,910)
	1,081,935	2,527,426	1,496,895	958,424	(753,724)	4,353,206	1,795,233
	84,876,121	85,958,056	88,485,482	89,982,377	90,940,801	90,187,077	94,540,283
	85,958,056	88,485,482	89,982,377	90,940,801	90,187,077	94,540,283	96,335,516
	1,215,748	1,508,402	1,454,767	1,130,656	838,212	998,281	1,122,313
	439,043	454,131	445,610	463,654	490,809	539,208	541,109
	13,756,052	11,732,110	15,397,830	(13,744,280)	9,107,217	8,543,687	13,900,516
	(5,542,680)	(5,815,773)	(6,401,191)	(6,318,073)	(6,357,063)	(6,483,711)	(7,243,910)
	(564,652)	627,559	87,710	(573,634)	(662,545)	623,658	(1,126,187)
	9,303,511	8,506,429	10,984,726	(19,041,677)	3,416,630	4,221,123	7,193,841
	70,514,947	79,818,458	88,324,887	99,309,613	80,267,936	83,684,566	87,905,689
	79,818,458	88,324,887	99,309,613	80,267,936	83,684,566	87,905,689	95,099,530
	6,139,598	160,595	(9,327,236)	10,672,865	6,502,511	6,634,594	1,235,986
	92.86%	99.82%	110.37%	88.26%	92.79%	92.98%	98.72%
	9,756,517	10,091,807	9,902,428	10,269,362	10,906,850	11,786,073	12,080,702
	62.93%	1.59%	(94.19%)	103.93%	59.62%	56.29%	10.23%

VILLAGE OF WINNETKA, ILLINOIS

Police Pension Fund
Schedule of Changes in the Employer's Net Pension Liability - Last Ten Measurement Years
December 31, 2025

		2016	2017	2018
Total Pension Liability				
Service Cost	$	646,828	694,278	650,562
Interest		2,577,750	2,559,175	2,675,377
Changes in Benefit Terms		—	—	—
Differences Between Expected and Actual Experience		(3,226,369)	742,631	446,263
Contributions - Buy Back		—	—	—
Change of Assumptions		1,572,183	(61,605)	1,160,243
Benefit Payments, Including Refunds of Member Contributions		(1,863,860)	(1,966,302)	(2,081,639)
Net Change in Total Pension Liability		(293,468)	1,968,177	2,850,806
Total Pension Liability - Beginning		41,529,135	41,235,667	43,203,844
Total Pension Liability - Ending		41,235,667	43,203,844	46,054,650
Plan Fiduciary Net Position				
Contributions - Employer	$	1,307,493	1,423,835	1,467,306
Contributions - Members		288,079	268,576	267,464
Contributions - Buy Back		—	—	—
Net Investment Income		2,178,422	3,373,306	31,794
Benefit Payments, Including Refunds of Member Contributions		(1,863,860)	(1,966,302)	(2,081,639)
Administrative Expenses		(49,278)	(18,538)	(37,370)
Net Change in Plan Fiduciary Net Position		1,860,856	3,080,877	(352,445)
Plan Net Position - Beginning		25,257,502	27,118,358	30,199,235
Plan Net Position - Ending		27,118,358	30,199,235	29,846,790
Employer's Net Pension Liability	$	14,117,309	13,004,609	16,207,860
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		65.76%	69.90%	64.81%
Covered Payroll	$	2,607,617	2,568,172	2,691,970
Employer's Net Pension Liability as a Percentage of Covered Payroll		541.39%	506.38%	602.08%

In Fiscal Year 2025, the change of assumption was calculated due to a change in the bond rate assumption.

