

VILLAGE OF WILMETTE, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2004

Prepared by Finance Department

Robert N. Amoruso
Finance Director

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VILLAGE OF WILMETTE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2004

LEGISLATIVE

Village Board

Nancy Canafax, President

George Pearce

Beth Lambrecht

Bernard Michna

John Jacoby

Yip-Wah Chung

Jim Griffith

Executive

Mike Earl, Village Manager

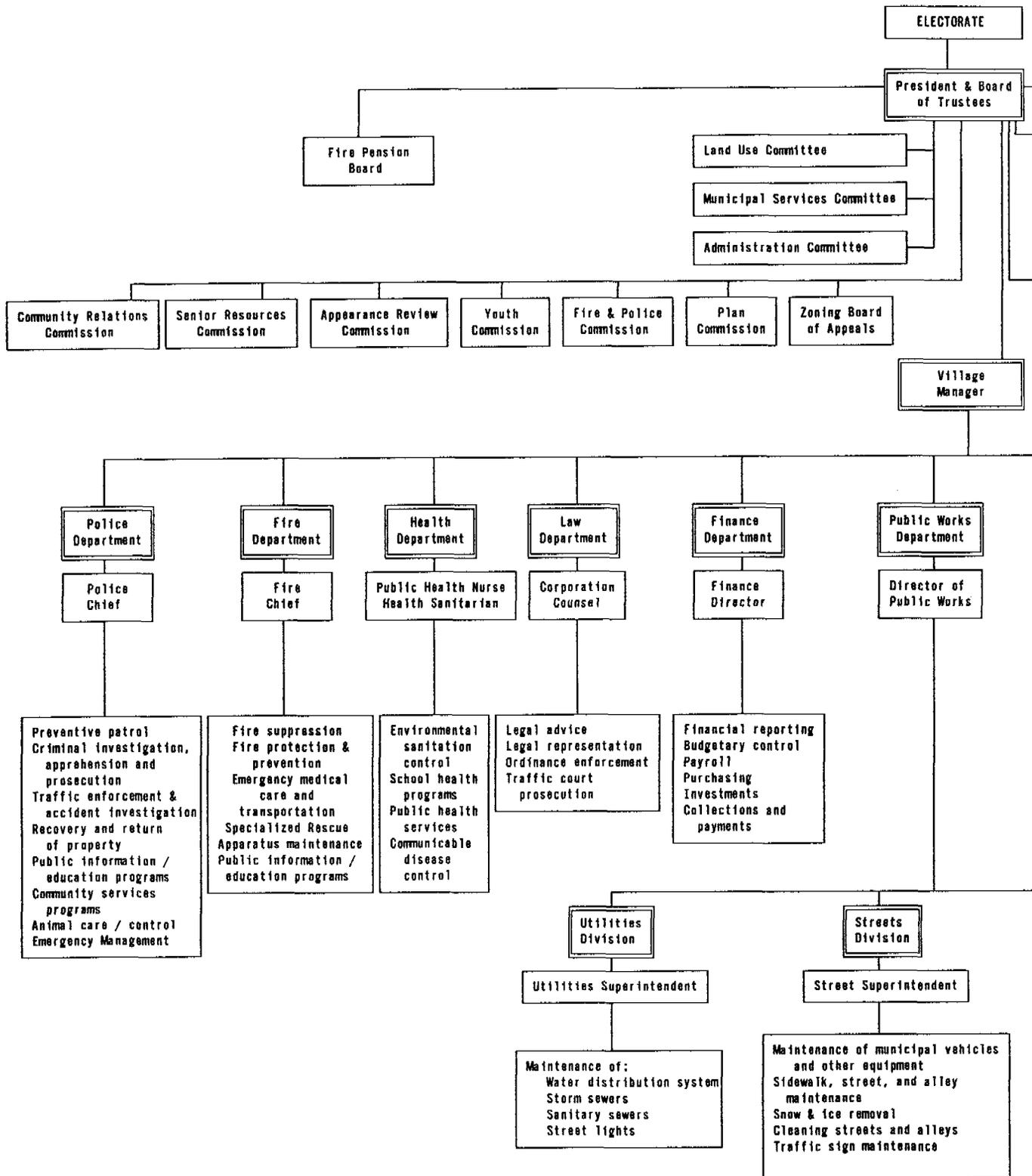
Maureen Barry, Assistant Village Manager

FINANCIAL DEPARTMENT

Robert Amoruso, Finance Director

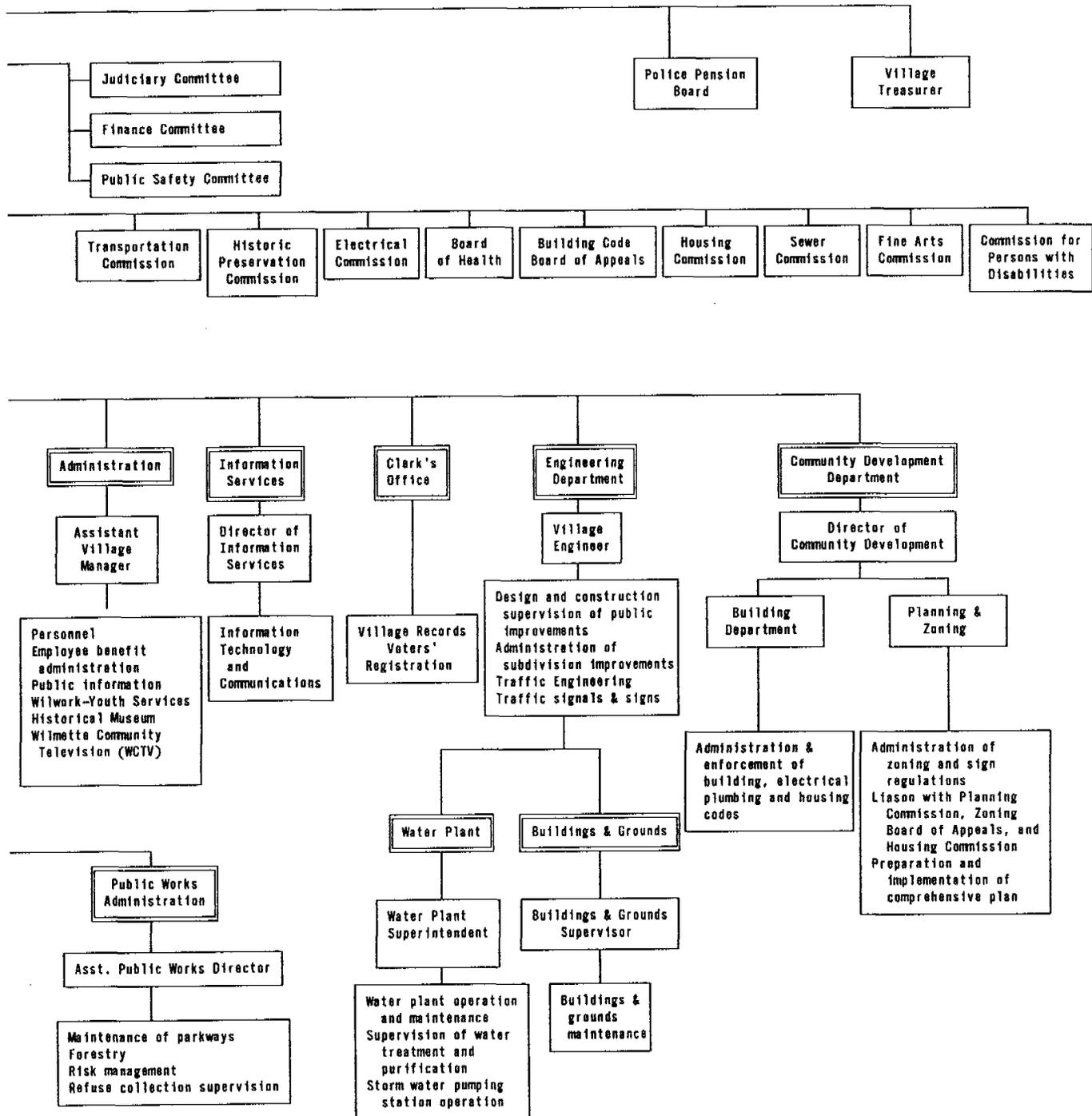
Kathleen Gargano, Special Assistant to
Administration and Finance

VILLAGE OF Organization



WILMETTE

Chart





VILLAGE OF WILMETTE

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July 8, 2005

President and Board of Trustees
and Citizens of the Village of Wilmette, Illinois

The comprehensive annual financial report (CAFR) for the Village of Wilmette, Illinois, for the year ended December 31, 2004 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue annually a report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP), and that an independent firm of certified public accountants audit this report in accordance with generally accepted auditing standards. Although formally addressed to the elected officials and citizens of Wilmette, this financial report has numerous other users. Foremost among these other users are the bondholders of the Village, financial institutions, credit rating agencies, educational institutions, and other governmental entities.

The Finance Department has prepared the report. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Village. We believe the information, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position of the Village and the results of its operations as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the Village's financial affairs have been included.

The CAFR 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 officials. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The Reporting Entity and its Services

The Village of Wilmette, incorporated in 1872, is located approximately 16 miles from downtown Chicago in New Trier Township. It is one of eight Chicago suburban communities north of Chicago fronting on Lake Michigan and collectively referred to as the "North Shore." The Village operates under the council/manager form of government with a legislative body consisting of the Village President and Board of six Trustees, all elected on an at-large basis to overlapping four-year terms. The Village Manager is responsible for the day-to-day operation of the Village. The Village occupies a land area of 5.1 square miles and has a population of 27,651 per the 2000 census. The Village is a home rule municipality as defined by the Illinois constitution. Additional demographic information may be found in the statistical section of this report.

The Village provides a full range of governmental services, which include:

Police Protection	Fire Protection
Emergency Medical Services	Water Production and Distribution
Sewer Service	Street and Parkway Maintenance
Street Lighting	Refuse Disposal and Recycling
Forestry	Commuter and Retail Parking
Planning, Building and Zoning	Economic Development
Historical Museum	Wilwork (youth employment referral service)
Cable TV Productions	

This is the second year that the financial statements have been prepared in accordance with Statement No. 34 (Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments) of the Governmental Accounting Standards Board (GASB). The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Statement No. 34 significantly changed the required format for governmental statements in a number of ways. The most significant of these changes was to require that governments prepare government-wide financial statements in addition to the fund-based financial statements governments have traditionally prepared. The government-wide financial statements attempt to present a government's financial position and results of operations in a manner similar to business. More information about this "new financial reporting model" is provided in Management's Discussion and Analysis (MD&A). The MD&A is located in the financial section of this report.

The reporting entity of the Village of Wilmette is comprised of all funds of the primary government (i.e. the Village of Wilmette as legally defined) and its pension trust funds: the Wilmette Police Pension Fund and Wilmette Firefighters Pension Fund. These funds were determined to be pension trust funds due to their fiduciary and fiscal relationships with the Village as their sole purpose is to provide retirement benefits to the Village's sworn police officers and firefighters. There are no legally separate entities that qualify as component units of the Village.

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, each of which is considered a separate and distinct accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are controlled. The accounting records for general governmental operations are maintained on the modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when materials or services are received and the liability incurred. Accounting records for the Village's enterprise funds, internal service funds, agency 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. This system should ensure that: (1) the assets of the Village are protected from loss, theft or misuse; and (2) adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

Additionally, there are budgetary controls in place to ensure compliance with legal provisions embodied in the annual appropriation ordinance approved by the Village Board of Trustees. Expenditures may not exceed appropriated amounts at the individual fund level. The Village also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Factors Affecting Financial Condition

Economic Outlook. The Village has long been known as one of the most prestigious residential areas in Chicagoland. Per the 2000 Census Bureau data, median household family income for the Village was \$122,515 (an increase of 50% over 1990 median household income). This compares to the 2000 household family income of \$53,784 for Cook County and \$55,545 for the State of Illinois. This ranks Wilmette as the wealthiest community in the State of Illinois among communities with populations over 25,000. Wilmette also ranks 11th nationally in this regard.

Employment levels in the Village have always surpassed both Cook County and the State of Illinois. The 2000 census indicated that a nominal 1.7% of the Village's work force were unemployed. This is well below the Cook County rate of 4.8% as well as the Illinois 3.9% and national 6.3% rates. This census also indicated that nearly 67% of those employed were in the "Management / Professional" category.

Local retail sales declined by 1.9% in 2004 - an activity level that is about the same as in 1999. While the Village's commercial tax base represents only 13% of the community, sales tax still represents 15% of the General Fund revenue. The lack of growth in this revenue has contributed to the need to enhance and create other revenue sources in order to continue providing the high service levels which the community is accustomed.

Property values have continued to increase substantially. In spite of the Village being fully developed, the Village's 2003 equalized assessed valuation is 36% greater than in 2000. Growth in construction activity reflects the community's desire to continue this trend as construction permits indicate a value of \$55 million in home improvements in 2004. The low interest rate environment has been a key factor in this regard.

Long-Term Financial Planning. The Village's budget process for all of the operating funds includes cash flow projections for two years beyond the budget under consideration. Capital budgets are also prepared for the "spending down" of proceeds from bond issues. The Village utilizes a Five Year Capital Improvements Program to address major capital and infrastructure improvements as well as new and replacement equipment in excess of \$10,000. The financing source for these items is projected in conjunction with the future expenditure. This information is used to ensure sufficient cash flow for a project that will be financed in the operating budget or to determine if additional debt will be necessary for a project that is to be included in the capital budget.

Cash Management. As the cash management and investing goals of operating monies is substantially different than those of the Village's pension monies, the Village Board and the Police and Firefighter Pension Boards operate under their own cash and investment policies. In both policies a high priority is placed upon procedures to ensure the prompt deposit of collections and proper internal controls are in place to monitor disbursements. Both policies also ensure that all deposits are adequately collateralized and that investment securities are held in trust by a third party custodian.

Great emphasis is placed on security and liquidity for the Village's operating monies. Under the banking services agreement which took effect in November 1995, all of the Village's bank accounts earn interest equal to 30 basis points greater than the three-month discount rate for U. S. Treasury Bills.

Safety and cash flow objectives are also important for pension monies but the investment rate of return also must be considered. There will be market value risk associated with the investment in equity securities and fluctuating interest rates will create market value risk in longer term treasury securities. By statute, the pension funds may not invest more than 45% of their portfolios in equity securities. The current investment policy calls for an asset allocation strategy that will invest between 35% and 45% in equities, between 2% and 10% in cash and the remainder in full faith and credit government securities. The actual asset allocation strategy in place is set on a quarterly basis by the two pension boards. The benchmark for investment performance in equities is the Russell 3000 index and for fixed income securities, the Lehman Brothers Government Bond is used.

Risk Management. The Village's insurance coverages are outlined in the Schedule of Insurance in Force in the Statistical Section of this report. The Village participates in the Intergovernmental Risk Management Association (IRMA) for its property, liability and workers' compensation insurance. The Village continues to maintain adequate insurance coverage in all areas and actively promotes employee safety through regular safety committee meetings, education programs and facility inspections, which are conducted with the assistance of IRMA.

The Village provides its employees with health care benefits. The Village pays the entire insurance premium for employee coverage. Employees may elect to cover their dependents through a contribution of 20% of the difference in premium cost between single coverage and family coverage. Employees may choose coverage through either of two HMO's or may select PPO coverage through the North Suburban Employee Benefit Cooperative.

Pension and Other Post Employment Benefits. Sworn police and fire personnel receive retirement and disability benefits from the Police Pension Fund and Firefighters' Pension Fund respectively. Both of these plans are defined benefit, single-employer plans administered by local boards of trustees. The defined benefits and employer and employee contribution levels are governed by State statutes. Police participants are required to contribute 9.91% of their base salaries and fire participants are required to contribute 9.455% (an increase from 8.455% as of July 1, 2004) of their base salaries. The Village is required to contribute the remaining amounts necessary to finance each plan as determined by an enrolled actuary. State statutes require that each plan must be fully funded by the year 2033.

All other employees of the Village who are scheduled to work at least 1,000 hours per year are covered by the Illinois Municipal Retirement Fund (IMRF), a statewide pension plan. IMRF acts as a common investment and administrative agent for local governments in Illinois. Benefit provisions and funding requirements are established by State statute. Employees participating in the IMRF are required to contribute 4.5% of their annual wages and the Village is required to contribute the remaining amounts necessary to fund the coverage of its employees in the plan.

The Village also provides post-retirement health benefits for certain retirees and their dependents. Retirees prior to 2003 fall into a number of different categories for these benefits and are financed on a pay-as-you-go basis. Generally accepted accounting principles do not require governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Beginning in 2003, retirees now participate in a Section 105 Plan that provides them with a bank of money at retirement that is determined by their unused sick-leave at retirement in conjunction with their longevity. This bank of money may be used by the retiree and their dependents to reimburse any health care costs. The Village pre-funds the program and the annual contribution is determined by an independent actuary.

The notes to the financial statements and the required supplementary information provide more information pertaining to employee pensions and other post-employment benefits.

Major Initiatives

Business Development Initiatives

The Village Board created the **Business Development Advisory Group (BDAG)** in 2003 in order to advise the Village Board in creating business development initiatives. In 2004, the consulting firm, Valerie S. Kretchmer and Associates, was hired to assist the Village in completing a Village-wide market analysis as well as business development studies for the 4th and Linden District and the Green Bay Road Corridor.

Also in 2004, the Village, while working in conjunction with the Chamber of Commerce, produced both a **Retail and Dining Guide** and a **Services Guide** for Wilmette. These guides provide an attractive directory of Wilmette businesses to help remind shoppers to visit Wilmette's business districts. These guides were delivered to all residents and may be found at Old Orchard Shopping Center as well as at area hotels.

Mallinckrodt Campus

In 2002 residents approved a \$25 million Park District referendum for the purchase of the Mallinckrodt property from Loyola University. The land will be developed for new park space. In 2004, the Village Board and Park District Board completed negotiations for a redevelopment and intergovernmental agreement for adaptive reuse of the Mallinckrodt facility.

Fire Stations

In November 2002, the Village Board approved a contract with FGM, Inc. for the design, bid specification and construction administration of the planned renovations to Fire Station #26 and #27. A construction contract with Doherty Construction was approved in July of 2004 and work commenced at both stations in August 2004. Substantial improvements are being made to the living spaces, motor fleet storage and repair areas, department storage, and administrative offices. The building will also be brought into compliance with Illinois accessibility codes and provide accommodations for female firefighters.

Village Hall Improvements

The Village Hall Improvements Project is comprised of three phases. Phase I focused on the Community Development and Engineering Departments. This phase was completed in 2001. Included in the improvements were two new private conference rooms, systems furniture and lighting. Begun in 2004, Phase II continued improvements to the first floor of the Village Hall, focusing on the unimproved areas in the Finance and Information Services Departments and the lobby. Included in the improvements were new lighting and wall covering systems and flooring in the Village Hall lobby, and a new private conference room, systems furniture and lighting in the Finance and Information Services Departments. The main staircase leading to the second floor was also replaced as were the 30 year old chairs in the Council Chambers.

Information Services - Enterprise Resource Planning System

In 2004, the Information Services Department continued the final phases of implementation of the ERP that began in 2002. The business license module was fully implemented in 2004 and progress continued toward the implementation of the Police parking tickets module and the Community Development permitting module.

The ERP integrates much of the Village's information database allowing access to all Village departments. The initiative streamlines and improves many of the Village's financial and information systems applications such as accounts receivables and payables, payroll, human resources, utility billing and records management. It will also provide the needed structure for more web-based interactions with residents. With the parking ticket module the Village anticipates its initial steps toward on-line payment processing.

Regional Dispatch

The Village continued to participate in local and regional planning meetings to determine the feasibility and desirability of regional emergency dispatch alternatives for Fire and Police Emergency Communications.

Capital Improvements

An aggressive capital improvement schedule continued in 2004 for a number of infrastructure and facility improvement projects. In an effort to take advantage of low interest rates, the Village borrowed \$30.4 million in 2002 to fund much of the Village's capital project needs through 2006. The debt will be retired over a 20-year period. The following is a summary of some the 2004 capital projects activity:

Street Resurfacing Program

In 2004 the Village continued its commitment made in 1999 to pursue an aggressive multi-year street resurfacing enhancement program. This pledge was made after a study by the Engineering Department and an outside consultant indicated that the Village's previous level of spending was not sufficient to maintain the Village's streets in satisfactory condition. In 2004, \$2.9 million in street resurfacing projects were completed in various areas of town. Of this amount, \$775,000 was funded by the State-shared motor fuel tax.

8 MGD Water Plant Capacity Expansion

The improvements to expand the water plant's capacity by 8 million gallons per day (MGD) (from 34 MGD to 42 MGD) were nearly complete at December 31, 2004. The two year costs to date have totaled \$6.3 million. The total project cost is still estimated at \$6.4 million. This project is almost entirely financed by the Village of Glenview, the Village's primary wholesale customer. Development in Glenview is expected to increase water sales to Glenview by 15-20%, which will annually add approximately \$1.3 million of revenue to Wilmette in ten years.

Water Plant Security Improvements

In 2003, the Water Plant applied for and received a \$115,000 grant from the USEPA to conduct a Vulnerability Assessment (V/A) of the water system. The purpose of this assessment was to identify weaknesses, if any, in the current system of delivering water to our customers. The grant covered the entire service area of the water system - including Wilmette, Glenview, the Glen and portions of Prospect Heights.

The V/A study identified the Wilmette Water Plant as a mission critical facility in the water system. In 2004, the Village implemented the V/A study's recommendations that the Village improve security by installing a new perimeter fence, an intruder detection system and additional internal security.

Water Main and Sewer improvements

In conjunction with the aforementioned street resurfacing program the Fairway Bunker water main was replaced. In addition, the Isabella/Woodbine water main was replaced as were sewer lines located on Highland and Central Avenues. These were financed from the Water and Sewer Funds' portion on the 2002 bond issue.

In 2004, the Village Board continued to support programs aimed at improving the capacity and reliability of the Village's sewer system—either through continued maintenance, new relief sewers or rehabilitation of existing sewers.

Automatic Meter Readers

The Village continued the fourth year of a 14 year program to install automatic meter reading devices which allow the transmission of meter readings via radio wave transmissions from the water meter. The ERP software will integrate with these automations.

Independent Audit

Illinois Municipal Auditing Law requires an annual audit of the Village by independent certified public accountants selected by the Village Board of Trustees. This requirement has been complied with, and the auditors' opinion has been included in this report.

Awards

The Village was awarded the Distinguished Budget Presentation Award by the GFOA for its 2004 budget document. This was the sixth consecutive year that the Village has achieved this honor. In order to receive the Distinguished Budget Presentation Award the document must meet specific criteria as an operations guide, a policy document, a financial plan and a communications device. This award is also valid for a one-year period. The fiscal year 2005 budget has been submitted to the GFOA to determine its eligibility for another award.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would also like to thank the President and Trustees of the Village Board for their support in planning and conducting the financial operations of the Village in a responsible and progressive manner. Finally, I would like to express my appreciation to the firm of Sikich, Gardner and Company, LLP for their professionalism and expertise in their assistance in the preparation of this report.

Respectfully submitted,



Robert N. Amoruso
Finance Director

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
Village of Wilmette
Wilmette, Illinois

We have audited the basic financial statements and the combining and individual fund financial statements of the Village of Wilmette, Illinois, as of and for the year ended December 31, 2004, as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Wilmette, Illinois' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Village of Wilmette, Illinois, as of December 31, 2004, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Village of Wilmette, Illinois, as of December 31, 2004, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole and on the combining and individual fund financial statements. The schedules and the supplemental data listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements of the Village of Wilmette, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic, combining and individual fund financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements and each of the combining and individual fund financial statements taken as a whole.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical information listed in the table of contents was not audited by us, and accordingly, we do not express an opinion thereon.

Skid Jordan & Co, LLP

Aurora, Illinois
June 10, 2005

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF WILMETTE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2004

This section of the Village of Wilmette's (the "Village") Comprehensive Annual Financial Report (CAFR) presents Management's Discussion and Analysis (MD&A) of the Village's financial activities during the fiscal year ended December 31, 2004. It 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 changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Transmittal Letter (beginning on page iii) and the Village's financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The Village's assets exceeded its liabilities by \$47,763 at December 31, 2004. Of this amount, \$4,138 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets increased \$1,271 (2.7%) during the fiscal year ended December 31, 2003. Governmental net assets increased \$279 and business-type net assets increased \$992. These increases are entirely attributable to the Village's investment in capital assets, net of related debt, which increased \$498 for governmental activities and \$1,784 for business-type activities. This is the result of the continuation of an extensive capital improvements program that began in 1999.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$4,355 or 19% of General Fund expenditures. The \$32 decrease is less than a 1% change from the prior year.
- Total unrestricted net assets decreased \$1,057. Governmental unrestricted net assets decreased \$265 which is mainly attributable to increased expense recorded for compensated absences under the Village's Section 105 Plans. The business-type unrestricted net assets decrease of \$792 is attributable to capital spending (decreasing current resources while increasing the Village's investment in capital assets) and lower than expected water sales due to mild and wet weather conditions.
- The Village's total debt increased \$3,032 (3.7%) at December 31, 2004. The 2004 issuance of \$17,525 general obligation debt refinanced \$12,090 in existing debt and provided \$5,112 in new money for projected water and sewer improvements.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the Village of Wilmette's basic financial statements. The Village's basic financial statements are comprised of three components: 1) the government-wide financial statements, 2) the fund financial statements, and 3) the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 3-5) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government.

The focus of the Statement of Net Assets (the Unrestricted Net Assets) is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether or not the financial position of the Village is improving or deteriorating.

The Statement of Activities (see pages 4-5) presents information showing how the Village's net assets changed during the most recent fiscal year and is focused on both the gross and net cost of various activities (including governmental and business-type) which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless to the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

The Governmental Activities reflect the Village's basic services, including public safety (police and fire), streets and sanitation, other public works, public health, community development and general government. Property taxes, shared State sales taxes, local utility taxes, shared State income taxes, and local real estate transfer taxes finance the majority of these activities. The Business-Type Activities reflect private sector-type operations (Water Fund, Sewer Fund and Parking Meter Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Fund Financial Statement allows the demonstration of sources and uses and/or budgeting compliance associated therewith. Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on major funds, rather than (the previous model's) fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. The Governmental Funds presentation (see pages 6-9) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of government funds is narrower than that of the Government-Wide Financial Statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected. The flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the Government-Wide Statements).

The Village maintains six individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the 2002 General Obligation Bond Fund, which are considered to be major funds. Data from the other governmental funds (Motor Fuel Tax, War Memorial, General Debt Service and Special Service Area #2) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village of Wilmette adopts an annual appropriation ordinance for all of its funds. Budgetary comparison statements have been provided to demonstrate budgetary compliance.

Proprietary Funds. The Village maintains two different types of proprietary funds. **Enterprise Funds** are used to report the same functions presented in Business-Type Activities in the Government-Wide Financial Statements. **Internal Service Funds** are an accounting device used to accumulate and allocate costs internally among the village's various functions. The Village uses internal service funds to account for vehicle repair and maintenance and to account for employee fringe benefit expenses (health insurance, group life insurance, workers' compensation, unemployment compensation, and Section 125 and pension contributions). As Internal Service Funds serve governmental rather than business-type functions, they have been included with Governmental Activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements (see pages 10-13) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water and Sewer Funds are considered to be major funds of the Village and are presented in separate columns in the Fund Financial Statements. Currently, the Parking Meter Fund is the only nonmajor enterprise fund. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for nonmajor enterprise and internal service funds are presented elsewhere in this report.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government (see pages 14-15). Fiduciary funds are not reflected in the government-wide financial statements because these assets are restricted in purpose and do not represent discretionary assets of the government. The Village maintains two types of fiduciary funds: two pension trust funds (Police Pension Fund and Firefighters Pension Fund) and one agency fund (Foreign Fire Insurance Tax Fund).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 16-51 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including budgetary basis schedules (with reconciliations to GAAP basis information) and the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 67-72 of this report.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have neither been reported nor depreciated in the governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of assets management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance of locally-established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered a recurring cost that does not extend the road's original life or expand its capacity, the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Wilmette, assets exceed liabilities by \$47,763 as of December 31, 2004.

The following table reflects the condensed Statement of Net Assets: For more detailed information see the Statement of Net Assets (page 3).

Table 1: Statement of Net Assets as of December 31, 2004

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Assets						
Current Assets	\$ 28,796	\$ 31,948	\$ 11,973	\$ 8,888	\$ 40,769	\$ 40,836
Noncurrent Assets	32,317	28,454	73,653	71,975	105,970	100,429
Total Assets	\$ 61,113	\$ 60,402	\$ 85,626	\$ 80,863	\$ 146,739	\$ 141,265
Liabilities						
Current Liabilities	\$ 12,906	\$ 12,142	\$ 1,205	\$ 597	\$ 14,111	\$ 12,739
Long-Term Liabilities	37,088	37,420	47,777	44,614	84,865	82,034
Total Liabilities	\$ 49,994	\$ 49,562	\$ 48,982	\$ 45,211	\$ 98,976	\$ 94,773
Net Assets:						
Investment in Capital Assets, Net of Related Debt	\$ 7,344	\$ 6,846	\$ 35,127	\$ 33,343	\$ 42,471	\$ 40,189
Restricted	1,154	1,108	-	-	1,154	1,108
Unrestricted	2,621	2,886	1,517	2,309	4,138	5,195
Total Net Assets	\$ 11,119	\$ 10,840	\$ 36,644	\$ 35,652	\$ 47,763	\$ 46,492

The largest portion of the Village's net assets is its investment in capital assets (e.g. land, infrastructure, buildings, machinery & equipment) less any related debt outstanding that was used to acquire those assets. The Village uses these capital assets to provide services to citizens; therefore these assets are not available for future spending. Although the Village's investment in its capital assets is shown net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The component of the Village's net assets labeled as restricted represent resources held for specific purposes. Nearly all of this is restricted for future capital spending for roadway improvements. The final component of the Village's net assets, the unrestricted net assets, in the

Village of Wilmette, Illinois
Management's Discussion and Analysis, (Continued)

amount of \$4,138 may be used to meet the Village's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

An extensive infrastructure improvement program has been ongoing since 1999. This has included numerous road resurfacing and reconstruction projects as well as sewer and water main improvements. Additionally, significant building improvements have occurred at the Village Hall, water plant, both of the Village's fire stations and its museum. The water plant expansion is primarily for the benefit of the Village of Glenview (Wilmette's only wholesale customer at this time) and has been financed from contributions from the Village of Glenview. The museum addition is being financed from a State grant in conjunction with donations while most of the infrastructure and other building improvements have been debt financed. In 2004, capital spending and debt principal repayments exceeded depreciation, resulting in a net gain of \$2,282 (5.7%) in the Village's investment in capital assets, net of related debt.

The decrease in unrestricted net assets is primarily the result of lower than budgeted water sales attributed to weather conditions. This will be addressed in greater detail with the statement of activities.

Statement of Activities

Governmental Activities. Program revenues decreased \$1,840 in 2004 due to a decrease in capital grants. In 2003 the Village received \$1,966 from the State of Illinois towards the reconstruction of a commuter parking lot. This one time project was completed in 2003 and there were no similar projects in 2004. Charges for services increased \$127 (3.1%) which is in line with expectations. The Village annually reviews service charge rates in conjunction with the budget and indexes these rates to keep pace with expenditure growth.

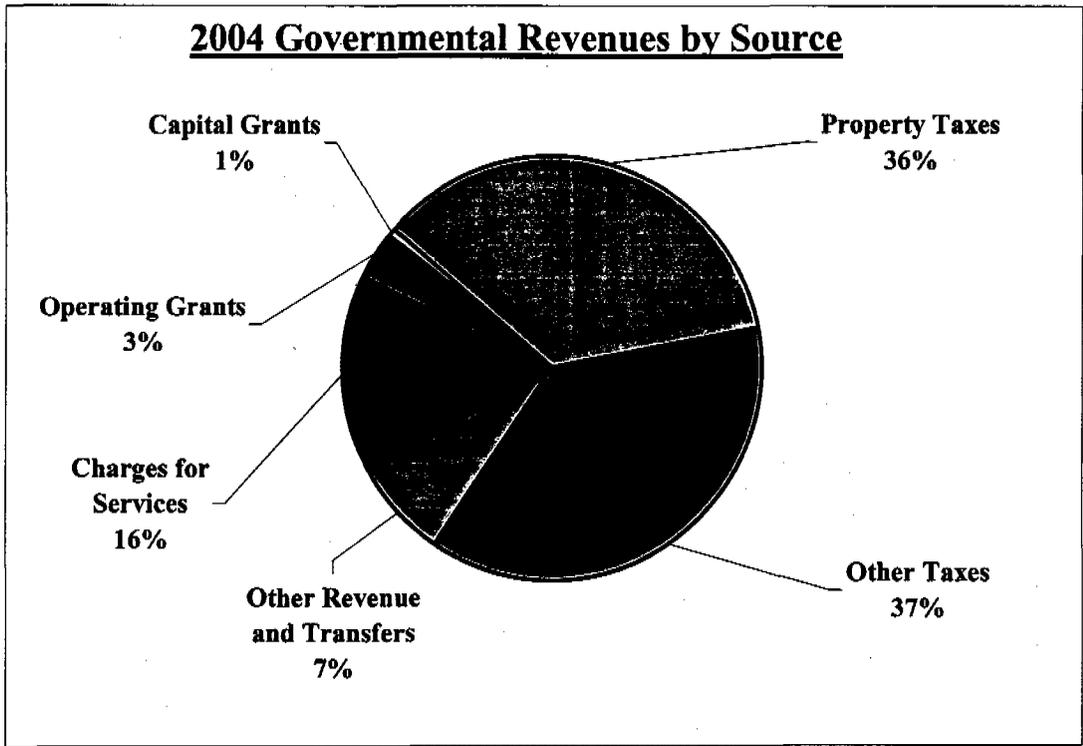
General Revenues increased \$512 (2.5%) due to a 6% growth in property tax revenue. This was in line with expectations as the 2003 tax levy incorporated a growth factor of 4% for operations and an additional 2% for increased debt service related to the Village's capital improvements program. Other taxes reflect a small decrease (.2%) from 2003 levels. This is due to decreases in sales tax and income tax that can be attributed to a general stagnation in the Illinois economy as well as a drop in utility tax revenue that is attributable to mild weather conditions (thus reducing natural gas usage in the winter and air conditioning in the summer). These decreases were only partially offset by a \$103 (7.6%) growth in the real estate transfer tax. Low interest rates and the overall desirability to live in Wilmette have continued the healthy real estate market.

Village of Wilmette, Illinois
Management's Discussion and Analysis, (Continued)

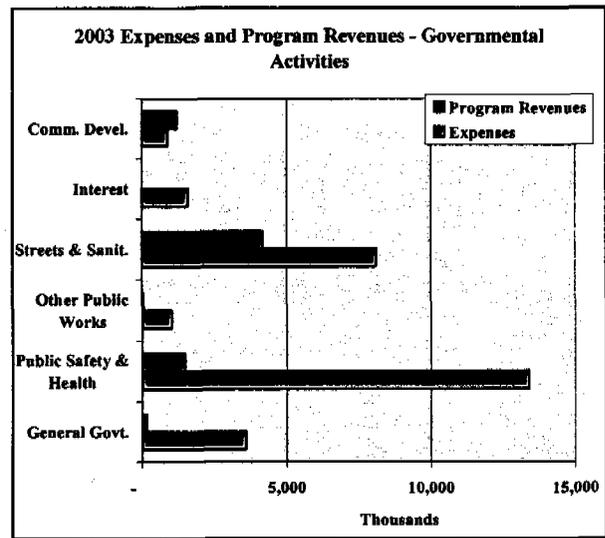
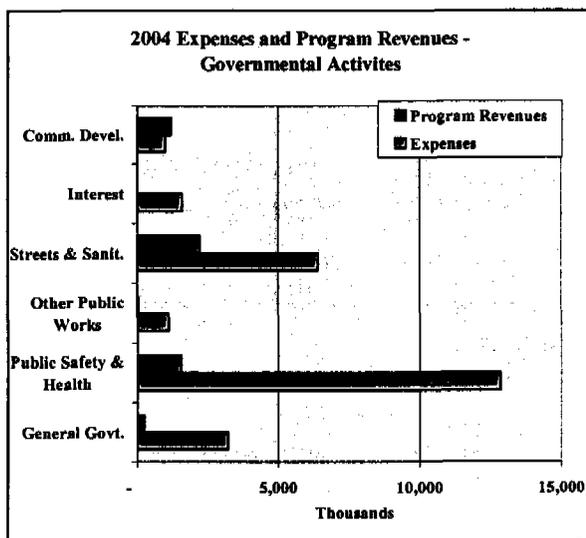
Table 2: Changes in Net Assets for the Fiscal Year Ended December 31, 2004

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Revenues						
Program Revenues						
Charges for Services	\$ 4,177	\$ 4,050	\$ 8,886	\$ 8,646	\$13,063	\$12,696
Operating Grants	881	850	-	-	881	850
Capital Grants	108	2,106	427	46	535	2,152
General Revenues						
Property Taxes	9,419	8,876	-	-	9,419	8,876
Other Taxes	9,868	9,887	-	-	9,868	9,887
Other Revenue and Transfers	1,875	1,887	(503)	1,308	1,372	3,195
Total Revenues	<u>\$26,328</u>	<u>\$27,656</u>	<u>\$ 8,810</u>	<u>\$10,000</u>	<u>\$35,138</u>	<u>\$37,656</u>
Expenses						
General Government	\$ 3,196	\$ 3,575	\$ -	\$ -	\$ 3,196	\$ 3,575
Public Safety	12,681	13,225	-	-	12,681	13,225
Streets and Sanitation	6,409	8,087	-	-	6,409	8,087
Other Public Works	1,074	1,012	-	-	1,074	1,012
Public Health	154	146	-	-	154	146
Community Development	964	870	-	-	964	870
Interest	1,571	1,590	-	-	1,571	1,590
Water	-	-	5,254	5,276	5,254	5,276
Sewer	-	-	2,147	2,408	2,147	2,408
Parking	-	-	417	410	417	410
Total Expenses	<u>\$26,049</u>	<u>\$28,505</u>	<u>\$ 7,818</u>	<u>\$ 8,094</u>	<u>\$33,867</u>	<u>\$36,599</u>
Changes in Net Assets	279	(849)	992	1,906	1,271	1,057
Net Assets January 1	10,840	11,689	35,652	33,746	46,492	45,435
Net Assets December 31	<u>\$11,119</u>	<u>\$10,840</u>	<u>\$36,644</u>	<u>\$35,652</u>	<u>\$47,763</u>	<u>\$46,492</u>

Other than the decrease in capital grants in 2004, the composition of the Village's governmental revenues is about the same as in 2003.

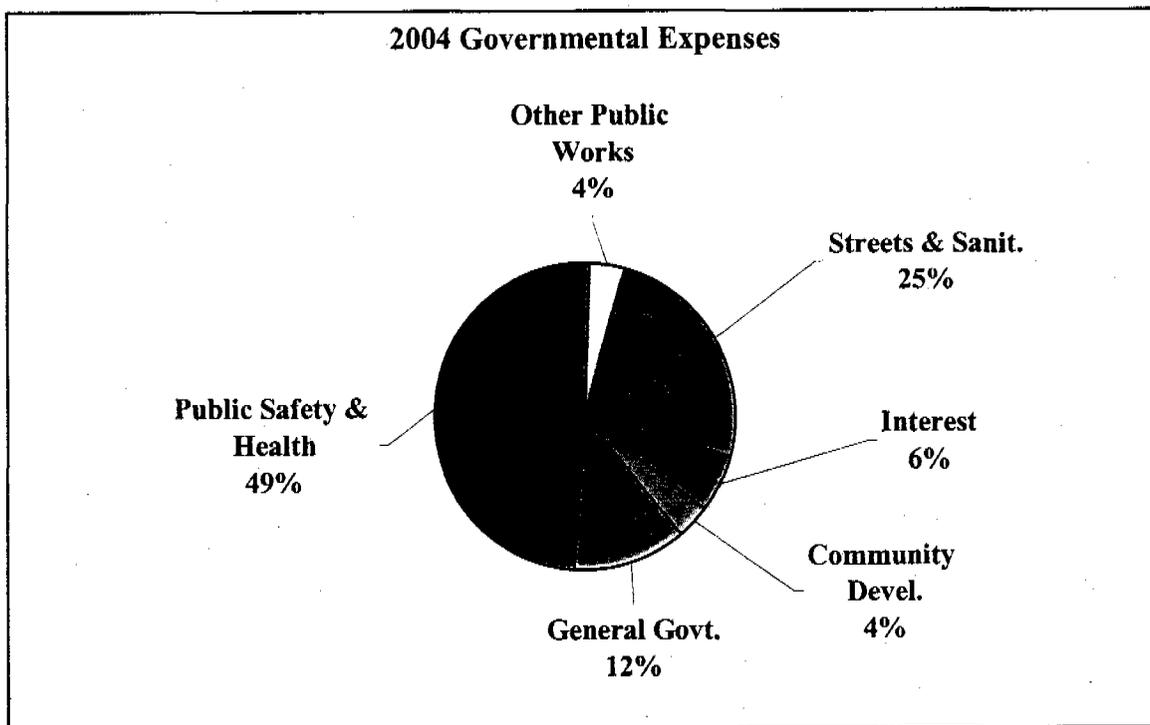


For governmental activities, program revenues covered approximately 19.8% of expenses. This is less than in 2003 when the ratio was 24.6% due to the aforementioned capital grant for the commuter parking lot. In both years, only Community Development program revenues were sufficient to cover all expenses. All other categories are substantially subsidized by general revenues.



Governmental expenses. Due to the union contracts that were in place in 2004 along with expected growth in pension contributions and health care costs, the Village expected growth in personnel expenses of about 5.5% and an overall operating expense growth of about 4%. Year to year comparisons of individual categories will also fluctuate due to the level of capital expenses.