2019	2020	2021	2022	2023	2024	2025
695,274	769,301	679,789	642,010	633,646	644,310	692,914
2,854,673	2,950,995	3,071,328	3,073,729	3,180,866	3,406,860	3,451,738
229,968	—	—	—	—	—	—
(58,455)	704,611	(1,233,854)	593,176	2,398,356	(490,896)	(826,694)
—	—	—	17,940	—	—	—
—	—	(3,561,909)	—	—	—	—
(2,150,286)	(2,358,425)	(2,461,692)	(2,582,553)	(2,879,898)	(2,864,032)	(3,031,096)
1,571,174	2,066,482	(3,506,338)	1,744,302	3,332,970	696,242	286,862
46,054,650	47,625,824	49,692,306	46,185,968	47,930,270	51,263,240	51,959,482
47,625,824	49,692,306	46,185,968	47,930,270	51,263,240	51,959,482	52,246,344
1,496,469	1,681,054	1,256,878	1,198,064	1,172,359	1,344,133	1,112,802
280,725	291,770	272,834	287,145	282,159	313,324	358,800
—	—	—	17,940	—	—	—
3,112,125	6,019,470	4,067,163	(6,071,482)	4,484,312	3,616,796	6,819,485
(2,150,286)	(2,358,425)	(2,461,692)	(2,582,552)	(2,879,898)	(2,864,032)	(3,031,096)
(33,844)	(38,692)	(32,707)	(58,587)	(29,404)	(50,539)	(46,338)
2,705,189	5,595,177	3,102,476	(7,209,472)	3,029,528	2,359,682	5,213,653
29,846,790	32,551,979	38,147,156	41,249,632	34,040,160	37,069,688	39,429,370
32,551,979	38,147,156	41,249,632	34,040,160	37,069,688	39,429,370	44,643,023
15,073,845	11,545,150	4,936,336	13,890,110	14,193,552	12,530,112	7,603,321
68.35%	76.77%	89.31%	71.02%	72.31%	75.88%	85.45%
2,857,689	2,671,838	2,753,118	2,897,538	2,847,215	3,161,695	3,620,585
527.48%	432.11%	179.30%	479.38%	498.51%	396.31%	210.00%

VILLAGE OF WINNETKA, ILLINOIS

Firefighters' Pension Fund
Schedule of Changes in the Employer's Net Pension Liability - Last Ten Measurement Years
December 31, 2025

	2016	2017	2018
Total Pension Liability			
Service Cost	$ 709,007	805,556	794,903
Interest	2,633,017	2,610,776	2,689,044
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	(2,992,031)	332,317	663,472
Change of Assumptions	1,111,971	(374,219)	1,269,421
Contributions - Buy Back	—	—	—
Benefit Payments, Including Refunds of Member Contributions	(1,801,967)	(2,026,733)	(2,160,039)
Net Change in Total Pension Liability	(340,003)	1,347,697	3,256,801
Total Pension Liability - Beginning	42,320,232	41,980,229	43,327,926
Total Pension Liability - Ending	41,980,229	43,327,926	46,584,727
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,439,948	1,708,105	1,743,268
Contributions - Members	251,855	237,416	229,800
Contributions - Buy Back	—	—	—
Net Investment Income	1,957,213	3,286,168	866,522
Benefit Payments, Including Refunds of Member Contributions	(1,801,967)	(2,026,733)	(2,160,039)
Administrative Expenses	(38,920)	(16,726)	(62,022)
Net Change in Plan Fiduciary Net Position	1,808,129	3,188,230	617,529
Plan Net Position - Beginning	23,597,597	25,405,726	28,593,956
Plan Net Position - Ending	25,405,726	28,593,956	29,211,485
Employer's Net Pension Liability	$ 16,574,503	14,733,970	17,373,242
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.52%	65.99%	62.71%
Covered Payroll	$ 2,421,648	2,560,651	2,428,840
Employer's Net Pension Liability as a Percentage of Covered Payroll	684.43%	575.40%	715.29%

In Fiscal Year 2025, the change of assumption was calculated due to a change in the bond rate assumption.

2019	2020	2021	2022	2023	2024	2025
717,160	804,634	819,686	649,557	690,716	755,640	750,576
2,885,682	2,930,142	3,005,840	3,218,105	3,383,952	3,581,641	3,689,434
156,709	—	—	—	—	—	—
(859,094)	(144,597)	944,049	1,248,077	1,633,763	238,330	(129,200)
—	—	(2,596,557)	—	—	—	524,686
—	—	150,081	—	—	—	—
(2,261,917)	(2,291,182)	(2,497,016)	(2,644,542)	(2,755,312)	(2,923,993)	(3,033,161)
638,540	1,298,997	(173,917)	2,471,197	2,953,119	1,651,618	1,802,335
46,584,727	47,223,267	48,522,264	48,348,347	50,819,544	53,772,663	55,424,281
47,223,267	48,522,264	48,348,347	50,819,544	53,772,663	55,424,281	57,226,616
1,792,372	1,929,099	1,385,927	1,360,608	1,523,953	1,776,023	1,529,740
246,106	257,357	240,176	241,470	273,673	279,456	299,005
—	—	150,081	—	—	—	—
2,499,794	4,756,581	4,134,871	(5,570,248)	4,797,463	3,911,731	6,732,501
(2,261,917)	(2,291,182)	(2,497,016)	(2,644,542)	(2,755,312)	(2,923,993)	(3,033,161)
(36,492)	(42,504)	(37,874)	(33,875)	(38,193)	(51,408)	(51,278)
2,239,863	4,609,351	3,376,165	(6,646,587)	3,801,584	2,991,809	5,476,807
29,211,485	31,451,348	36,060,699	39,436,864	32,790,277	36,591,861	39,583,670
31,451,348	36,060,699	39,436,864	32,790,277	36,591,861	39,583,670	45,060,477
15,771,919	12,461,565	8,911,483	18,029,267	17,180,802	15,840,611	12,166,139
66.60%	74.32%	81.57%	64.52%	68.05%	71.42%	78.74%
2,571,425	2,674,991	2,540,201	2,553,887	2,894,479	2,955,643	3,162,401
613.35%	465.85%	350.82%	705.95%	593.57%	535.94%	384.71%