In 2003 the Village adopted Section 105 Plans for its employees that provide a medical reimbursement bank for qualified retirees based upon their years of service and unused sick leave. This change produced a \$2,121 expense in 2003 (to record the initial liability) and skews comparisons to 2004 (where the increase in the liability for compensated absences is \$339). This aspect will also be noted as the governmental expenses are discussed below.



Total governmental expenses decreased \$2,457 in 2004. As noted above, a \$2,121 decrease is the result of implementing a termination benefit for unused sick leave in 2003. Additionally, capital expenses were \$1,376 less in 2004. Much of this decrease is related to the completion of street lighting improvements in 2003 (the final year of a four year program) that were not subject to the Village's capitalization guidelines.

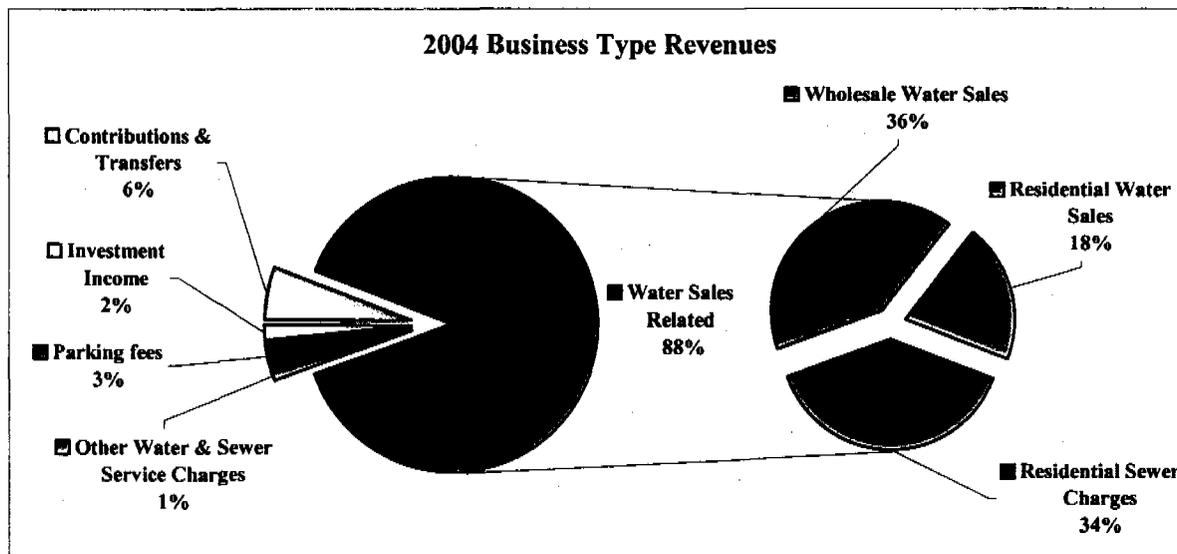
Public safety and health represent nearly half of the Village's governmental expenses. Overall, this category decreased \$535 in 2004. A decrease in compensated absences related to the new Section 105 Plans account for \$1,176. Aside from this, public safety and health increased about 4.8% from 2003 which was in line with expectations.

Streets and sanitation decreased \$1,678 in 2004. Capital items (primarily the aforementioned street lighting expenses) account for a decrease of \$1,243 from 2003 and the Section 105 program accounts for another \$435. Savings from employee turnover along with a mild winter kept the remaining 2004 expenses in line with 2003 spending levels.

Fiscal year 2004 general government expenses decreased \$379 from 2003. The Section 105 program accounts for \$201 of this decrease and \$366 is due to a reduction of one-time capital expenses from 2003. Legal fees increased \$73 due to the arbitration sessions for the Fire Union collective bargaining agreement and for outside attorney fees related to the Mallinckrodt redevelopment project. The remaining net increase of \$115 reflects a 4.4% increase in the other expenses in this category, which is in line with expectations.

The \$94 (10.8%) increase in community development expenses reflect \$36 in non-recurring business development consulting studies. The remaining increase is consistent with growth expectations. The \$61 growth in the other public works category is skewed by a \$30 increase pertaining to Section 105 compensated absences. Remaining growth is in line with expectations.

Business Type Activities



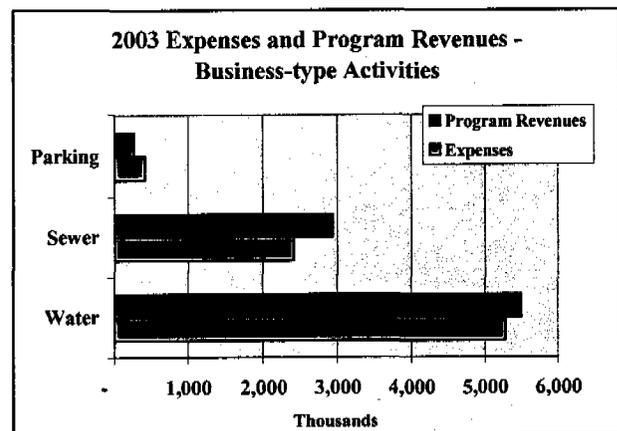
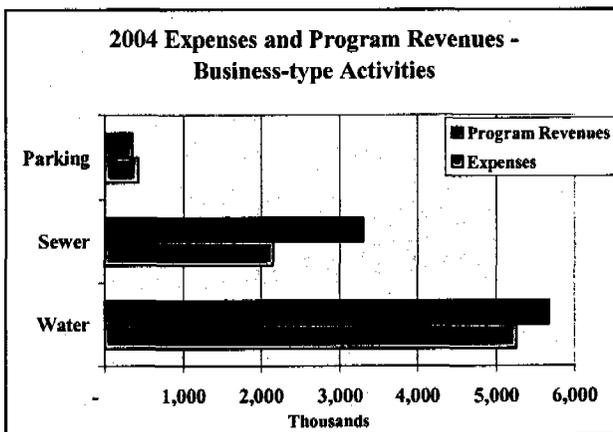
Charges for services totaling \$8,886,273 represent 92% of total business-type activity revenues with contributions and transfers accounting for 6% and investment earnings the remaining 2%. Water sales provide 88% of this amount. Total service charge revenues and the water and sewer rates in effect for 2003 and 2004 are shown as follows:

Village of Wilmette, Illinois
 Management's Discussion and Analysis, (Continued)

	<u>2004</u>	<u>2003</u>	<u>% Change</u>
Wholesale Water Sales	\$ 3,508,404	\$ 3,600,786	(2.6%)
Residential Water Sales	1,714,562	1,715,073	0.0 %
Residential Sewer Charges	3,296,314	2,934,633	12.3 %
Other water & Sewer revenues	110,758	134,787	(17.8%)
Parking fees	256,235	260,831	(1.8%)
	<u>\$ 8,886,273</u>	<u>\$ 8,646,110</u>	<u>2.8 %</u>

Wholesale Water Rate	\$.783 / ccf	\$.783 / ccf	0.0 %
Residential Water Rate	\$ 1.17 / ccf	\$ 1.10 / ccf	6.4 %
Residential Sewer Rate	\$ 2.28 / ccf	\$ 1.90 / ccf	20.0 %

The Village's wholesale water rate is set by contract and is recalculated every other year. Other rates are determined by the Village Board of Trustees. If activity volumes were similar from year to year, the expectation would be that revenue would grow in line with rate changes. The weather in 2004 produced lower water sales volume, therefore the 2004 residential water sales and sewer charges are somewhat below the change in the respective rates for these two revenues. Wholesale water sales volume has grown due to the population growth of the Village of Glenview (our primary wholesale customer). Due to this growth, wholesale water sales were not as impacted by the weather conditions.



As expected, program revenues exceed expenses in the Water and Sewer Funds. The Parking Meter Fund is annually subsidized by a transfer of cell tower lease revenues from the General Fund in order to meet all of its expenses.

Village of Wilmette, Illinois
 Management's Discussion and Analysis, (Continued)

Water expenses decreased \$22 in 2004. A \$159 decrease is related to the implementation of the Section 105 Plan in 2003. Net of this the increase of \$137 reflects a 2.7% growth over 2003. This is as expected since a number of expense categories will decrease in conjunction with the drop in water sales.

Sewer expenses decreased \$261 in comparison with 2003. Extensive emergency sewer repairs and non-recurring sewer flow monitoring that occurred in 2003 were not needed in 2004. This represents \$180 of the decrease. Another \$65 decrease is related to non-recurring capital expense in the Sewer Fund. Interest expense decreased by \$40 as the Sewer Fund did not increase its outstanding debt until the last month of the fiscal year (thus, principal balances in effect throughout 2004 were lower than in 2003). The remaining expense fluctuation is in line with expectations. The 1.7% growth in the Parking Meter Fund's expenses is also as expected.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Table 3: General Fund Budgetary Highlights - I

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Budgetary Basis</u>	<u>GAAP Adjust- ments</u>	<u>Actual GAAP Basis</u>
Revenues	\$ 21,872	\$ 21,872	\$ 21,943	13	21,956
Expenditures	23,386	23,386	22,668	(46)	22,622
Excess (Deficiency) of Revenues over Expenditures	\$ (1,514)	\$ (1,514)	\$ (725)		\$ (666)
Other Financing Sources (Uses)	\$ 640	\$ 640	\$ 662	315	977
Net Changes in Fund Balance	<u>\$ (874)</u>	<u>\$ (874)</u>	<u>\$ (63)</u>		<u>\$ 311</u>

General Fund revenues were \$71 (.3%) greater than the 2004 budget. This small variance is mainly attributed to the net of (1) permit fees and licenses at \$267 more than budget; (2) interest earnings at \$65 below budget; (3) overall service charges at \$70 below budget; (4) overall taxes at \$38 less than budget; and (5) cellular lease revenue at \$22 less than budget and the inability to sell the Village's 2004 private activity volume cap resulting in a \$31 negative budget variance.

This is the third consecutive year that permit revenues have exceeded the budget. This positive variance continues to be a function of the high property values in Wilmette and the significant improvements that our residents continue to make to their properties. The negative variance in interest earnings is a function of lower than expected interest rates in effect in 2004.

The negative variance in service charges is primarily attributable to ambulance transport charges (\$41 below budget) and property damage reimbursements (\$23 below budget). The Village did not begin to bill "mutual aid" (service calls to neighboring communities) ambulance transports until 2004. This resulted in fewer billed transports than were anticipated in setting the budget. Most property damage occurs during winter months due to slippery driving conditions. A mild winter reduced these accidents thus reducing the reimbursements.

A failed referendum to increase the real estate transfer tax rate should have resulted in this tax being \$350 below budget. However, this revenue ended the year at only \$30 below budget due to higher property values and the demand for Wilmette properties. Collection delays by Cook County resulted in property taxes being \$43 below budget. This should reverse itself and produce a positive variance in 2005. The aforementioned mild winter and a generally cooler summer produced a \$47 negative variance in utility tax revenue. The \$36 positive variance in the State income tax is attributed to a change in the State's distribution method.

A portion of the State personal property replacement tax is allocated to municipalities on a per capita basis. This tax is primarily paid by Illinois corporations and the increase in distributions in 2004 reflects a slight improvement in the corporate economy (note that the overall Illinois economy is still below fiscal year 2000 levels). This produced a \$27 positive variance for the Village. An increase in cellular phones produced a \$28 positive variance in the wireless 911 tax while lower than projected land lines resulted in a negative \$12 variance in the E-911 surcharge.

Cellular lease revenues have been erratic over the years as mergers among telecommunications companies have resulted in collection delays and penalties. The 2004 budget was set too high as a result of significant collections of "back owed" rents in 2003. The inability to sell the Village's private activity bond allocation is reflective of the general downturn in the Illinois economy since 2000.

The 2004 General Fund expenditure budget amounts represent the total appropriations. However in developing the cash flow projections savings are factored into certain expenditure categories that historically do not spend 100% of their appropriations. Additionally, due to ongoing contract negotiations, some expenditure budgets are based on existing contracts but the cash flow projections allow for the expected increases from contract settlements. The following table reflects the original 2004 budget broken down by category of expense, the expected actual amounts that were originally projected from that budget, and "true" variances that the actual expenditure amounts actually produced.

Table 4: General Fund Budgetary Highlights - II

	<u>Original Budget</u>	<u>Budgeted Expected Actual</u>	<u>Actual Budgetary Basis</u>	<u>Variance from Expected Actual</u>
Personnel	\$ 15,463	\$ 15,520	\$ 15,923	\$ (403)
Refuse	1,972	1,972	1,945	27
Other Recurring	3,826	3,710	3,684	26
Capital Outlay	1,358	1,358	995	363
Other Nonrecurring	783	283	259	24
	<u>\$ 23,402</u>	<u>\$ 22,843</u>	<u>\$ 22,806</u>	<u>\$ 37</u>

Personnel expenditures were significantly in excess of expectations. The required contributions to the Village's Police and Firefighters' Pension Funds accounted for \$253 of this variance while contributions to the Illinois Municipal Retirement Fund account for another \$43. These are all defined benefit pension plans and the increased cost is the result of poor investment performance over the past few years along with legislative enhancements to the police and fire pensions. Fire Department overtime accounts for another \$40 of the variance and the remainder is the result of lower than average employee turnover in police and fire.

Approximately \$126 in savings in the capital outlay category resulted from a decision to reduce expenditures in the Village's annual curb and sidewalk replacement programs as well as the street and alley maintenance program following the defeat of the referendum to increase the real estate transfer tax rate. Another \$197 resulted from deferring items to the 2005 budget. This included the replacement of an ambulance, the installation of Phase II Wireless 911 equipment, an additional squad car video camera, and certain Village Hall facility equipment replacements. The remaining \$40 savings is attributed to general cost savings throughout the other capital items in the 2004 budget.

Savings in landfill costs (for both general refuse and yard waste) resulted in the positive variance in the refuse program. A business consulting study of the Greenbay Road corridor (the largest commercial north-south thoroughfare in Wilmette) was not completed in 2004. The savings in other nonrecurring expenses is reflective of this deferral to 2005. Total expense savings of less than 1% throughout the General Fund budget produced the expenditure variance in other recurring items.

CAPITAL ASSETS

The Village's investment in capital assets for its Government and Business-Type Activities as of December 31, 2004 amounts to \$105,583. The investment in capital assets includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a net increase of \$5,533 (reflecting additions, disposals and depreciation). Detailed information

regarding the change in capital assets for Government and Business-Type Activities is included in the Notes to the Financial Statements on pages 26-28.

The Governmental Activities net capital assets increased from last year by \$3,854. This is primarily the result of expenditures for street improvements and building improvements from the 2002 general obligation bond issue. Business-Type Activities net capital assets increased by \$1,678. This is mostly from water and sewer main improvements that are taking place in conjunction with the aforementioned street improvements. These improvements are being financed from the 2002 and 2004 bond issues. Additionally about \$378 is from the expansion of the Village's water plant (paid by the Village of Glenview).

DEBT OUTSTANDING

The Village currently has five general obligation bond issues and four loans from the Environmental Protection Agency outstanding. The following table summarizes the Village's long-term debt outstanding (excluding unamortized bond discount and loss on refunding and compensated absences).

Table 5: Bonded and Similar Indebtedness

	Outstanding at December 31, <u>2003</u>	Issued <u>in 2004</u>	Retired <u>in 2004</u>	Outstanding at December 31, <u>2004</u>
General Obligation Bonds	57,340	17,525	(13,555)	61,310
E.P.A. Loans	21,492	-	(1,586)	19,906
Installment Contracts	281	315	(12)	584
Totals	<u>79,113</u>	<u>17,840</u>	<u>(15,153)</u>	<u>81,800</u>
Governmental Activities	34,611	9,615	(10,052)	34,174
Business-Type Activities	44,502	8,225	(5,101)	47,626
Totals	<u>79,113</u>	<u>17,840</u>	<u>(15,153)</u>	<u>81,800</u>

The \$17,525 in general obligation bonds issued in 2004 refinanced five bond issues (fully retiring three of the issues). The refinancing will result in expense savings totaling \$583 through FY 2020. With this 2004 refunding, an additional \$5,112 in new money was issued to further finance planned water and sewer improvements over the next several years.

The additional \$315 in installment contract debt pertains to the continuing assistance that the Village is providing to the Wilmette Historical Society for a building addition to the Village's Museum. The Society is financing 100% of the cost of this project through their own donations and an Illinois State Grant. The installment contract is to provide the Society with cash flow through the construction. All debt service for this is being repaid by the Society. Debt

retirements resulting from the refinancing totaled \$12,090. The remaining retired debt in 2004 was expected per the required amortization schedules.

The Village, under its home rule authority, does not have a legal debt limit. With the 2004 Series Bond Issue, the Village's Aaa bond rating was reaffirmed by Moody's Investors Service citing the Village's well-managed financial operations, moderate debt burden and high property values. The Village does not anticipate issuing further debt until at least 2006.

Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 30-40.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

As property values continue to grow well in excess of inflation and residents continue to add to property values through additions and remodeling, the Village's property tax base should remain quite strong. The unemployment rate in Wilmette is also expected to continue to be well below national and statewide averages.

The Illinois economy has declined in recent years and the Village is not anticipating a significant change to this in 2005. The Village will primarily feel this impact in the state-shared income tax. Sales tax continues to lag expenditure growth and this is expected to also continue into 2005. Increases in real estate taxes and services charges will likely be used to make up for this gap.

In January 2005, a Ford dealership closed in Wilmette and later in 2005 the property currently occupied by the Kohl's Children's museum will be vacated. While these two departures represent a short term loss to the Village, this will allow for two relatively large developments along the Greenbay Road corridor. A great deal of interest has already been shown for both of these properties.

The greatest impact on expenses will be from the increasing costs of health insurance (due to the nationwide increases in health care expense) and from pension contributions (due to legislation that enhances defined benefits as well as poor investment performance in recent years).

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Robert Amoruso, Finance Director, Village of Wilmette, 1200 Wilmette Avenue, Wilmette, Illinois 60091.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2004

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 1,622,907	\$ 5,456,662	\$ 7,079,569
Receivables, net of allowance where applicable			
Property taxes	10,699,729	-	10,699,729
Sales taxes	774,600	-	774,600
Utility taxes	119,734	-	119,734
Accounts	715,290	1,262,608	1,977,898
Prepaid expenses	62,605	980	63,585
Inventory	-	90,118	90,118
Note receivable	535,565	-	535,565
Due from other governments	712,106	-	712,106
Due from (to) other funds	3,637,852	(3,637,852)	-
Due from fiduciary funds	34,742	-	34,742
Deposits	375,519	-	375,519
Other assets	87,951	-	87,951
Restricted assets			
Cash and cash equivalents	9,417,901	8,800,583	18,218,484
Net pension asset	387,161	-	387,161
Capital assets			
Not being depreciated	4,374,018	8,400,118	12,774,136
Depreciated, net of accumulated depreciation	27,555,466	65,253,104	92,808,570
Total assets	61,113,146	85,626,321	146,739,467
LIABILITIES			
Accounts payable	1,460,469	932,186	2,392,655
Accrued wages and benefits	475,194	87,229	562,423
Accrued interest payable	118,859	183,203	302,062
Deposits	329,648	2,055	331,703
Deferred property taxes	10,326,577	-	10,326,577
Other deferred revenue	194,442	-	194,442
Other deferred credits	1,235	-	1,235
Noncurrent liabilities			
Due within one year	1,152,523	2,183,862	3,336,385
Due in more than one year	35,935,338	45,593,473	81,528,811
Total liabilities	49,994,285	48,982,008	98,976,293
NET ASSETS			
Invested in capital assets, net of related debt	7,343,577	35,127,266	42,470,843
Restricted for			
Highways and streets	1,104,715	-	1,104,715
Debt service	49,334	-	49,334
Unrestricted	2,621,235	1,517,047	4,138,282
TOTAL NET ASSETS	\$ 11,118,861	\$ 36,644,313	\$ 47,763,174

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2004

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS/PROGRAMS				
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 3,195,919	\$ 234,736	\$ -	\$ -
Public safety	12,681,422	1,430,121	83,666	-
Streets and sanitation	6,408,770	1,301,785	793,024	108,160
Other public works	1,073,884	25,547	-	-
Public health	154,543	11,589	-	-
Community development	964,234	1,173,237	4,868	-
Interest	1,570,605	-	-	-
Total governmental activities	26,049,377	4,177,015	881,558	108,160
Business-type activities				
Water	5,253,705	5,333,624	-	340,336
Sewer	2,146,754	3,296,414	-	-
Parking	417,245	256,235	-	86,377
Total business-type activities	7,817,704	8,886,273	-	426,713
TOTAL PRIMARY GOVERNMENT	\$ 33,867,081	\$ 13,063,288	\$ 881,558	\$ 534,873

Net (Expense) Revenue and Change in Net Assets			
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (2,961,183)	\$ -	\$ (2,961,183)	
(11,167,635)	-	(11,167,635)	
(4,205,801)	-	(4,205,801)	
(1,048,337)	-	(1,048,337)	
(142,954)	-	(142,954)	
213,871	-	213,871	
(1,570,605)	-	(1,570,605)	
(20,882,644)	-	(20,882,644)	
-	420,255	420,255	
-	1,149,660	1,149,660	
-	(74,633)	(74,633)	
-	1,495,282	1,495,282	
(20,882,644)	1,495,282	(19,387,362)	
General revenues			
Taxes			
Property	9,418,575	-	9,418,575
Sales	3,356,036	-	3,356,036
Income	1,757,291	-	1,757,291
Utility	2,707,925	-	2,707,925
Real estate transfer	1,447,829	-	1,447,829
Other	599,239	-	599,239
Investment income	220,809	158,554	379,363
Miscellaneous	483,499	-	483,499
Gain (loss) on disposal of capital assets	30,500	-	30,500
Transfers in (out)	661,947	(661,947)	-
Contributions	478,190	-	478,190
Total	21,161,840	(503,393)	20,658,447
CHANGE IN NET ASSETS	279,196	991,889	1,271,085
NET ASSETS, JANUARY 1	10,839,665	35,652,424	46,492,089
NET ASSETS, DECEMBER 31	\$ 11,118,861	\$ 36,644,313	\$ 47,763,174

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2004

	General Corporate	2002 General Obligation Bond	Nonmajor Governmental	Total
ASSETS				
Cash and cash equivalents	\$ 542,525	\$ -	\$ 1,050,951	\$ 1,593,476
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	8,206,562	-	2,493,167	10,699,729
Sales taxes	774,600	-	-	774,600
Utility taxes	119,734	-	-	119,734
Accounts	711,607	-	-	711,607
Due from other funds	3,712,389	-	-	3,712,389
Due from other governments	535,839	108,160	68,107	712,106
Note receivable	535,565	-	-	535,565
Deposits	375,519	-	-	375,519
Other assets	87,951	-	-	87,951
Restricted assets				
Cash and cash equivalents	219,247	9,198,654	-	9,417,901
Prepaid items	62,605	-	-	62,605
TOTAL ASSETS	\$ 15,884,143	\$ 9,306,814	\$ 3,612,225	\$ 28,803,182
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,115,875	\$ 328,844	\$ 10,315	\$ 1,455,034
Accrued wages and benefits	475,194	-	-	475,194
Due to other funds	-	-	37,347	37,347
Deposits	329,648	-	-	329,648
Deferred property taxes	7,918,775	-	2,407,802	10,326,577
Deferred revenues	170,446	-	-	170,446
Other deferred credits	375,519	-	-	375,519
Total liabilities	10,385,457	328,844	2,455,464	13,169,765
FUND BALANCES				
Reserved for note receivable	535,565	-	-	535,565
Reserved for prepaid items	62,605	-	-	62,605
Reserved for debt service	-	-	49,334	49,334
Reserved for encumbrances	153,504	-	-	153,504
Reserved for highways and streets	-	-	1,104,715	1,104,715
Reserved for cable TV expenditures	19,489	-	-	19,489
Reserved for capital outlay	-	8,977,970	-	8,977,970
Unreserved				
Designated for Clampitt estate	126,499	-	-	126,499
Designated for infrastructure maintenance fee escrow	92,748	-	-	92,748
Designated for Section 105 Plan	153,441	-	-	153,441
Undesignated for General Fund	4,354,835	-	-	4,354,835
Undesignated for Special Revenue Funds	-	-	2,712	2,712
Total fund balances	5,498,686	8,977,970	1,156,761	15,633,417
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,884,143	\$ 9,306,814	\$ 3,612,225	\$ 28,803,182

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

December 31, 2004

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 15,633,417
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	31,929,484
Certain revenues that are deferred in the governmental funds are available revenues in the statement of net assets	375,519
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	387,161
Interest payable is not due and payable in the current period and therefore, not reported in the governmental funds	(118,859)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds	
Bonds payable	(33,590,000)
Unamortized loss on refunding	234,407
Installment contracts payable	(583,968)
Compensated absences payable	<u>(3,148,300)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 11,118,861</u>

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2004

	General Corporate	2002 General Obligation Bond	Nonmajor Governmental	Total
REVENUES				
Property taxes	\$ 7,262,453	\$ -	\$ 2,156,122	\$ 9,418,575
Real estate transfer taxes	1,447,829	-	-	1,447,829
Utility taxes	2,707,925	-	-	2,707,925
E-911 surcharge	315,467	-	-	315,467
Licenses, permits, and fees	2,172,187	-	-	2,172,187
Intergovernmental shared taxes				
Sales	3,356,036	-	-	3,356,036
Income	1,757,291	-	-	1,757,291
Personal property replacement	167,897	-	-	167,897
Wireless 911	113,428	-	-	113,428
Motor fuel	-	-	789,158	789,158
Auto lease tax	2,447	-	-	2,447
Other intergovernmental revenue	92,400	108,160	-	200,560
Charges for services	1,640,957	-	-	1,640,957
Fines	363,871	-	-	363,871
Investment income	41,459	187,205	32,101	260,765
Miscellaneous	513,999	-	-	513,999
Total revenues	21,955,646	295,365	2,977,381	25,228,392
EXPENDITURES				
Current				
General government	2,934,612	-	-	2,934,612
Public safety	12,272,889	-	-	12,272,889
Streets and sanitation	4,857,268	-	-	4,857,268
Other public works	1,043,884	-	-	1,043,884
Public health	154,543	-	-	154,543
Community development	964,234	-	-	964,234
Capital outlay	389,063	4,139,073	775,257	5,303,393
Debt service				
Principal retirement	5,000	-	1,005,000	1,010,000
Bond issuance costs	-	-	30,593	30,593
Interest and fiscal charges	-	400,000	1,150,782	1,550,782
Total expenditures	22,621,493	4,539,073	2,961,632	30,122,198
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(665,847)	(4,243,708)	15,749	(4,893,806)
OTHER FINANCING SOURCES (USES)				
Installment contract issuances	314,979	-	-	314,979
Refunding bonds issued	-	-	9,300,000	9,300,000
Payment to refunded bond escrow agent	-	-	(9,269,407)	(9,269,407)
Transfers in	800,000	-	-	800,000
Transfers (out)	(138,053)	-	-	(138,053)
Total other financing sources (uses)	976,926	-	30,593	1,007,519
NET CHANGE IN FUND BALANCES	311,079	(4,243,708)	46,342	(3,886,287)
FUND BALANCES, JANUARY 1	5,187,607	13,221,678	1,110,419	19,519,704
FUND BALANCES, DECEMBER 31	\$ 5,498,686	\$ 8,977,970	\$ 1,156,761	\$ 15,633,417

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2004

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (3,886,287)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	5,219,788
Certain revenues are not available in the governmental funds but are reported as revenues in the statement of activities	438,234
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	7,984
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	
Bonds proceeds	(9,300,000)
Payment to escrow agent	9,269,407
Installment contract proceeds	(314,979)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Bonds payable	1,005,000
Installment contracts payable	12,244
Bond issuance costs	30,593
Accrued interest payable	(19,824)
Depreciation in the statement of activities does not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(1,843,664)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Increase in compensated absences	<u>(339,300)</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 279,196</u>

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

December 31, 2004

	Business-Type Activities			Total	Governmental
	Water	Sewer	Nonmajor Enterprise		Internal Service
CURRENT ASSETS					
Cash and cash equivalents	\$ 2,883,600	\$ 2,127,216	\$ 445,846	\$ 5,456,662	\$ 29,431
Receivables					
Accounts - billed	373,478	286,365	2,765	662,608	3,683
Accounts - unbilled	205,000	395,000	-	600,000	-
Due from other funds	-	308,044	-	308,044	-
Inventory	90,118	-	-	90,118	-
Prepaid expenses	980	-	-	980	-
Restricted assets					
Capital improvements reserve					
Cash and cash equivalents	6,494,041	2,306,542	-	8,800,583	-
Total current assets	10,047,217	5,423,167	448,611	15,918,995	33,114
CAPITAL ASSETS					
Not being depreciated	7,663,226	77,788	659,104	8,400,118	-
Depreciated	33,236,920	46,594,909	4,951,176	84,783,005	-
Accumulated depreciation	(10,644,222)	(8,185,912)	(699,767)	(19,529,901)	-
Net capital assets	30,255,924	38,486,785	4,910,513	73,653,222	-
Total assets	40,303,141	43,909,952	5,359,124	89,572,217	33,114
CURRENT LIABILITIES					
Accounts payable	521,829	397,113	13,244	932,186	29,431
Accrued wages and benefits	71,240	12,630	3,359	87,229	-
Accrued interest payable	84,889	96,287	2,027	183,203	-
Due to other funds	2,111,927	1,833,969	-	3,945,896	2,448
Customers' deposits	2,055	-	-	2,055	-
Deferred revenue	-	-	-	-	1,235
Environmental Protection Agency loans payable - current	-	1,638,862	-	1,638,862	-
General obligation bonds payable - current	385,000	45,000	115,000	545,000	-
Total current liabilities	3,176,940	4,023,861	133,630	7,334,431	33,114
LONG-TERM LIABILITIES					
Compensated absences payable	284,700	16,300	-	301,000	-
Environmental Protection Agency loans payable	-	18,267,269	-	18,267,269	-
General obligation bonds payable, net of unamortized discount	21,645,154	4,715,000	665,050	27,025,204	-
Total long-term liabilities	21,929,854	22,998,569	665,050	45,593,473	-
Total liabilities	25,106,794	27,022,430	798,680	52,927,904	33,114
NET ASSETS					
Invested in capital assets, net of related debt	14,864,657	16,127,196	4,135,413	35,127,266	-
Unrestricted	331,690	760,326	425,031	1,517,047	-
TOTAL NET ASSETS	\$ 15,196,347	\$ 16,887,522	\$ 4,560,444	\$ 36,644,313	\$ -

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
PROPRIETARY FUNDS

For the Year Ended December 31, 2004

	Business-Type Activities			Governmental
	Water	Sewer	Nonmajor Enterprise	Internal Service
OPERATING REVENUES				
Charges for services				
Billings	\$ 5,222,966	\$ 3,296,314	\$ -	\$ 8,519,280
Water permit fees	39,200	-	-	39,200
Water meters (net of cost of sales)	26,242	-	-	26,242
Parking fees	-	-	256,235	256,235
Internal services	-	-	-	4,029,674
Other	45,216	100	-	45,316
Total operating revenues	5,333,624	3,296,414	256,235	8,886,273
OPERATING EXPENSES				
Water plant operations	1,823,118	-	-	1,823,118
Distribution	731,288	-	-	731,288
Maintenance	290,197	699,372	246,145	1,235,714
General	163,829	-	-	163,829
Administration and miscellaneous	448,627	-	-	448,627
Depreciation	655,864	661,924	126,180	1,443,968
Total operating expenses	4,112,923	1,361,296	372,325	5,846,544
OPERATING INCOME (LOSS)	1,220,701	1,935,118	(116,090)	3,039,729
NONOPERATING REVENUES (EXPENSES)				
Interest expense	(1,140,782)	(785,458)	(44,920)	(1,971,160)
Investment income	145,923	12,631	-	158,554
Total nonoperating revenues (expenses)	(994,859)	(772,827)	(44,920)	(1,812,606)
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	225,842	1,162,291	(161,010)	1,227,123
TRANSFERS IN (OUT)	(800,000)	-	138,053	(661,947)
CONTRIBUTIONS	340,336	-	86,377	426,713
CHANGE IN NET ASSETS	(233,822)	1,162,291	63,420	991,889
NET ASSETS, JANUARY 1	15,430,169	15,725,231	4,497,024	35,652,424
NET ASSETS, DECEMBER 31	\$ 15,196,347	\$ 16,887,522	\$ 4,560,444	\$ 36,644,313

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended December 31, 2004

	Business-Type Activities			Total Enterprise	Governmental
	Water	Sewer	Nonmajor Enterprise		Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 5,435,017	\$ 3,453,224	\$ 255,751	\$ 9,143,992	\$ -
Receipts from interfund services	-	-	-	-	3,922,368
Receipts from miscellaneous revenues	45,216	-	-	45,216	-
Payments to suppliers	(1,011,537)	(350,064)	(138,883)	(1,500,484)	(3,366,602)
Payments to employees	(1,628,100)	(313,405)	(85,959)	(2,027,464)	(528,444)
Payments for interfund services	(485,175)	(103,803)	(28,720)	(617,698)	(111,961)
Net cash from operating activities	2,355,421	2,685,952	2,189	5,043,562	(84,639)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund transfers	(800,000)	-	138,053	(661,947)	-
Change in interfund activity	2,167,734	707,963	-	2,875,697	2,448
Net cash from noncapital financing activities	1,367,734	707,963	138,053	2,213,750	2,448
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(1,310,287)	(1,024,671)	-	(2,334,958)	-
New bond proceeds	4,640,000	2,800,000	785,000	8,225,000	-
Principal paid on long-term debt	(340,000)	(1,606,127)	(100,000)	(2,046,127)	-
Principal paid on long-term debt refunded	(2,275,000)	-	(780,000)	(3,055,000)	-
Interest paid on long-term debt	(1,098,519)	(781,838)	(48,447)	(1,928,804)	-
Accrued interest received	3,573	2,156	604	6,333	-
Paying agents' fees	(3,180)	-	-	(3,180)	-
Net cash from capital and related financing activities	(383,413)	(610,480)	(142,843)	(1,136,736)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Sale/maturity of investments	2,750,000	-	-	2,750,000	-
Interest	207,503	12,631	-	220,134	-
Net cash from investing activities	2,957,503	12,631	-	2,970,134	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,297,245	2,796,066	(2,601)	9,090,710	(82,191)
CASH AND CASH EQUIVALENTS, JANUARY 1	3,080,396	1,637,692	448,447	5,166,535	111,622
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 9,377,641	\$ 4,433,758	\$ 445,846	\$ 14,257,245	\$ 29,431

(This statement is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS
STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2004

	Business-Type Activities			Total	Governmental Activities
	Water	Sewer	Nonmajor Enterprise		Internal Service
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ 1,220,701	\$ 1,935,118	\$ (116,090)	\$ 3,039,729	\$ -
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	655,864	661,924	126,180	1,443,968	-
Changes in assets and liabilities					
Receivables	146,609	156,810	(485)	302,934	(3,683)
Inventories	(10,627)	-	-	(10,627)	-
Prepaid expenses	20,940	4,298	1,087	26,325	-
Deposits	(210)	-	-	(210)	-
Accounts payable	297,552	(78,052)	(8,123)	211,377	22,667
Accrued payroll and compensated absences	24,592	5,854	(380)	30,066	-
Deferred revenue	-	-	-	-	(103,623)
NET CASH FROM OPERATING ACTIVITIES	\$ 2,355,421	\$ 2,685,952	\$ 2,189	\$ 5,043,562	\$ (84,639)
CASH AND CASH EQUIVALENTS					
Unrestricted	\$ 2,883,600	\$ 2,127,216	\$ 445,846	\$ 5,456,662	\$ 29,431
Restricted	6,494,041	2,306,542	-	8,800,583	-
TOTAL CASH AND CASH EQUIVALENTS	\$ 9,377,641	\$ 4,433,758	\$ 445,846	\$ 14,257,245	\$ 29,431
NONCASH TRANSACTIONS					
Contribution of capital assets	\$ 340,336	\$ -	\$ 86,377	\$ 426,713	\$ -

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

December 31, 2004

	Pension Trust	Agency
ASSETS		
Cash and cash equivalents	\$ 4,796,056	\$ 136,180
Investments		
U.S. Government and agency obligations	14,488,400	290,955
Mutual funds	29,859,471	-
Receivables (net, where applicable, of allowances for uncollectibles)		
Accrued interest	239,439	-
Total assets	49,383,366	427,135
LIABILITIES		
Accounts payable	14,649	-
Deposits payable	-	427,135
Due to other funds	34,742	-
Total liabilities	49,391	427,135
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 49,333,975	\$ -

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

For the Year Ended December 31, 2004

ADDITIONS

Contributions

Employer - General Fund	\$ 1,592,650
Plan members	<u>633,314</u>

Total contributions	<u>2,225,964</u>
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Investment income

Net appreciation in fair value of investments	2,142,584
Interest earned	<u>1,224,361</u>

Total investment income	3,366,945
Less investment expenses	<u>(79,858)</u>

Net investment income	<u>3,287,087</u>
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Total additions	<u>5,513,051</u>
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DEDUCTIONS

Pension benefits and refunds	3,003,218
Other	<u>17,829</u>

Total deductions	<u>3,021,047</u>
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NET INCREASE	2,492,004
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NET ASSETS HELD IN TRUST FOR
PENSION BENEFITS

January 1	<u>46,841,971</u>
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December 31	<u><u>\$ 49,333,975</u></u>
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See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

December 31, 2004

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Wilmette, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by an elected seven-member board. As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units.

The Village's financial statements include the following pension trust funds:

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board consisting of two members appointed by the Village's President, one elected pension beneficiary, and two elected police employees. The Village and PPERS participants are obligated to fund all 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 possesses many of the characteristics of a legally separate government, the PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities. The PPERS is reported as a pension trust fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

Firefighters' Pension Employees Retirement System

The Village's firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a nine-member pension board consisting of the Village's President, Treasurer, Clerk, Attorney, and Fire Chief; one elected pension beneficiary; and three elected fire employees. The Village and FPERS participants are obligated to fund all 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 possesses many of the characteristics of a legally separate government, the FPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's firefighters and because of the fiduciary nature of such activities. The FPERS is reported as a pension trust fund.

Joint Venture

Solid Waste Agency of Northern Cook County (SWANCC)

The Village is a participant with twenty-two other municipalities in a joint venture. SWANCC is a municipal corporation empowered to plan, finance, construct, and operate a solid waste disposal system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of SWANCC beyond its representation on the Board of Directors. On dissolution of SWANCC, the net assets of SWANCC will be shared proportionately by its members. SWANCC is reported as a proprietary joint venture. SWANCC issues a separate financial report, which may be obtained by writing to Solid Waste Agency of Northern Cook County, 2700 Patriot Boulevard, Suite 110, Glenview, Illinois 60026.

b. Fund Accounting

The Village uses funds to report on its financial position, results of its operations, and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The General Corporate Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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 standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Corporate Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Series 2002 General Obligation Bond Fund is used to account for facility improvements at both fire stations and the village hall and the continuation of the Village's enhanced street resurfacing program.

The Village reports the following major proprietary funds:

The Water Fund accounts for the activities of the water operations. The Sewer Fund accounts for the activities of the sewer operations.

The Village reports the following proprietary fund type:

Internal Service Funds account for operations that provide services to other departments or agencies of the Village, or to other governments, on a cost-reimbursement basis. The Municipal Garage Fund accounts for the activity necessary to operate and maintain the Village's automotive fleet. User departments are charged a proportionate share determined by the number and types of vehicles in each department. The Employee Insurance Fund accounts for employer provided health and life insurance, employer flexible benefit contributions, and unemployment compensation. User departments are charged the expense incurred on behalf of their employees. The Workers' Compensation Fund accounts for the employer workers' compensation expense. User departments are charged a proportionate share of this expense determined by the personnel in each department. The Illinois Municipal Retirement Fund accounts for employer social security and Medicare contributions as well as employer pension contributions to the Illinois Municipal Retirement Fund (the statewide pension plan for the Village's full-time employees other than sworn police and fire personnel). User departments are charged the expense incurred on behalf of their employees.

The Village reports the following fiduciary funds:

The Village reports Pension Trust Funds as fiduciary funds to account for the Police Pension Fund and Firefighter's Pension Fund. The Village reports the Fire Insurance Tax agency fund as an agency fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days, except for sales tax and telecommunication tax which use 90 days. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible-to-accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

The Village reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" or "earned" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary fund types consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

f. Investments

Investments with a maturity of less than one year when purchased and non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of December 31, 2004 for debt and equity securities. Mutual funds, investment funds, and insurance separate accounts are valued at contract value as of December 31, 2004.

g. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

h. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories, if any, are recorded as expenditures when consumed rather than when purchased.

i. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

j. Restricted Assets

Certain proceeds of enterprise fund revenue bonds and capital projects fund general obligation bonds, as well as certain resources set aside for this repayment, are classified as restricted assets on the financial statements because their use is limited by applicable bond covenants. See the note on long-term debt for additional disclosures.

Restricted assets of governmental funds have been designated in unreserved fund balance.

VILLAGE OF WILMETTE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays, that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	75
Improvements other than buildings	20
Water system	20-100
Sewer system	25-75
Parking improvements	10-40
Machinery, equipment, and vehicles	3-20

l. Compensated Absences

Vested or accumulated vacation that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements and the remainder is reported in governmental activities. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. 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 financial statements. Bond premiums and discounts, as well as issuance costs (if material), are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 expenditures.

n. Fund Equity/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the book value of capital assets less any long-term debt principal outstanding that was issued to construct, purchase or otherwise acquire the capital asset.

o. Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services provided and used and reimbursements, are reported as transfers.

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. GASB Pronouncements

The Village has elected, under the provisions of GASB Statement 20, titled *“Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting,”* to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements for enterprise funds.

2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances/Net Assets of Individual Funds

No funds had a deficit in fund balance/net assets as of the date of this report.