Police Pension Fund
Schedule of Investment Returns - Last Ten Fiscal Years
December 31, 2025

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2016	8.10%
2017	12.02%
2018	(5.64%)
2019	17.54%
2020	16.44%
2021	12.66%
2022	N/A
2023	13.66%
2024	9.59%
2025	17.79%

N/A - Not Available

Firefighters' Pension Fund
Schedule of Investment Returns - Last Ten Fiscal Years
December 31, 2025

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
2016	7.99%
2017	12.74%
2018	(5.04%)
2019	18.12%
2020	13.90%
2021	12.69%
2022	N/A
2023	15.39%
2024	10.92%
2025	17.50%

N/A - Not Available

Retiree Benefit Plan
Schedule of Changes in the Employer's Total OPEB Liability
December 31, 2025

	2018
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	351,757
Net Change in Total OPEB Liability	202,725
Total OPEB Liability - Beginning	4,003,372
Total OPEB Liability - Ending	4,206,097
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 2025.

	2019	2020	2021	2022	2023	2024	2025
	183,917	193,159	245,754	268,143	191,165	186,370	187,496
	147,225	135,641	88,126	100,272	155,815	147,126	176,235
	—	—	—	—	—	—	—
	—	15,018	(103,789)	(331,608)	—	569,148	—
	100,798	375,948	—	(518,794)	86,550	(52,680)	(43,551)
	(322,949)	(306,986)	(321,809)	(357,546)	(361,114)	(380,061)	(440,861)
	(856)	—	—	—	—	—	—
	108,135	412,780	(91,718)	(839,533)	72,416	469,903	(120,681)
	4,206,097	4,314,232	4,727,012	4,635,294	3,795,761	3,868,177	4,338,080
	4,314,232	4,727,012	4,635,294	3,795,761	3,868,177	4,338,080	4,217,399
	14,083,963	14,887,692	14,887,692	14,734,716	15,253,064	17,579,375	17,579,375
	30.63%	31.75%	31.14%	25.76%	25.36%	24.68%	23.99%

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, 2025

	2025		For the Fiscal Year Ended December 31, 2024
	Original and Final Budget	Actual	Actual
Revenues			
Taxes	$ 16,562,270	17,230,913	16,552,802
Licenses and Permits	3,959,500	4,541,370	2,919,744
Intergovernmental	5,182,540	5,817,026	5,387,325
Charges for Services	4,255,574	4,446,250	4,269,675
Fines and Forfeitures	128,000	62,243	134,437
Investment Income	946,461	1,448,512	1,194,838
Miscellaneous	157,299	509,557	122,741
Total Revenues	31,191,644	34,055,871	30,581,562
Expenditures			
General Government	4,714,681	4,943,142	3,904,472
Public Safety	15,928,394	16,746,305	15,326,868
Community Development	2,325,283	2,187,397	1,875,296
Public Works	8,543,656	7,435,726	7,476,890
Total Expenditures	31,512,014	31,312,570	28,583,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	(320,370)	2,743,301	1,998,036
Other Financing Sources (Uses)			
Transfers In	1,622,245	1,622,245	1,650,398
Transfers Out	(5,136,350)	(5,136,350)	(4,500,000)
	(3,514,105)	(3,514,105)	(2,849,602)
Net Change in Fund Balance	(3,834,475)	(770,804)	(851,566)
Fund Balance - Beginning		28,939,037	29,790,603
Fund Balance - Ending		28,168,233	28,939,037