3. 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 combined balance sheet 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. Cash on hand of \$1,850 has been excluded from the amounts shown below.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran’s loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts, mutual funds and equity securities.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund’s share price, the price for which the investment could be sold.

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits

At year end, the carrying amount of the Village's deposits totaled \$29,672,338 and the bank balances totaled \$30,474,513.

	<u>Bank Balance</u>
Category 1 Deposits covered by federal depository insurance or by collateral held by the Village, or its agent, in the Village's name.	\$30,474,513
Category 2 Deposits covered by collateral held by the pledging financial institution's trust department, or by its agent, in the Village's name.	-
Category 3 Deposits covered by collateral held by the pledging financial institution or its trust department, or its agent but not in the Village's name, and deposits which are uninsured and uncollateralized.	<u>-</u>
TOTAL DEPOSITS	<u>\$30,474,513</u>

For pension trust funds, the types of deposits authorized and the mix of credit risk categories do not differ significantly from the other funds of the Village.

b. Investments

The Village's investments are categorized to give an indication of the level of custodial risk assumed by the entity at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty in the Village's name, or held by any third party but not in the Village's name.

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments (Continued)

	Fair Value/Carrying Amount			Totals
	1	Category 2	3	
U.S. Treasuries	\$ 8,405,640	\$ -	\$ -	\$ 8,405,640
U.S. Agencies	6,373,716	-	-	6,373,716
	<u>\$ 14,779,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>14,779,356</u>
* Illinois Funds				151,401
* Money Market Mutual Funds				404,699
* Mutual Funds				<u>29,859,471</u>
TOTAL INVESTMENTS				<u>\$ 45,194,927</u>

* (Not subject to custodial risk categorization)

The pension trust funds own approximately 98 percent of the investments in Category 1.

4. RECEIVABLES - TAXES

Property taxes for 2004 attach as an enforceable lien on January 1, 2004 on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2005 and August 1, 2005 and are payable in two installments, on or about March 1, 2005 and September 1, 2005. The County collects such taxes and remits them periodically. Since the 2004 levy is intended to finance the 2005 fiscal year, the levy has been recorded as a receivable and deferred revenue.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2004 was as follows:

	Beginning Balance, January 1 Restated*	Additions	Retirements	Ending Balance December 31
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,570,240	\$ -	\$ -	\$ 1,570,240
Construction in progress	515,943	2,287,835	-	2,803,778
Total capital assets not being depreciated	<u>2,086,183</u>	<u>2,287,835</u>	<u>-</u>	<u>4,374,018</u>

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Beginning Balance, January 1 Restated*	Additions	Retirements	Ending Balance December 31
GOVERNMENTAL ACTIVITIES				
(Continued)				
Capital assets being depreciated				
Buildings	\$ 8,615,964	\$ 29,673	\$ -	\$ 8,645,637
Improvements other than buildings	21,822,847	3,004,147	-	24,826,994
Motor equipment	5,902,255	279,427	200,492	5,981,190
Office furniture and equipment	822,768	-	-	822,768
Other equipment	933,979	96,896	45,225	985,650
Total capital assets being depreciated	<u>38,097,813</u>	<u>3,410,143</u>	<u>245,717</u>	<u>41,262,239</u>
Less accumulated depreciation for				
Buildings	1,843,650	115,079	-	1,958,729
Improvements other than buildings	5,298,698	1,057,183	-	6,355,881
Motor equipment	4,036,873	518,777	200,492	4,355,158
Office furniture and equipment	421,875	73,022	-	494,897
Other equipment	507,730	79,603	45,225	542,108
Total accumulated depreciation	<u>12,108,826</u>	<u>1,843,664</u>	<u>245,717</u>	<u>13,706,773</u>
Total capital assets being depreciated, net	<u>25,988,987</u>	<u>1,566,479</u>	<u>-</u>	<u>27,555,466</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	<u>\$ 28,075,170</u>	<u>\$ 3,854,314</u>	<u>\$ -</u>	<u>\$ 31,929,484</u>

* The beginning balance of the capital assets has been restated by \$150,898 to reclassify the amount from buildings to construction in progress.

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 96,295
Streets and sanitation	1,353,563
Public safety - police	207,217
Public safety - fire	186,589
TOTAL	<u>\$ 1,843,664</u>

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Beginning Balance, January 1	Additions	Retirements	Ending Balance December 31
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 832,453	\$ -	\$ -	\$ 832,453
Landscaping	60,232	-	-	60,232
Construction in progress	6,390,299	1,522,874	405,740	7,507,433
Total capital assets not being depreciated	7,282,984	1,522,874	405,740	8,400,118
Capital assets being depreciated				
Water system improvements	21,673,152	497,406	-	22,170,558
Sewer system improvements	42,956,144	1,367,291	-	44,323,435
Storm water pump stations	2,271,475	-	-	2,271,475
Buildings	4,300,888	-	-	4,300,888
Machinery, equipment, and vehicles	6,717,890	54,084	6,500	6,765,474
Parking facilities/improvements	4,864,798	86,377	-	4,951,175
Total capital assets being depreciated	82,784,347	2,005,158	6,500	84,783,005
Less accumulated depreciation for				
Water system improvements	4,248,813	286,406	-	4,535,219
Sewer system improvements	6,834,703	661,924	-	7,496,627
Storm water pump stations	689,285	-	-	689,285
Buildings	2,825,487	91,217	-	2,916,704
Machinery, equipment, and vehicles	2,920,557	278,242	6,500	3,192,299
Parking facilities/improvements	573,587	126,180	-	699,767
Total accumulated depreciation	18,092,432	1,443,969	6,500	19,529,901
Total capital assets being depreciated, net	64,691,915	561,189	-	65,253,104
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 71,974,899	\$ 2,084,063	\$ 405,740	\$ 73,653,222

6. 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; injuries to employees; illnesses of employees; and natural disasters.

6. RISK MANAGEMENT (Continued)

a. Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is a public entity risk pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims, and public officials' liability claims on its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the General Corporate Fund and the Workers' Compensation Fund.

Risk of loss is transferred, except that each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representative on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the bylaws of IRMA and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure that adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member.

b. North Suburban Employee Benefit Cooperative (NSEBC)

The Village participates in the North Suburban Employee Benefit Cooperative (NSEBC). NSEBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasigovernmental, and nonprofit public service entities.

NSEBC acts as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member.

Management consists of a Board of Directors comprised of one appointed representative from each member.

6. RISK MANAGEMENT (Continued)

b. North Suburban Employee Benefit Cooperative (NSEBC) (Continued)

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

For the year ended April 30, 2004, NSEBC had a deficit total equity of \$472,830. The Village would be responsible for funding its proportionate share of any deficit. The Village's total payments for the year ended December 31, 2004 were \$1,739,330.

7. LONG-TERM DEBT

Bonds Payable

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. The Village also issues revenue bonds where the Village pledges income derived from the acquired or constructed assets to pay debt service. In addition, general obligation bonds have been issued to refund other general obligation bonds and revenue bonds.

Bonds payable at December 31, 2004 are comprised of the following issues along with the annual requirements to amortize debt outstanding:

VILLAGE OF WILMETTE, ILLINOIS
Notes to Financial Statements (Continued)

(7) Long-term Debt (Continued)

a. Bonds Payable (Continued)

Bonds payable at December 31, 2004 are comprised of the following issues along with the annual requirements to amortize debt outstanding:

Governmental Activities

Interest rates Interest dates Amount of original issue Redemptions Refundings Defeasance	General Fund portion 1997 general obligation improvements bonds dated April 1, 1997		General Fund portion 1998 general obligation improvements bonds dated May 1, 1998		General Fund portion 1999 general obligation improvements bonds dated May 1, 1999		General Fund portion 2000 general obligation improvements bonds dated October 15, 2000		General Fund portion 2001 general obligation improvements bonds dated February 1, 2001		General Fund portion 2002 general obligation improvements bonds dated February 1, 2002		General Fund portion 2004 general obligation refunding bonds dated December 1, 2004	
	Average of 4.999% December 1 and June 1	\$480,000 150,000 330,000	Average of 4.466% December 1 and June 1	\$2,460,000 230,000 2,230,000	Average of 4.4213% December 1 and June 1	\$4,050,000 250,000 3,600,000	Average of 5.376% December 1 and June 1	\$2,000,000 50,000	Average of 4.660% December 1 and June 1	\$3,000,000 25,000	Average of 4.739% December 1 and June 1	\$23,400,000 1,360,000	Average of 3.636% December 1 and June 1	\$9,300,000
Bonds outstanding at December 31, 2004	\$ -		\$ -		\$ 200,000		\$ 1,950,000		\$ 100,000		\$ 22,040,000		\$ 9,300,000	

Maturing as follows:

Year ending December 31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 163,000	\$ 50,000	\$ 98,250	\$ 25,000	\$ 131,625	\$ 655,000	\$ 1,007,623	\$ 315,000	\$ 308,837
2006	-	-	-	-	100,000	159,250	75,000	95,750	25,000	130,625	55,000	981,423	800,000	299,388
2007	-	-	-	-	-	-	75,000	92,000	25,000	129,625	50,000	979,195	1,030,000	275,387
2008	-	-	-	-	-	-	100,000	88,250	25,000	128,625	275,000	977,170	1,100,000	244,488
2009	-	-	-	-	-	-	200,000	83,250	-	-	320,000	966,033	560,000	211,487
2010	-	-	-	-	-	-	250,000	78,250	-	-	320,000	952,913	735,000	193,288
2011	-	-	-	-	-	-	250,000	65,750	-	-	845,000	939,633	1,220,000	169,400
2012	-	-	-	-	-	-	250,000	53,250	-	-	1,445,000	904,565	1,200,000	129,750
2013	-	-	-	-	-	-	250,000	40,750	-	-	1,740,000	844,598	1,290,000	87,750
2014	-	-	-	-	-	-	250,000	28,250	-	-	1,990,000	769,778	880,000	39,375
2015	-	-	-	-	-	-	300,000	15,750	-	-	2,085,000	681,223	170,000	6,375
2016	-	-	-	-	-	-	-	-	-	-	2,200,000	586,355	-	-
2017	-	-	-	-	-	-	-	-	-	-	2,310,000	484,055	-	-
2018	-	-	-	-	-	-	-	-	-	-	2,160,000	375,485	-	-
2019	-	-	-	-	-	-	-	-	-	-	2,060,000	272,885	-	-
2020	-	-	-	-	-	-	-	-	-	-	1,760,000	172,975	-	-
2021	-	-	-	-	-	-	-	-	-	-	1,760,000	86,735	-	-
2022	-	-	-	-	-	-	-	-	-	-	10,000	495	-	-
Total	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 322,250	\$ 1,950,000	\$ 739,500	\$ 100,000	\$ 520,500	\$ 22,040,000	\$ 11,983,139	\$ 9,300,000	\$ 1,965,525

VILLAGE OF WILMETTE, ILLINOIS

Notes to Financial Statements (Continued)

(7) Long-term Debt (Continued)

a. Bonds Payable (Continued)

Bonds payable at December 31, 2004 are comprised of the following issues along with the annual requirements to amortize debt outstanding:

Business-Type Activities

	Sewer Fund portion 2002 general obligation improvements bonds dated February 1, 2002	Sewer Fund portion 2004 general obligation improvements bonds dated December 1, 2004	Sewer Fund Environmental Protection Agency loan dated December 10, 1993	Sewer Fund Environmental Protection Agency loan dated January 1, 1995	Sewer Fund Environmental Protection Agency loan dated June 7, 1996	Sewer Fund Environmental Protection Agency loan dated September 8, 1997
Interest rates	Average of 4.739%	Average of 3.636%	3.580%	3.360%	2.815%	3.150%
Interest dates	December 1 and June 1	December 1 and June 1	December 10 and June 10	January 1 and July 1	December 7 and June 7	September 8 and March 8
Amount of original issue	\$ 2,000,000	\$ 2,800,000	\$ 9,477,412	\$ 9,874,474	\$ 4,783,543	\$ 9,008,778
Redemptions	40,000	-	4,621,656	4,366,580	1,712,823	2,537,018
Refundings	-	-	-	-	-	-
Bonds outstanding at December 31, 2004	\$ 1,960,000	\$ 2,800,000	\$ 4,855,756	\$ 5,507,894	\$ 3,070,720	\$ 6,471,760

Maturing as follows:

Year ending December 31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2005	\$ 20,000	\$ 92,503	\$ 25,000	\$ 103,812	\$ 498,227	\$ 169,416	\$ 501,150	\$ 180,891	\$ 229,590	\$ 84,836		
2006	20,000	91,703	25,000	103,063	516,224	151,420	518,131	163,910	236,098	78,328		
2007	25,000	90,893	25,000	102,312	534,870	132,774	535,686	146,355	242,791	71,635		
2008	25,000	89,880	25,000	101,563	554,189	113,454	553,836	128,205	249,674	64,752		
2009	30,000	88,868	25,000	100,812	574,207	93,437	572,602	109,440	256,751	57,675		
2010	30,000	87,638	25,000	100,000	594,948	72,696	592,003	90,039	264,030	50,396		
2011	30,000	86,393	25,000	99,188	616,437	51,207	612,061	69,980	271,515	42,911		
2012	30,000	85,148	25,000	98,375	638,703	28,941	632,799	49,242	279,211	35,215		
2013	35,000	83,903	320,000	97,500	327,951	5,871	654,240	27,802	287,127	27,299		
2014	35,000	82,398	570,000	85,500	-	-	335,386	5,634	295,266	19,160		
2015	40,000	80,840	570,000	64,125	-	-	-	-	303,636	10,790		
2016	200,000	79,020	570,000	42,750	-	-	-	-	155,031	2,182		
2017	240,000	69,720	570,000	21,375	-	-	-	-	-	-		
2018	240,000	58,440	-	-	-	-	-	-	-	-		
2019	240,000	47,040	-	-	-	-	-	-	-	-		
2020	240,000	35,400	-	-	-	-	-	-	-	-		
2021	240,000	23,640	-	-	-	-	-	-	-	-		
2022	240,000	11,880	-	-	-	-	-	-	-	-		
2023	-	-	-	-	-	-	-	-	-	-		
Total	\$ 1,960,000	\$ 1,285,307	\$ 2,800,000	\$ 1,120,375	\$ 4,855,756	\$ 819,216	\$ 5,507,894	\$ 971,498	\$ 3,070,720	\$ 545,179	\$ 6,471,760	\$ 1,465,411

VILLAGE OF WILMETTE, ILLINOIS

Notes to Financial Statements (Continued)

(7) Long-term Debt (Continued)

a. Bonds Payable (Continued)

Bonds payable at December 31, 2004 are comprised of the following issues along with the annual requirements to amortize debt outstanding:

Business-Type Activities

	Water Fund portion 1993 general obligation refunding bonds dated February 15, 1993	Water Fund portion 1999 general obligation refunding bonds dated May 1, 1999	Water Fund portion 2000 general obligation refunding bonds dated October 15, 2000	Water Fund portion 2001 general obligation refunding bonds dated February 1, 2001	Water Fund portion 2002 general obligation improvements bonds dated February 1, 2002	Water Fund portion 2004 general obligation refunding / improvements bond dated December 1, 2004	Parking Meter Fund portion 2004 general obligation refunding bonds dated December 1, 2004	Parking Meter Fund portion 1997 general obligation improvements bonds dated April 1, 1997
Interest rates	Average of 4.876%	Average of 4.4213%	Average of 5.376%	Average of 4.660%	Average of 4.739%	Average of 3.636%	Average of 3.636%	Average of 4.999%
Interest dates	Dec. 1 and June 1	December 1 and June 1	December 1 and June 1	December 1 and June 1	December 1 and June 1	December 1 and June 1	December 1 and June 1	Dec. 1 and June 1
Amount of original issue	\$ 2,500,000	\$ 5,950,000	\$ 6,900,000	\$ 2,000,000	\$ 5,000,000	\$ 4,640,000	\$ 785,000	\$ 1,376,500
Redemptions	1,925,000	-	565,000	50,000	-	-	-	596,500
Refundings	575,000	-	-	-	-	-	-	780,000
Defeasance	-	-	-	1,700,000	-	-	-	-
Bonds outstanding at December 31, 2004	\$ -	\$ 5,950,000	\$ 6,335,000	\$ 250,000	\$ 5,000,000	\$ 4,640,000	\$ 785,000	\$ -

Bonds outstanding at

December 31, 2004

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\$ 5,950,000

\$ 6,335,000

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(Continued)

VILLAGE OF WILMETTE, ILLINOIS

Notes to Financial Statements (Continued)

(7) Long-term Debt (Continued)
b. Changes in Long-Term Debt

A summary of the changes in long-term debt for the year ended December 31, 2004 is as follows:

	1993	1997	1998	1999	2000	2001	2002	2004	Environmental Protection Agency loan	Employee compensated absences	Install- ment contracts payable	Total
Balance at												
December 31, 2003	\$ 665,000	\$ 1,260,000	\$ 2,330,000	\$ 9,850,000	\$ 8,535,000	\$ 5,000,000	\$ 29,700,000	\$ -	\$ 21,492,258	\$ 3,104,153	\$ 281,232	\$ 82,217,643
Add (deduct):												
Bond Proceeds	-	-	-	-	-	-	-	17,525,000	-	-	-	17,525,000
New installment contracts	-	-	-	-	-	-	-	-	-	-	314,980	314,980
Increase in compensated absences	-	-	-	-	-	-	-	-	-	345,147	-	345,147
Refunded / defeased	(575,000)	(1,110,000)	(2,230,000)	(3,600,000)	-	(4,575,000)	-	-	-	-	-	(12,090,000)
Current maturities	(90,000)	(150,000)	(100,000)	(100,000)	(250,000)	(75,000)	(700,000)	-	(1,586,128)	-	(12,244)	(3,063,372)
Balance at												
December 31, 2004	\$ -	\$ -	\$ -	\$ 6,150,000	\$ 8,285,000	\$ 350,000	\$ 29,000,000	\$ 17,525,000	\$ 19,906,130	\$ 3,449,300	\$ 583,968	\$ 85,249,398
Amount to be retired by:												
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,148,300	\$ 583,968	\$ 3,732,268
General Debt Service Fund	-	-	-	200,000	1,950,000	100,000	22,040,000	9,300,000	-	-	-	33,590,000
Parking Meter Fund	-	-	-	-	-	-	-	785,000	-	-	-	785,000
Sewer Fund	-	-	-	-	-	-	1,960,000	5,130,000	19,906,130	16,300	-	27,012,430
Water Fund	-	-	-	5,950,000	6,335,000	250,000	5,000,000	2,310,000	-	284,700	-	20,129,700
	\$ -	\$ -	\$ -	\$ 6,150,000	\$ 8,285,000	\$ 350,000	\$ 29,000,000	\$ 17,525,000	\$ 19,906,130	\$ 3,449,300	\$ 583,968	\$ 85,249,398

(Continued)

VILLAGE OF WILMETTE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

c. Installment Contracts/Notes Payable

The Village enters into installment contracts/notes payable to provide funds for the acquisition of capital assets. Installment contracts/notes payable have been issued for both general government and proprietary activities. Any proprietary liabilities, therefore, are reported in the proprietary funds.

Installment contracts/notes payable currently outstanding are as follows:

Governmental Activities

Issue	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
Installment contract through November 2010 plus interest at 3.4%	\$ 55,646	\$ -	\$ 7,243	\$ 48,403	\$ 7,523
\$165,000 Village Manager housing allowance note payable due in June 2007 plus interest at 3.4%	160,000	-	5,000	155,000	-
Historical Society improvements note due in October 2006 plus interest at 3.25%	65,586	314,980	-	380,566	-
TOTAL	\$ 281,232	\$ 314,980	\$ 12,243	\$ 583,969	\$ 7,523

In September 2003, the Village entered into an agreement with the Wilmette Historical Society (the Society), wherein the Society would make capital improvements to the Historical Museum, a Village owned asset that the Society leases from the Village. In order to facilitate the project, the Village obtained a \$450,000 line of credit from North Shore Bank which the Society can draw down upon as necessary to pay construction costs. Under the agreement, the Society is required to pay all principal directly to the bank, and is required to reimburse the Village monthly for all interest charged to the Village. As of December 31, 2004, the line of credit had an outstanding balance of \$380,566.

The improvements to the Museum are capitalized by the Village in the capital assets of governmental activities at their fair value on the date donated.

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

d. Changes in Long-Term Liabilities

During the fiscal year, the following changes occurred:

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
Bonds payable	\$ 34,330,000	\$ 9,300,000	\$10,040,000	\$ 33,590,000	\$ 1,145,000
Unamortized loss on refunding	-	(234,407)	-	(234,407)	-
Installment contracts	281,232	314,980	12,244	583,968	7,523
Compensated absences	2,809,000	339,300	-	3,148,300	-
Total governmental activities	37,420,232	9,719,873	10,052,244	37,087,861	1,152,523
BUSINESS-TYPE ACTIVITIES					
Bonds payable	23,010,000	8,225,000	3,515,000	27,720,000	570,000
Unamortized bond discount	(183,712)	(47,616)	(81,533)	(149,795)	-
EPA loans payable	21,492,258	-	1,586,128	19,906,130	1,638,862
Compensated absences	295,153	5,847	-	301,000	-
Total business-type activities	44,613,699	8,183,231	5,019,595	47,777,335	2,183,862
TOTAL	\$ 82,033,931	\$17,903,104	\$15,071,839	\$ 84,865,196	\$ 3,336,385

7. LONG-TERM DEBT (Continued)

e. Special Service Area Number Two

There are no bonds outstanding.

f. Legal Debt Margin

The Village is a home rule municipality.

Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the 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 General Assembly has set no limits for home rule municipalities.

g. Advance Refunding

General Obligation Bonds of 1999

On April 13, 1999, the Village passed an ordinance providing for the issuance of \$10,000,000 General Obligation Refunding and Improvements Bond Series 1999 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. On April 13, 1999, the Village passed an ordinance directing the execution of an escrow agreement in order to refund General Obligation Bond Series of 1997 and General Obligation Bond Series of 1998 issued by the Village and outstanding in the aggregate principal amount of \$3,143,500 and \$2,540,000, respectively.

This advance refunding was undertaken to reduce principal and interest payments by an average of \$228,134 from 1999 through 2011 by extending the life of the debt through 2016. This was done at an economic cost (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$9,170.

Proceeds in the amount of \$5,872,193 from the refunding bonds were used to execute the escrow agreement. The long-term debt is recorded in the Water Fund. Current principal and interest requirements are also accounted for in the Water Fund.

VILLAGE OF WILMETTE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

g. Advance Refunding (Continued)

General Obligation Bonds of 1999 (Continued)

Although there has been no legal defeasance (satisfaction of debt) in this transaction, all conditions that normally satisfy defeasance of \$3,143,500 and \$2,540,000 of the General Obligation Bond Series of 1997 and 1998, respectively, have been met. The 1997 and 1998 bonds maturing on or after December 1, 2007 and December 1, 2005, respectively, may be redeemed prior to maturity at the option of the Village.

Schedule of future requirements - General Obligation Bond Series of 1997 to be paid from escrow:

Fiscal Year Ending December 31	Interest Rate	Principal
2004	4.70	\$ 200,000
2005	4.75	170,000
2006	4.80	185,000
2007	4.90	200,000
2008	5.00	280,000
2009	5.00	325,000
2010	5.15	345,000
2011	5.20	425,000
2012	5.25	525,000
TOTAL		<u>\$ 2,655,000</u>

Schedule of future requirements - General Obligation Bond Series of 1998 to be paid from escrow:

Fiscal Year Ending December 31	Interest Rate	Principal
2004	4.35	\$ 175,000
2005	4.35	180,000
2006	4.40	190,000
2007	4.40	240,000
2008	4.40	215,000
2009	4.40	185,000
2010	4.40	195,000
2011	4.40	205,000
2012	4.40	215,000
2013	4.40	225,000
TOTAL		<u>\$ 2,025,000</u>

7. LONG-TERM DEBT (Continued)

g. Advance Refunding (Continued)

General Obligation Bonds of 2004

On November 22, 2004, the Village passed an ordinance providing for the issuance of \$17,525,000 General Obligation Bonds Series 2004 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued for sewer and water improvements and in order to refund the General Obligation Bond Series of 1993, General Obligation Bond Series of 1997 and General Obligation Bond Series of 1998, issued by the Village and outstanding in the aggregate principal amounts of \$575,000, \$1,110,000 and \$2,230,000, respectively. The bonds were also issued to partially refund the General Obligation Bond Series of 1999 and General Obligation Bond Series of 2001, issued by the Village and outstanding in the aggregate principal amounts of \$3,600,000 and \$4,575,000, respectively.

This advance refunding was undertaken to reduce principal and interest payments by a total of \$582,683 from 2005 through 2020. This was done at an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$436,277.

Proceeds in the amount of \$12,402,616 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Bonds Series 1999 is recorded in the non-current liabilities of governmental activities. Current principal and interest requirements are accounted for in the Debt Service Fund. The long-term debt for the General Obligation Bonds Series 2001 is recorded in the non-current liabilities of governmental activities and in the Water Fund. Current principal and interest requirements are accounted for in the Debt Service Fund and the Water Fund.

Although there has been no legal defeasance (satisfaction of debt) in this transaction, all conditions that normally satisfy defeasance of \$3,600,000 and \$4,575,000 of the General Obligation Bond Series of 1999 and 2001, respectively, have been met. The 1999 and 2001 bonds maturing on or after December 1, 2007 and December 1, 2009, respectively, may be redeemed prior to maturity at the option of the Village.

VILLAGE OF WILMETTE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

g. Advance Refunding (Continued)

General Obligation Bonds of 2004 (Continued)

Schedule of future requirements - General Obligation Bond Series of 1999 to be paid from escrow:

<u>Fiscal Year Ending December 31</u>	<u>Interest Rate</u>	<u>Principal</u>
2007	3.95%	\$ 150,000
2008	4.15	300,000
2009	4.20	500,000
2010	4.25	500,000
2011	4.35	600,000
2012	4.40	600,000
2013	4.45	600,000
2014	4.45	<u>350,000</u>
 TOTAL		 <u>\$ 3,600,000</u>

Schedule of future requirements - General Obligation Bond Series of 2001 to be paid from escrow:

<u>Fiscal Year Ending December 31</u>	<u>Interest Rate</u>	<u>Principal</u>
2009	4.10%	\$ 125,000
2010	4.20	400,000
2011	4.25	600,000
2012	4.40	600,000
2013	4.50	700,000
2014	4.60	550,000
2015	4.75	200,000
2016	4.80	200,000
2017	4.90	300,000
2018	4.90	300,000
2019	5.00	300,000
2020	5.00	<u>300,000</u>
 TOTAL		 <u>\$4,575,000</u>

VILLAGE OF WILMETTE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. INTERFUND ASSETS/LIABILITIES

a. Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	Sewer	\$ 1,833,969
General	Water	1,803,883
General	Nonmajor Governmental	37,347
General	Internal Service	2,448
General	Fiduciary	34,742
Sewer	Water	308,044
TOTAL		\$ 4,020,433

The purpose of the significant due from/to other funds is as follows:

- \$1,833,969 due to the General Fund from the Sewer Fund is for operating expenditures paid by the General Fund for the Sewer Fund. Repayment is expected within three months and future reimbursements are expected on a monthly basis.
- \$1,803,883 due to the General Fund from the Water Fund is for operating expenditures paid by the General Fund for the Water Fund. Repayment is expected within three months and future reimbursements are expected on a monthly basis.
- \$308,044 due to the Sewer Fund from the Water Fund is for utility bill payments received in the Water Fund for the Sewer Fund. Repayment is expected within three months and future reimbursements are expected on a monthly basis.

b. Interfund Transfers

Transfer From	Transfer To	Amount
Water	General	\$ 800,000
General	Nonmajor Enterprise	138,053
TOTAL		\$ 938,053

The purpose of the significant interfund transfers is as follows:

- \$800,000 transfer from the Water Fund to the General Fund was made to reduce General Fund property taxes by offsetting them with operating profits of wholesale water sales.
- \$138,053 transferred from the General Fund to the Parking Fund is to subsidize the debt service of the Burmeister Parking Facility from cellular lease revenue collected in the General Fund.

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. COMMITMENTS

Solid Waste Agency of Northern Cook County (SWANCC)

The Village has committed to pay its share of the annual operating costs and fixed costs of the SWANCC. The Village's share of dual costs is expected to be funded through tipping fees paid by refuse haulers. The Village began delivering refuse to SWANCC in February of 1994.

SWANCC has entered into Solid Waste Disposal Contracts with member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided in the contract. Each member is obligated, on a "take or pay" basis, to purchase or in any event to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by SWANCC of its obligations under this contract.

The Village has committed to make payments to SWANCC for solid waste refuse disposal, and expects to pay the following amounts for debt service:

Year Ending December 31	Amount
2005	\$ 65,884
2006	40,418
2007	47,536
2008	58,360
2009	56,743
2010	55,126
2011	53,509
2012	51,892
2013	58,275
2014	60,364
2015	42,306

These amounts have been estimated based upon the Village's commitment for 2004. In future years, the annual expense will be subject to change based upon the actual tonnage of refuse disposed of and current SWANCC costs.

10. CONTINGENT LIABILITIES

a. Litigation

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

10. CONTINGENT LIABILITIES (Continued)

a. Litigation (Continued)

The Illinois Supreme Court (PrimeCo Personal Communications, LLC v. Illinois Commerce Commission) found that the municipal telecommunications infrastructure maintenance fee (IMF) was unconstitutional as applied to wireless telecommunications carriers. The Village received \$84,221 in 1998 and 1999 from wireless telecommunications carriers, and such amounts were recorded as revenues in those periods. In fiscal years 2000 and 2001, the Village received \$88,310. At December 31, 2004, the Village has \$92,748 in escrow and has designated a portion of unreserved fund balance in the General Fund. It is the opinion of the Village's attorney that as of the date of this report repayment of those amounts is not probable; as such, no liability has been recorded.

b. 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 that may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

c. Solid Waste Agency of Northern Cook County (SWANCC)

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

11. POST-EMPLOYMENT BENEFITS

Post-Employment Health Care Benefits

The Village provides post-retirement health care benefits to certain qualified retirees of the Village. These benefits can be categorized as follows:

- a. Employees who retired prior to 1989 may elect to continue health insurance coverage (single or family) through the Village's carriers, and the Village pays 25 percent of the premium cost and the retiree pays the balance. For the year ended December 31, 2004, there was one retiree in this category and the Village's expense totaled \$3,144.

11. POST-EMPLOYMENT BENEFITS (Continued)

Post-Employment Health Care Benefits (Continued)

- b. Employees retiring after February 1989 who are eligible to receive an immediate pension under any of the Village's three pension plans and have at least twenty years of service with the Village may elect to continue health insurance coverage (single or family) through the Village's carriers, and the Village pays 25 percent of the single employee premium cost and the retiree pays the balance. For the year ended December 31, 2004, there were fourteen retirees in this category and the Village's expense totaled \$14,571
- c. Employees retiring after February 1989 who are eligible to receive an immediate pension under the IMRF pension plan and have at least fifteen years of IMRF service and ten years of service with the Village may elect to continue health insurance coverage (single or family) through the Village's carriers. In these instances, the entire premium cost is paid by the employee. There was one employee in this category for the year ended December 31, 2004.
- d. On three occasions since 1995, the Village offered an early retirement incentive program to employees with twenty years of service with the Village who were eligible to retire with an immediate pension under any of the Village's three pension plans. Under this offering, the Village pays 100 percent of the single employee premium cost for up to eight years or until the employee becomes age 65, whichever occurs first. For the year ended December 31, 2004, eighteen employees are covered in this category and the Village's expense totaled \$82,998.

Retirees may only continue participation in the health care plan until age 65. Surviving spouses of these retirees who have not reached age 65 may continue their participation (until they become age 65) but must pay the entire premium expense. Police and firefighters receiving disability pensions who had not completed twenty years of service may also continue participation (until age 65), but must pay the entire premium expense. There were five retiree spouses in this category for the year ended December 31, 2004.

While the claims of retirees affect the claims experience of the Village (and consequently the annual premium estimated for claims), this cost cannot be reasonably estimated by the Village.

11. POST-EMPLOYMENT BENEFITS (Continued)

Medical Savings Plan

Effective January 1, 2003, the Village adopted a Medical Savings Account Plan for all non-represented employees, whereby eligible retirees and their dependents are reimbursed for qualifying medical expenses, including health insurance premiums, from their accumulated sick leave. Participants are automatically enrolled on their retirement date provided they 1) are not covered by a collective bargaining agreement, 2) have twenty or more years of continuous service with the Village, and 3) have a minimum of 400 hours of accrued, unused sick leave as of the date of retirement. The plan is administered by the Village Manager, and the Village retains the right to amend or modify the plan at any time. The plan was created to offer the same benefits to those employees already covered by a collective bargaining agreement.

There was one employee in this category for the year ended December 31, 2004.

The business-type portion of the sick leave liability is reported as accrued compensated absences on the financial statements of the respective enterprise funds, and the governmental fund portion is reported on the statement of net assets as a non-current liability.

12. EMPLOYEE RETIREMENT SYSTEMS

Plan Descriptions and Provisions

a. Illinois Municipal Retirement Fund

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Descriptions and Provisions (Continued)

a. Illinois Municipal Retirement Fund (Continued)

Funding Policy - Participating members are required to contribute 4.5 percent of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the coverage of its own employees in IMRF, using the actuarial basis specified by state statute (entry age normal); for 2004 the rate was 5.43 percent.

IMRF issues a separate financial report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers, which may be obtained by writing them at: IMRF, Drake Oak Brook Plaza, Suite 500, 2211 S. York Road, Oak Brook, Illinois 60523.

b. Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At December 31, 2004, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	36
Inactive members	-
Current employees	
Vested	28
Nonvested	18
	<hr/>
TOTAL	<hr/> <u>82</u>

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half 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.

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Descriptions and Provisions (Continued)

b. Police Pension (Continued)

The pension shall be increased by 2.50 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 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension 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 simple interest annually thereafter.

Funding Policy - Covered employees are required to contribute 9.91 percent 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 as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033. For the year ended December 31, 2004, the Village's contribution was 24.60 percent of covered payroll.

No separate Police Pension Fund annual financial report is issued.

c. Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (Chapter 40 - Article 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At December 31, 2004, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	42
Inactive members	1
Current employees	
Vested	26
Nonvested	19
	<hr/>
TOTAL	<u>88</u>

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Descriptions and Provisions (Continued)

c. Firefighters' Pension Plan (Continued)

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by one-twelfth of 2.50 percent of such monthly salary for each additional month over 20 years of service through 30 years of service and one-twelfth of 1 percent of such monthly service for each additional month over 30 years of service, to a maximum of 75 percent of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension 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 paid upon reaching at least the age 55, by 3 percent of the original pension and 3 percent annually thereafter.

Funding Policy - Covered employees are required to contribute 8.455 percent through June 30, 2004, and 9.455 percent beginning July 1, 2004, of their 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 as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033. For the year ended December 31, 2004, the Village's contribution was 26.12 percent of covered payroll.

No separate Firefighters' Pension Fund annual financial report is issued.

d. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Method Used to Value Investments - Investments are reported at fair value. Investment income is recognized as earned.

VILLAGE OF WILMETTE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Descriptions and Provisions (Continued)

d. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date.

Significant Investments - Investments (other than U.S. government and U.S. government - guaranteed obligations) that represent 5 percent or more of net assets available for benefits are the Vanguard 500 Index Mutual Fund and Vanguard Total Stock Market Index Mutual Fund, for both the Police and Fire Pension Plans.

Related Party Transactions - There were no securities of the employer or any other related parties included in plan assets, including any loans.

Administrative Costs - for both the Police Pension Plan and the Firefighters' Pension Plan are financed primarily through investment earnings.

e. Net Pension Obligation (Asset)

The Village's annual pension cost and net pension obligation (asset) to the Police Pension and Firefighters' Pension funds for the year ended December 31, 2004 were as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 774,290	\$ 818,345
Interest on net pension obligation	(14,400)	(14,038)
Adjustment to annual required contribution	10,365	10,104
Annual pension cost	770,255	814,411
Contributions made	774,300	818,350
Increase (decrease) in net pension obligation (asset)	(4,045)	(3,939)
Net pension obligation (asset) beginning of year	(192,004)	(187,173)
NET PENSION OBLIGATION (ASSET)		
END OF YEAR	\$ (196,049)	\$ (191,112)

VILLAGE OF WILMETTE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Descriptions and Provisions (Continued)

f. Funding Policy and Annual Pension Cost

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial valuation date	December 31, 2002	December 31, 2003	December 31, 2003
Actuarial cost method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	3 Year Smoothed Market	3 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	10 Years, Closed	29 Years, Open	29 Years, Open
Significant actuarial assumptions			
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.00% Compounded Annually	4.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40 to 11.60%	5.0%	5.0%
d) Post retirement benefit increases	3.00% Compounded Annually	N/A	N/A

N/A - Not available

VILLAGE OF WILMETTE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Descriptions and Provisions (Continued)

f. Funding Policy and Annual Pension Cost (Continued)

Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

		Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual required contributions (ARC)	2002	\$ 223,799	\$ 510,760	\$ 637,344
	2003	127,141	623,471	747,981
	2004	373,520	774,290	818,345
Actual contribution	2002	\$ 223,799	\$ 511,000	\$ 638,000
	2003	127,141	624,000	748,000
	2004	373,520	774,300	818,350
Percentage of ARC contributed	2002	100.00%	100.05%	100.10%
	2003	100.00	100.08	100.00
	2004	100.00	100.00	100.00
NPO (Asset)	2002	\$ -	\$ (187,342)	\$ (183,114)
	2003	-	(192,004)	(187,173)
	2004	-	(196,049)	(191,112)

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 7,305,800	\$ 7,305,800	\$ 7,262,453
Municipal sales tax	3,353,000	3,353,000	3,356,036
State income tax	1,721,500	1,721,500	1,757,291
Real estate transfer tax	1,477,900	1,477,900	1,447,829
Utility tax	2,755,000	2,755,000	2,707,925
E-911 surcharge	327,600	327,600	315,467
Wireless 911 tax	85,000	85,000	113,428
Personal property replacement tax	140,000	140,000	167,897
Municipal auto lease tax	3,100	3,100	2,447
Total taxes	17,168,900	17,168,900	17,130,773
Licenses and permits			
Animal licenses	1,700	1,700	1,660
Business licenses	124,925	124,925	134,450
Vehicle licenses	776,250	776,250	789,050
Taxi licenses	12,350	12,350	13,935
Liquor licenses	40,000	40,000	43,420
Building permits	783,000	783,000	962,608
Electric permits	46,000	46,000	59,707
Plumbing permits	41,000	41,000	45,576
Other permits	22,500	22,500	39,741
Plan review fees	32,000	32,000	52,835
Filing fees	17,000	17,000	19,903
Permit penalties	8,000	8,000	9,302
Total licenses and permits	1,904,725	1,904,725	2,172,187
Intergovernmental revenue			
Police grants	25,000	25,000	83,666
Greenbay Road corridor grant	45,000	45,000	4,868
"Clean Air Counts" grant	-	-	3,866
Forestry grant	4,000	4,000	-
Total intergovernmental revenue	74,000	74,000	92,400
Charges for service			
Refuse collection charges	1,140,000	1,140,000	1,138,569
Ambulance transport charges	256,000	256,000	214,983
Fire alarms	7,600	7,600	9,936
Burglar alarms	30,000	30,000	31,645
Elevator inspections	11,000	11,000	9,112

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES (Continued)			
Charges for services (Continued)			
Sanitarian services	\$ 10,600	\$ 10,600	\$ 11,590
Animal control services	5,050	5,050	5,040
Damage to Village property	38,000	38,000	13,886
Maintenance of state routes	15,550	15,550	16,216
Shore Line Place services	10,300	10,300	11,262
Fairfield Court services	45,600	45,600	45,604
Sales of yard waste bags	130,000	130,000	122,114
Total charges for services	1,699,700	1,699,700	1,629,957
Fines			
Circuit Court	75,200	75,200	95,514
Vehicle license and parking	275,000	275,000	267,324
Animal and impounding fees	800	800	1,033
Total fines	351,000	351,000	363,871
Interest earned on investments	104,000	104,000	39,403
Miscellaneous income			
Rental income			
Wilmette Park District	45,000	45,000	44,981
Cellular antennae leases	160,000	160,000	138,053
Depot rental	7,000	7,000	2,967
3545 Lake Avenue	2,400	2,400	2,400
Sale of general capital assets	30,000	30,000	14,091
Cable TV franchise fees	240,000	240,000	257,369
Interest payments from property tax collections	20,000	20,000	4,348
Other	30,400	30,400	35,754
Sale of private activity bond volume cap	31,100	31,100	-
Donations	-	-	1,800
Contribution from Wilmette Historical Society	4,000	4,000	12,236
Total miscellaneous income	569,900	569,900	513,999
Total revenues	21,872,225	21,872,225	21,942,590

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES			
Current			
General government			
Legislative			
Regular salaries	\$ 3,990	\$ 3,990	\$ 3,990
Employee benefits	290	290	300
Memberships	20,053	20,053	21,473
Professional services	10,000	10,000	2,658
Annual audit	17,600	17,600	22,300
Incidentals	5,000	5,000	2,785
Training	1,200	1,200	95
Total legislative	<u>58,133</u>	<u>58,133</u>	<u>53,601</u>
General administration			
Salaries			
Regular	363,525	363,525	347,405
Overtime	300	300	-
Employee benefits	79,050	79,050	76,779
Memberships	3,750	3,750	3,414
Professional services	3,400	3,400	3,750
Lease/purchase - copier	13,000	13,000	12,540
Pre-employment exams	4,600	4,600	3,487
Employee assistance program	5,325	5,325	5,200
Maintenance of office equipment	1,500	1,500	26
Office supplies	10,000	10,000	8,422
Automotive	3,600	3,600	3,513
Incidentals	2,500	2,500	2,105
Training	6,720	6,720	5,335
Personnel training	5,000	5,000	360
Employee recognition program	6,900	6,900	6,875
Newsletters	37,500	37,500	28,059
Publishing legal notices	2,000	2,000	5,286
Classified advertisements	6,500	6,500	10,886
Total general administration	<u>555,170</u>	<u>555,170</u>	<u>523,442</u>

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
General government (Continued)			
Information services			
Salaries			
Regular	\$ 223,425	\$ 223,425	\$ 198,534
Employee benefits	63,700	63,700	47,885
Memberships	350	350	-
Professional services	3,000	3,000	4,187
Contractual hardware support	19,480	19,480	11,263
Contractual software support	108,570	108,570	74,597
Contractual internet expenditures	8,900	8,900	8,205
Computer communications	15,190	15,190	15,106
Computer parts	15,000	15,000	10,736
Computer software	3,000	3,000	6,333
Office supplies	500	500	136
Incidentals	500	500	146
Training	9,700	9,700	6,320
Office furniture and equipment	27,300	27,300	21,109
	<u>498,615</u>	<u>498,615</u>	<u>404,557</u>
Total information services			
Finance Department			
Salaries			
Regular	401,925	401,925	415,456
Overtime	5,025	5,025	853
Employee benefits	103,640	103,640	94,159
Memberships	2,000	2,000	1,472
Professional services	4,000	4,000	16,156
Lease/purchase - copier	28,850	28,850	28,812
Bank charges	15,000	15,000	18,116
Postage - general office	37,500	37,500	30,530
Contractual services	10,100	10,100	9,912
Maintenance of office equipment	2,650	2,650	3,141
Telephone - office service	109,000	109,000	84,767
Telephone - maintenance	10,200	10,200	12,289
Telephone - cellular service	15,000	15,000	15,847
Telephone - long distance	3,600	3,600	1,766

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
General government (Continued)			
Finance Department (Continued)			
Office supplies	\$ 21,000	\$ 21,000	\$ 20,223
Supplies other than office	4,000	4,000	4,428
Incidentals	550	550	654
Training	3,640	3,640	3,126
Publishing legal notices	1,000	1,000	1,000
Total Finance Department	778,680	778,680	762,707
Law Department			
Regular salaries	180,975	180,975	181,087
Employee benefits	40,350	40,350	37,764
Memberships	1,300	1,300	1,534
Code revision service	1,400	1,400	-
Special attorney fees	60,000	60,000	198,671
On-line legal research services	7,500	7,500	13,419
Supplies - legal	2,500	2,500	3,817
Incidentals	500	500	982
Training	4,000	4,000	4,734
Litigation costs	10,000	10,000	29,251
Total Law Department	308,525	308,525	471,259
Total general government	2,199,123	2,199,123	2,215,566
Public safety			
Fire and Police Commission			
Regular salaries	16,400	16,400	19,091
Employee benefits	4,090	4,090	4,127
Memberships	780	780	-
Professional services	32,000	32,000	8,526
Classified advertisements	10,000	10,000	-
Total Fire and Police Commission	63,270	63,270	31,744

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Public safety (Continued)			
Police			
General operations			
Salaries			
Regular	\$ 3,018,200	\$ 3,018,200	\$ 3,125,600
Overtime	200,000	200,000	143,168
Employee benefits	1,256,400	1,256,400	1,360,737
Memberships	1,165	1,165	1,327
Accident reconstruction software	-	-	644
Physical exams	8,860	8,860	10,508
Contractual animal observation	1,000	1,000	1,555
Maintenance - equipment	9,350	9,350	9,823
Maintenance - radios	22,600	22,600	22,846
Undercover vehicle rental	300	300	-
Uniforms	44,000	44,000	51,814
Range supplies	4,000	4,000	4,387
Supplies other than office	10,400	10,400	11,950
Crime prevention materials	10,100	10,100	9,460
Automotive	201,800	201,800	197,589
Incidentals	6,200	6,200	8,051
Training	43,450	43,450	42,340
Crime lab contribution	38,000	38,000	36,670
NIPAS contribution	3,300	3,300	3,200
Major crimes task force	2,700	2,700	2,921
NIPSTA contribution	10,500	10,500	10,076
Motor equipment	171,200	171,200	145,469
Other equipment	37,200	37,200	35,202
Total general operations	5,100,725	5,100,725	5,235,337
General services			
Salaries			
Regular	1,044,600	1,044,600	996,018
Overtime	30,000	30,000	40,371
Employee benefits	232,640	232,640	281,725
Memberships	945	945	850
Professional services	14,130	14,130	15,401
Lease/purchase - copier	6,400	6,400	5,788
Maintenance - office equipment	11,000	11,000	7,858
Maintenance - E-911 system	54,900	54,900	58,263
Maintenance - NORCOM Network	24,100	24,100	30,106

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Public safety (Continued)			
Police (Continued)			
General services (Continued)			
Reaccreditation fees	\$ 4,070	\$ 4,070	\$ 8,060
L.E.A.D.S./P.I.M.S. Program	31,600	31,600	27,842
Professional services - police grant work	-	-	46,276
Towing - contractual	750	750	1,705
Pager rental	2,000	2,000	1,777
Computer communications	3,450	3,450	3,279
Uniforms	8,000	8,000	6,007
Office supplies	22,100	22,100	22,021
Supplies other than office	4,150	4,150	4,893
Incidentals	400	400	498
Training	9,495	9,495	4,476
Care of prisoners	1,500	1,500	676
Other equipment	35,000	35,000	-
Total general services	1,541,230	1,541,230	1,563,890
School crossing protection			
Regular salaries	126,200	126,200	130,916
Employee benefits	12,430	12,430	12,539
Uniforms	750	750	945
Supplies other than office	850	850	749
Total school crossing protection	140,230	140,230	145,149
Total police	6,782,185	6,782,185	6,944,376
Emergency fire and medical services			
Salaries			
Regular	2,944,175	2,944,175	3,245,163
Overtime	280,000	280,000	317,765
Off-duty response	24,300	24,300	19,511
Employee benefits	1,352,270	1,352,270	1,411,293
Memberships	3,935	3,935	2,263
Professional services	3,500	3,500	6,052
Lease/purchase - copier	2,980	2,980	2,981
Physical exams	12,675	12,675	11,482

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Public safety (Continued)			
Emergency fire and medical services (Continued)			
Maintenance - office equipment	\$ 1,440	\$ 1,440	\$ 1,714
Maintenance - equipment	12,000	12,000	38,548
Maintenance - radios	3,450	3,450	2,517
Maintenance - breathing equipment	6,085	6,085	5,909
Maintenance - telemetry equipment	2,365	2,365	585
Maintenance - special rescue equipment	8,500	8,500	9,367
Accreditation costs	1,500	1,500	600
Pager rental	4,870	4,870	3,899
Uniforms	22,430	22,430	25,660
Protective clothing	11,835	11,835	4,569
Supplies - automotive parts	19,400	19,400	18,856
Supplies - auto shop	1,500	1,500	2,183
Supplies - office	5,000	5,000	4,975
Supplies - other than office	14,700	14,700	16,270
Materials - public education programming	7,750	7,750	4,400
Gasoline and oil	15,890	15,890	16,072
Incidentals	750	750	700
Training	45,450	45,450	31,657
NIPSTA contribution	10,300	10,300	10,076
MABAS contribution	9,500	9,500	9,308
Rent - Commonwealth Edison	-	-	1,500
Motor equipment	116,000	116,000	-
Other equipment	94,820	94,820	89,984
Total emergency fire and medical services	5,039,370	5,039,370	5,315,859
Total public safety	11,884,825	11,884,825	12,291,979
Streets and sanitation			
Streets Department			
Salaries			
Regular	760,200	760,200	788,307
Overtime	62,625	62,625	41,104
Employee benefits	231,100	231,100	217,451
Memberships	1,365	1,365	779
Professional services	1,500	1,500	852
Lease/purchase - copier	5,670	5,670	5,597
Contractual services	30,915	30,915	17,465
Contractual snow removal	12,220	12,220	4,868

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Streets and sanitation (Continued)			
Streets Department (Continued)			
Maintenance - office equipment	\$ 950	\$ 950	\$ 826
Holiday light decorations	35,875	35,875	34,970
J.U.L.I.E. expenditures	2,500	2,500	3,803
Landscaping and maintenance of public right of way	50,300	50,300	19,798
Lease leaf packers	108,150	108,150	80,249
Leaf disposal	84,000	84,000	75,973
Pager rental	1,710	1,710	1,431
Uniforms	6,985	6,985	5,133
Supplies - miscellaneous tools and equipment	-	-	1,632
Supplies - office	5,000	5,000	4,592
Supplies - other than office	1,500	1,500	324
Materials - traffic signs	32,015	32,015	31,056
Materials - salt	73,500	73,500	50,077
Materials - street repair and landscaping	33,250	33,250	21,114
Automotive	373,795	373,795	366,195
Incidentals	1,540	1,540	1,593
Training	8,175	8,175	2,966
Building improvements	29,000	29,000	29,673
Motor equipment	250,000	250,000	227,568
Total Streets Department	2,203,840	2,203,840	2,035,396
Refuse collection and disposal			
Contractual refuse collection	797,025	797,025	798,202
Recycling collection	320,700	320,700	330,909
Landfill tipping fees	618,125	618,125	601,873
Contractual yard waste collection	182,140	182,140	169,453
Yard waste disposal	43,115	43,115	31,570
Supplies - sharps disposal containers	745	745	752
Yard waste supplies	4,500	4,500	4,487
Promotional and educational	1,000	1,000	713
"Clean Air Counts" grant expense	-	-	2,571
Other equipment	5,000	5,000	4,991
Total refuse collection and disposal	1,972,350	1,972,350	1,945,521

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Streets and sanitation (Continued)			
Maintenance of trees			
Salaries			
Regular	\$ 164,075	\$ 164,075	\$ 168,892
Overtime	5,925	5,925	2,307
Employee benefits	52,780	52,780	48,501
Contractual services	13,875	13,875	5,890
Tree planting program	54,625	54,625	51,961
Contractual tree pruning	178,670	178,670	178,623
Tree fertilization program	3,000	3,000	2,998
Forestry grant expenditure	8,000	8,000	-
Uniforms	2,080	2,080	1,254
Materials	5,700	5,700	5,491
Automotive	39,500	39,500	38,639
Training	2,025	2,025	878
	<u>530,255</u>	<u>530,255</u>	<u>505,434</u>
Street lighting			
Salaries			
Regular	168,900	168,900	175,049
Overtime	9,000	9,000	2,387
Employee benefits	49,610	49,610	49,735
Contractual services	3,235	3,235	1,865
Uniforms	2,115	2,115	1,212
Supplies	25,415	25,415	24,551
Commonwealth Edison leased lighting	17,550	17,550	16,031
Street light power - Village system	96,700	96,700	114,038
Automotive	23,300	23,300	22,833
Training	1,440	1,440	1,143
Other equipment	25,950	25,950	25,786
	<u>423,215</u>	<u>423,215</u>	<u>434,630</u>
Total streets and sanitation	<u>5,129,660</u>	<u>5,129,660</u>	<u>4,920,981</u>

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Other public works			
Village Engineer			
Salaries			
Regular	\$ 367,200	\$ 367,200	\$ 373,255
Overtime	1,300	1,300	-
Employee benefits	99,150	99,150	99,108
Memberships	1,455	1,455	1,496
Professional services	30,000	30,000	64,485
Microfilming	5,000	5,000	-
Lease/purchase copier	2,100	2,100	166
Update of water/sewer atlases	3,000	3,000	2,996
Maintenance - office equipment	2,500	2,500	2,323
Maintenance - traffic signals	17,500	17,500	18,043
Pager rental	150	150	110
Supplies - office	3,250	3,250	3,152
Supplies - other than office	2,750	2,750	2,982
Automotive	13,500	13,500	13,173
Incidentals	1,600	1,600	2,400
Training	3,275	3,275	3,457
Other equipment	-	-	16,761
	<u>553,730</u>	<u>553,730</u>	<u>603,907</u>
Building and grounds			
Salaries			
Regular	163,875	163,875	158,295
Overtime	12,200	12,200	15,032
Employee benefits	47,720	47,720	48,541
Memberships	300	300	297
Contractual services	35,400	35,400	25,880
Contractual custodial services	55,500	55,500	55,631
Heating and cooling system repairs	36,800	36,800	36,932
Uniforms	1,935	1,935	1,115
Supplies - building	31,050	31,050	25,598
Supplies - grounds	3,000	3,000	2,040
Supplies - printing	5,500	5,500	5,042
Building and furniture repairs	30,000	30,000	26,365
Heating			
Electric	20,600	20,600	-
Gas	40,000	40,000	17,781
Automotive	9,000	9,000	8,781

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Other public works (Continued)			
Building and grounds (Continued)			
Training	\$ 800	\$ 800	\$ 325
Building improvements	10,000	10,000	7,120
Other equipment	38,500	38,500	-
	<hr/>		
Total buildings and grounds	542,180	542,180	434,775
	<hr/>		
Total other public works	1,095,910	1,095,910	1,038,682
	<hr/>		
Community development			
Salaries			
Regular	607,450	607,450	597,527
Overtime	1,500	1,500	6,077
Employee benefits	157,270	157,270	151,455
Memberships	3,370	3,370	3,473
Professional services	14,100	14,100	22,755
Microfilming	4,200	4,200	2,945
Plan review and inspection services	6,000	6,000	30,176
Maintenance - office equipment	1,675	1,675	804
Supplies - office	2,500	2,500	2,275
Supplies - other than office	5,000	5,000	2,731
Automotive	31,800	31,800	31,175
Incidentals	360	360	767
Training	5,650	5,650	2,958
Publishing legal notices	4,635	4,635	7,883
	<hr/>		
Total community development	845,510	845,510	863,001
	<hr/>		
Business development			
Salaries			
Regular	46,800	46,800	35,972
Employee benefits	11,370	11,370	7,377
Memberships	10,425	10,425	10,375
Professional services	105,000	105,000	36,406
Street pole banners	6,000	6,000	1,975
Incidentals	1,500	1,500	1,122
	<hr/>		
Total business development	181,095	181,095.00	93,227
	<hr/>		
Total community and business development	1,026,605	1,026,605	956,228
	<hr/>		

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Public health			
Regular salaries	\$ 106,750	\$ 106,750	\$ 107,330
Employee benefits	38,860	38,860	37,760
Memberships	555	555	555
Lab services - contractual	500	500	(3,354)
Maintenance - office equipment	200	200	63
Supplies - laboratory	1,600	1,600	(380)
Supplies - office	300	300	275
Automotive	9,000	9,000	8,781
Incidentals	460	460	214
Training	1,200	1,200	1,307
C.P.R. program	600	600	285
Total public health	160,025	160,025	152,836
Insurance			
Retiree health insurance	104,400	104,400	101,313
General liability and property insurance			
Fixed premiums	207,265	207,265	228,314
Deductible payments	62,500	62,500	33,280
Total general liability and property insurance	269,765	269,765	261,594
Total insurance	374,165	374,165	362,907
Boards and Commissions			
Professional services - housing needs assessment	10,000	10,000	26,597
Incidentals	1,500	1,500	1,677
Housing Commission	83,200	83,200	72,021
Senior Resources Commission	500	500	-
Community Relations Commission	5,500	5,500	3,445
Fine Arts Commission	1,850	1,850	939
Historic Preservation Commission	1,400	1,400	1,340
Persons with Disabilities Commission	500	500	-
Community picnic	2,500	2,500	140
Total Boards and Commissions	106,950	106,950	106,159

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Miscellaneous			
Cable programming services			
Salaries			
Regular	\$ 65,850	\$ 65,850	\$ 64,329
Other	6,000	6,000	3,652
Employee benefits	15,870	15,870	15,459
Memberships	175	175	175
Maintenance - office equipment	7,500	7,500	392
Supplies - office	600	600	375
Supplies - video	2,500	2,500	1,691
Incidentals	800	800	40
Training	400	400	250
Office space rent	9,600	9,600	10,021
Office furniture and equipment	7,760	7,760	7,042
	<u>117,055</u>	<u>117,055</u>	<u>103,426</u>
Total cable programming services			
Historical museum			
Regular salaries	61,600	61,600	70,354
Employee benefits	14,140	14,140	15,067
Debt service	9,100	9,100	9,006
	<u>84,840</u>	<u>84,840</u>	<u>94,427</u>
Total historical museum			
Youth Advisory Commission			
Regular salaries	18,550	18,550	8,015
Employee benefits	2,700	2,700	966
Professional services	500	500	-
Maintenance - office equipment	200	200	-
Supplies - office	200	200	-
Incidentals	500	500	-
Youth Recognition Program	550	550	438
Youth Commission Grants	25,000	25,000	26,050
	<u>48,200</u>	<u>48,200</u>	<u>35,469</u>
Youth Advisory Commission			
Contingencies			
Regular	400,000	400,000	-
Atrium condo resales	100,000	100,000	-
	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total contingencies			

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 GENERAL CORPORATE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Miscellaneous (Continued)			
Clampitt estate	\$ 144,000	\$ 144,000	\$ -
Total miscellaneous	<u>1,001,045</u>	<u>1,001,045</u>	<u>339,481</u>
Capital outlay			
Sidewalk replacement program	120,000	120,000	95,167
Curb repair program	100,000	100,000	47,144
Street and alley maintenance program	250,000	250,000	204,954
Brick street maintenance	30,000	30,000	27,318
Pavement marking program	15,000	15,000	14,480
Total capital outlay	<u>515,000</u>	<u>515,000</u>	<u>389,063</u>
Total expenditures	<u>23,386,358</u>	<u>23,386,358</u>	<u>22,667,723</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,514,133)</u>	<u>(1,514,133)</u>	<u>(725,133)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	800,000	800,000	800,000
Transfers (out)	<u>(160,000)</u>	<u>(160,000)</u>	<u>(138,053)</u>
Total other financing sources (uses)	<u>640,000</u>	<u>640,000</u>	<u>661,947</u>
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	<u>\$ (874,133)</u>	<u>\$ (874,133)</u>	<u>(63,186)</u>
Net change in encumbrances			48,249
Encumbrances written off			5,000
Increase in estimated unbilled accounts receivable			11,000
Deduct installment loan principal reduction			(5,000)
Add installment contract proceeds			314,979
Add back Section 105 Plan contribution			75,842
Add back Section 105 Plan interest			2,056
Deduct 2003 IMRF Fund prepaid expense allocation			<u>(77,861)</u>
NET CHANGE IN FUND BALANCE (GAAP BASIS)			311,079
FUND BALANCE, JANUARY 1			<u>5,187,607</u>
FUND BALANCE, DECEMBER 31			<u>\$ 5,498,686</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2004

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
1999	\$ 16,473,332	\$ 14,603,751	112.80%	\$ (1,869,581)	\$ 5,620,878	(33.26%)
2000	18,481,193	15,762,606	117.25%	(2,718,587)	5,991,602	(45.37%)
2001	19,736,331	16,242,977	121.51%	(3,493,354)	5,856,478	(59.65%)
2002	20,586,498	18,457,187	111.54%	(2,129,311)	6,286,492	(33.87%)
2003	20,260,965	19,072,095	106.23%	(1,188,870)	6,520,073	(18.23%)
2004	21,208,124	20,966,987	101.15%	(241,137)	6,878,824	(3.51%)

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 POLICE PENSION FUND

December 31, 2004

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
1999	\$ 22,828,570	\$ 21,921,651	104.14%	\$ (906,919)	\$ 2,477,141	(36.61%)
2000	23,532,006	24,049,870	97.85%	517,864	2,378,719	21.77%
2001	23,363,594	26,490,419	88.20%	3,126,825	2,324,998	134.49%
2002	23,349,649	27,857,561	83.82%	4,507,912	2,550,669	176.73%
2003	23,975,682	30,016,766	79.87%	6,041,084	2,972,254	203.25%
2004	25,256,500	30,875,862	81.80%	5,619,362	3,147,169	178.55%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 FIREFIGHTERS' PENSION FUND

December 31, 2004

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
1999	\$ 24,801,174	\$ 25,152,454	98.60%	\$ 351,280	\$ 2,573,604	13.65%
2000	24,972,230	26,505,527	94.22%	1,533,297	2,592,509	59.14%
2001	24,686,816	27,499,449	89.77%	2,812,633	2,611,026	107.72%
2002	24,493,712	29,166,669	83.98%	4,672,957	2,848,799	164.03%
2003	25,010,118	30,450,103	82.13%	5,439,985	2,993,008	181.76%
2004	26,087,672	35,218,576	74.07%	9,130,904	3,133,245	291.42%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2004

<u>Fiscal Year December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1999	\$ 488,454	\$ 488,454	100.00%
2000	425,404	425,404	100.00%
2001	272,326	272,326	100.00%
2002	223,799	223,799	100.00%
2003	127,141	127,141	100.00%
2004	373,520	373,520	100.00%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 POLICE PENSION FUND

December 31, 2004

Fiscal Year December 31,	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
1999	\$ 260,000	\$ 262,988	98.86%
2000	277,000	279,905	98.96%
2001	378,000	373,051	101.33%
2002	511,000	510,760	100.05%
2003	624,000	623,471	100.08%
2004	774,300	774,290	100.00%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 FIREFIGHTERS' PENSION FUND

December 31, 2004

<u>Fiscal Year December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1999	\$ 360,000	\$ 362,372	99.35%
2000	465,000	467,458	99.47%
2001	541,000	536,584	100.82%
2002	638,000	637,344	100.10%
2003	748,000	747,981	100.00%
2004	818,350	818,345	100.00%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2004

a. Budgets

All departments of the Village submit requests for appropriation to the Village's manager so that a budget may be prepared. The budget is prepared by fund on a non-GAAP basis and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year. Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service, and pension trust funds. All annual appropriations lapse at fiscal year end.

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 appropriations, but may not change the form of the budget.

The budget may be amended only by the governing body. Expenditures may not legally exceed budgeted appropriations at the fund level. No supplemental appropriations were made.

b. Excess of Actual Expenditures/Expenses Over Budget in Individual Funds

The following funds had an excess of actual expenditures/expenses (exclusive of depreciation and amortization) over budget for the fiscal year:

<u>Fund</u>	<u>Excess</u>
Illinois Municipal Retirement Fund	\$ 17,695

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUND

Capital Projects Fund

2002 General Obligation Bond Fund - to account for facility improvements at both fire stations and the village hall and the continuation of the Village's enhanced street resurfacing program.

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
 SERIES 2002 GENERAL OBLIGATION BOND FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Sheridan Road bicycle underpass grant	\$ 91,000	\$ 91,000	\$ -
Streetscape grant	-	-	108,160
Soil remediation grant	30,390	30,390	-
Interest earned on investments	230,000	230,000	219,945
Total revenues	351,390	351,390	328,105
EXPENDITURES			
Capital outlay			
Fire Stations' improvements	2,470,650	2,470,650	1,528,408
Police Station improvements	6,000,000	6,000,000	7,068
Police crime lab	70,000	70,000	-
Village Hall improvements	585,500	585,500	274,170
Replacement Fire Dept. ladder truck	725,000	725,000	-
E.R.P. - Phase I	37,700	37,700	11,577
Computer aided dispatch system	570,000	570,000	-
Police records management system	140,000	140,000	-
Series street light system improvements	-	-	2,489
Fairway/Bunker street light improvements	90,000	90,000	83,567
METRA parking lot improvements	-	-	86,377
Howard Park soil remediation	30,000	30,000	7,221
Sheridan Road improvements	105,000	105,000	60,877
Sheridan Road bicycle underpass	160,000	160,000	7,392
Traffic calming	20,000	20,000	-
Wilmette Avenue improvements	-	-	(12,384)
Ridge Road improvements	-	-	44,656
Enhanced street resurfacing program	2,300,000	2,300,000	2,037,655
Total capital outlay	13,303,850	13,303,850	4,139,073

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 SERIES 2002 GENERAL OBLIGATION BOND FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Debt service			
Interest expenditures	\$ 400,000	\$ 400,000	\$ 400,000
Total debt service	400,000	400,000	400,000
Total expenditures	13,703,850	13,703,850	4,539,073
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)	\$ (13,352,460)	\$ (13,352,460)	(4,210,968)
Net appreciation (depreciation) in fair value of investments			(32,740)
NET CHANGE IN FUND BALANCE (GAAP BASIS)			(4,243,708)
FUND BALANCE, JANUARY 1			13,221,678
FUND BALANCE, DECEMBER 31			\$ 8,977,970

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Motor Fuel Tax Fund - to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law required these gasoline taxes to be used for the following purposes: 1) street construction or reconstruction to improve traffic capacity; 2) installation of traffic signs, signals, and controls; 3) sidewalk repair and replacement; and 4) the public benefit share of new street improvements when certain criteria are met in connection with a special assessment project.

War Memorial Fund - established in 1994 to account for donations collected to fund the construction of a war memorial dedicated to residents of the Village who have died in the armed services. Construction was completed in 1995 at a cost of \$73,000. Remaining funds will be used to maintain the memorial.

Debt Service Funds

General Debt Service Fund - to accumulate monies for payment of principal and interest for the following general obligation bond issues:

\$4,050,000 General Obligation Improvements, Series 1999, average 4.4213%, General portion.

\$2,000,000 General Obligation Improvements, Series 2000, average 5.376%, General portion.

\$3,000,000 General Obligation Improvements, Series 2001, average 4.660%, General portion.

\$23,400,000 General Obligation Improvements, Series 2002, average 4.739%, General portion.

\$9,300,000 General Obligation Refunding, Series 2004, average 3.636%, General portion.

Special Service Area Number Two Fund - \$100,000 Central Business District Improvements, Series 1988, average of 6.3%.

VILLAGE OF WILMETTE, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2004

	Special Revenue		Debt Service		Total
	Motor Fuel Tax	War Memorial	General Debt Service	Special Service Area Number Two	
ASSETS					
Cash and cash equivalents	\$ 1,046,773	\$ 2,712	\$ -	\$ 1,466	\$ 1,050,951
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	-	-	2,493,167	-	2,493,167
Due from other governments	68,107	-	-	-	68,107
TOTAL ASSETS	\$ 1,114,880	\$ 2,712	\$ 2,493,167	\$ 1,466	\$ 3,612,225
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 10,165	\$ -	\$ 150	\$ -	\$ 10,315
Due to other funds	-	-	37,347	-	37,347
Deferred property taxes	-	-	2,407,802	-	2,407,802
Total liabilities	10,165	-	2,445,299	-	2,455,464
FUND BALANCES					
Reserved for highways and streets	1,104,715	-	-	-	1,104,715
Reserved for debt service	-	-	47,868	1,466	49,334
Unreserved	-	2,712	-	-	2,712
Total fund balances	1,104,715	2,712	47,868	1,466	1,156,761
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,114,880	\$ 2,712	\$ 2,493,167	\$ 1,466	\$ 3,612,225

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2004

	Special Revenue		Debt Service		Total
	Motor Fuel Tax	War Memorial	General Debt Service	Special Service Area Number Two	
REVENUES					
Property taxes	\$ -	\$ -	\$ 2,156,122	\$ -	\$ 2,156,122
Motor fuel tax allotments	789,158	-	-	-	789,158
Investment income	32,068	33	-	-	32,101
Total revenues	821,226	33	2,156,122	-	2,977,381
EXPENDITURES					
Capital outlay	775,257	-	-	-	775,257
Debt service					
Principal retirement	-	-	1,005,000	-	1,005,000
Bond issuance costs	-	-	30,593	-	30,593
Interest and fiscal charges	-	-	1,150,782	-	1,150,782
Total expenditures	775,257	-	2,186,375	-	2,961,632
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	45,969	33	(30,253)	-	15,749
OTHER FINANCING SOURCES (USES)					
Refunding bonds issued	-	-	9,300,000	-	9,300,000
Payment to refunded bond escrow agent	-	-	(9,269,407)	-	(9,269,407)
Total other financing sources (uses)	-	-	30,593	-	30,593
NET CHANGE IN FUND BALANCES	45,969	33	340	-	46,342
FUND BALANCES, JANUARY 1	1,058,746	2,679	47,528	1,466	1,110,419
FUND BALANCES, DECEMBER 31	\$ 1,104,715	\$ 2,712	\$ 47,868	\$ 1,466	\$ 1,156,761

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
 MOTOR FUEL TAX FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental revenue - allotments received from State of Illinois	\$ 750,000	\$ 750,000	\$ 789,158
Interest earned on investments	20,000	20,000	32,068
Total revenues	770,000	770,000	821,226
EXPENDITURES			
Capital outlay 2004 Street resurfacing program	770,000	770,000	770,000
Total expenditures	770,000	770,000	770,000
NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)	\$ -	\$ -	51,226
Net change in encumbrances			(5,257)
NET CHANGE IN FUND BALANCE (GAAP BASIS)			45,969
FUND BALANCE, JANUARY 1			1,058,746
FUND BALANCE, DECEMBER 31			\$ 1,104,715

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
WAR MEMORIAL FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Interest earned on investments	\$ 75	\$ 75	\$ 33
EXPENDITURES			
Miscellaneous			
War Memorial expenditures	2,900	2,900	-
Total expenditures	2,900	2,900	-
NET CHANGE IN FUND BALANCE	<u>\$ (2,825)</u>	<u>\$ (2,825)</u>	33
FUND BALANCE, JANUARY 1			<u>2,679</u>
FUND BALANCE, DECEMBER 31			<u>\$ 2,712</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
 GENERAL DEBT SERVICE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 2,152,800	\$ 2,152,800	\$ 2,156,122
EXPENDITURES			
Debt service			
Principal retirement	1,005,000	1,005,000	1,005,000
Interest and fiscal charges	1,158,600	1,158,600	1,150,782
Total expenditures	2,163,600	2,163,600	2,155,782
NET CHANGE IN FUND BALANCE	\$ (10,800)	\$ (10,800)	340
FUND BALANCE, JANUARY 1			47,528
FUND BALANCE, DECEMBER 31			<u>\$ 47,868</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
 SPECIAL SERVICE AREA NUMBER TWO FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	-
FUND BALANCE, JANUARY 1			<u>1,466</u>
FUND BALANCE, DECEMBER 31			<u>\$ 1,466</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

Water Fund - to account for all activity necessary to provide water to the residents of the Village including administration, operation, maintenance, and billing and collection.

Sewer Fund - to account for sewer charge revenues and specific costs of operating the sewer system as required by the granting agency.

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS)
WATER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Water sales			
Residential	\$ 1,854,000	\$ 1,854,000	\$ 1,683,562
Village of Glenview	2,865,200	2,865,200	2,731,817
Illinois American Water Company	852,800	852,800	776,587
Interest earned on investments			
Surplus account	100,000	100,000	67,706
Capital improvements reserve account	200,000	200,000	105,653
Other	70,000	70,000	124,366
Total revenues	5,942,000	5,942,000	5,489,691
EXPENSES			
Water plant operations	2,114,515	2,114,515	1,877,574
Distribution	845,005	845,005	776,955
Maintenance	314,575	314,575	305,366
General	163,230	163,230	163,829
Administrative	446,965	446,965	448,627
Capital improvements	1,643,000	1,643,000	1,532,400
Debt service	1,317,200	1,317,200	1,389,132
Total expenses	6,844,490	6,844,490	6,493,883
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	(902,490)	(902,490)	(1,004,192)

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
WATER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
OTHER FINANCING SOURCES (USES)			
Village of Glenview contribution	\$ -	\$ -	\$ 338,819
Transfer (out)			
General Fund	(800,000)	(800,000)	(800,000)
	<u>(800,000)</u>	<u>(800,000)</u>	<u>(461,181)</u>
Total other financing sources (uses)			
	<u>(800,000)</u>	<u>(800,000)</u>	<u>(461,181)</u>
NET INCOME (LOSS) (BUDGETARY BASIS)	<u>\$ (1,702,490)</u>	<u>\$ (1,702,490)</u>	(1,465,373)
Add back capital asset additions (net of disposals) included in expenses			1,650,623
Deduct IMRF prepaid expense allocation			(21,612)
Deduct increase in compensated absences liability			(2,597)
Add back Section 105 Plan contribution			9,087
Add back Section 105 Plan interest			246
Deduct investment market value adjustment			(27,682)
Add increase in unbilled water sales receivable			31,000
Deduct depreciation expense			(655,864)
Deduct amortization of bond discounts and refundings			(91,650)
Add back bond principal retirement			340,000
			<u>340,000</u>
CHANGE IN NET ASSETS (GAAP BASIS)			(233,822)
NET ASSETS, JANUARY 1			<u>15,430,169</u>
NET ASSETS, DECEMBER 31			<u>\$ 15,196,347</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF EXPENSES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
WATER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
WATER PLANT OPERATIONS			
Salaries			
Regular	\$ 852,025	\$ 852,025	\$ 854,619
Overtime	24,000	24,000	29,964
Employee benefits	254,790	254,790	252,130
Professional services	13,000	13,000	12,118
Contractual services	30,000	30,000	33,927
Contractual custodial services	11,000	11,000	12,378
Maintenance of equipment	18,000	18,000	18,483
Maintenance of intake	3,000	3,000	-
Uniforms	3,900	3,900	3,694
Supplies	27,000	27,000	27,553
Supplies - computer parts	2,000	2,000	607
Supplies - laboratory	11,000	11,000	10,429
Equipment repairs	27,000	27,000	28,348
Power	360,000	360,000	288,793
Heating gas	58,000	58,000	44,192
Chemicals	130,000	130,000	73,266
Automotive expense	16,100	16,100	15,807
Incidentals	1,000	1,000	768
Water Reclamation District user charges	110,000	110,000	101,957
Building improvements	9,500	9,500	-
Pumping improvements	98,000	98,000	21,795
Motor equipment	48,000	48,000	39,853
Other equipment	4,500	4,500	4,595
Office furniture and equipment	2,700	2,700	2,298
Total water plant operations	2,114,515	2,114,515	1,877,574
DISTRIBUTION			
Salaries			
Regular	323,975	323,975	320,521
Overtime	16,100	16,100	17,788
Employee benefits	122,420	122,420	106,755
Contractual services	98,955	98,955	87,735
Maintenance - distribution system	11,000	11,000	-
Uniforms	4,530	4,530	3,787
Materials	63,600	63,600	61,232
Automotive expense	79,800	79,800	78,158
Incidentals	200	200	207
Training	3,250	3,250	2,589
Distribution improvements	60,000	60,000	42,344

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF EXPENSES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 WATER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
DISTRIBUTION (Continued)			
Replacement fire hydrants	\$ 20,000	\$ 20,000	\$ 19,904
Valve exercising program	35,000	35,000	30,614
Other equipment	6,175	6,175	5,321
Total distribution	845,005	845,005	776,955
METER AND RESERVOIR MAINTENANCE			
Salaries			
Regular	128,275	128,275	129,954
Overtime	520	520	-
Employee benefits	34,680	34,680	35,701
Contractual services	7,600	7,600	7,150
Maintenance - reservoir/pumping station	3,500	3,500	2,736
Maintenance - standpipe	1,100	1,100	1,100
Uniforms	1,000	1,000	755
Supplies	3,000	3,000	2,665
Supplies - reservoir	3,500	3,500	2,412
Water meters - cost of sales	18,000	18,000	14,208
Water meters - repair parts	18,000	18,000	20,576
Water meter replacement program	2,000	2,000	1,771
Automatic meter reading program	77,000	77,000	70,931
Automotive expense	15,700	15,700	15,369
Training	700	700	38
Total meter and reservoir maintenance	314,575	314,575	305,366
GENERAL			
Salaries			
Regular	57,425	57,425	60,262
Overtime	1,325	1,325	3,479
Employee benefits	20,170	20,170	20,731
Annual audit	12,000	12,000	12,000
Bank charges	15,000	15,000	20,487
Postage	17,000	17,000	11,401
Contractual meter reading	32,000	32,000	28,029
Uniforms	450	450	232
Supplies - office - administrative	4,000	4,000	3,742
Supplies - office - water plant	2,200	2,200	2,107
Incidentals	100	100	59
Training	1,560	1,560	1,300
Total general	163,230	163,230	163,829

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF EXPENSES -
 BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
 WATER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
ADMINISTRATIVE			
General corporate salaries	\$ 239,085	\$ 239,085	\$ 236,105
Employee benefits	60,380	60,380	57,333
Memberships	8,100	8,100	7,662
Contractual grounds maintenance	1,700	1,700	-
Telephone - regular service	43,000	43,000	28,299
Telephone maintenance	3,200	3,200	4,096
Telephone - cellular service	6,000	6,000	5,283
Telephone - long distance	1,000	1,000	677
Supplies - building	8,000	8,000	8,732
Building furniture and repairs	7,000	7,000	8,092
Training	7,500	7,500	6,015
General liability and property insurance	62,000	62,000	86,333
Total administrative	446,965	446,965	448,627
CAPITAL IMPROVEMENTS			
Water plant security improvements	360,000	360,000	228,968
Basins #5 and #6 flocculators	-	-	489
Water plant site improvements	56,000	56,000	2,700
Standpipe reconditioning	12,000	12,000	1,225
Lake Avenue 12" water main	500,000	500,000	343,879
Sheridan Road water main	75,000	75,000	-
Fairway/Bunker water main	500,000	500,000	341,276
Isabella/Woodbine water main	140,000	140,000	181,283
Ridge Road water main	-	-	48,832
Wilmette Avenue water main	-	-	2,850
Linden Avenue water main	-	-	2,850
Facility expansion improvements	-	-	378,048
Total capital improvements	1,643,000	1,643,000	1,532,400
DEBT SERVICE			
Bond principal retirement	340,000	340,000	340,000
Bond interest expense	973,200	973,200	973,406
Bond issuance costs	-	-	72,546
Paying agents' fees	4,000	4,000	3,180
Total debt service	1,317,200	1,317,200	1,389,132
TOTAL EXPENSES	\$ 6,844,490	\$ 6,844,490	\$ 6,493,883

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS)
SEWER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Charges for services			
Sewer charges	\$ 3,818,000	\$ 3,818,000	\$ 3,206,314
Other	-	-	100
Total charges for services	3,818,000	3,818,000	3,206,414
Interest earned on investments	80,000	80,000	12,574
Proceeds from bond issuance	5,000,000	5,000,000	-
Total revenues	8,898,000	8,898,000	3,218,988
EXPENSES			
Current - streets and sanitation			
Maintenance of sewers			
Salaries			
Regular	309,200	309,200	305,988
Overtime	7,200	7,200	3,892
Employee benefits	117,540	117,540	100,138
Contractual services	106,050	106,050	73,866
Contractual sewer improvements	200,000	200,000	63,189
N.P.D.E.S. Phase II	5,000	5,000	1,000
Uniforms	4,530	4,530	3,108
Materials	32,775	32,775	30,524
Automotive	79,800	79,800	78,158
Incidentals	200	200	283
Training	1,500	1,500	650
Motor equipment	14,860	14,860	13,986
Total maintenance of sewers	878,655	878,655	674,782
Storm water pumping station			
Salaries			
Overtime	3,500	3,500	6,128
Employee benefits	510	510	1,458
Contractual services	1,600	1,600	688
Maintenance - equipment	3,000	3,000	980
Supplies	1,000	1,000	656
Supplies - outfall control	500	500	-
Power	7,700	7,700	9,223
Total storm water pumping station	17,810	17,810	19,133
Total streets and sanitation	896,465	896,465	693,915

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
SEWER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENSES (Continued)			
Capital outlay			
Highland Avenue relief sewer	\$ 165,000	\$ 165,000	\$ 241,822
Central Avenue sewer	836,000	836,000	603,951
Ridge Road sewer	-	-	68,359
Sewer lining and rehabilitation	400,000	400,000	392,858
Sewer point repairs	100,000	100,000	60,301
Sewer improvements	100,000	100,000	18,000
Total capital outlay	1,601,000	1,601,000	1,385,291
Debt service			
EPA loan retirement	1,592,386	1,592,386	1,586,127
G.O. bond retirement	20,000	20,000	20,000
Interest expense	1,030,580	1,030,580	785,458
Total debt service	2,642,966	2,642,966	2,391,585
Total expenses	5,140,431	5,140,431	4,470,791
NET INCOME (LOSS) (BUDGETARY BASIS)	\$ 3,757,569	\$ 3,757,569	(1,251,803)
Add increase in accrued vacation payable			(3,250)
Add increase in unbilled sewer charges receivable			90,000
Deduct 2003 IMRF Fund prepaid expense allocation			(4,298)
Add back Section 105 Plan contribution			2,091
Add back Section 105 Plan interest			57
Add back debt principal retirement			1,606,127
Add back capital asset additions (net of disposals) included in expenses			1,385,291
Deduct depreciation expense			(661,924)
CHANGE IN NET ASSETS (GAAP BASIS)			1,162,291
NET ASSETS, JANUARY 1			15,725,231
NET ASSETS, DECEMBER 31			\$ 16,887,522

(See independent auditor's report.)

NONMAJOR ENTERPRISE FUND

Parking Meter Fund - to account for all activity necessary for the provision of parking in the Village including administration, maintenance, and collection.

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS)
PARKING METER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
REVENUES			
Central Business District			
Parking meter revenue	\$ 77,500	\$ 77,500	\$ 52,265
Debit card revenue	60,500	60,500	72,052
Permit fees	23,940	23,940	22,860
METRA station rent	2,765	2,765	2,765
Burmeister Parking Facility			
Permit fees	17,000	17,000	18,660
CTA Station			
Commuter daily drop-box revenue	63,000	63,000	69,433
Commuter permit fees	13,300	13,300	11,580
Merchant permit fees	2,200	2,200	3,080
Residential permit fees	4,500	4,500	3,540
	<u>264,705</u>	<u>264,705</u>	<u>256,235</u>
EXPENSES			
Central Business District			
Salaries			
Regular	58,775	58,775	58,477
Overtime	1,825	1,825	239
Employee benefits	18,310	18,310	18,421
Contractual services - railroad property	30,000	30,000	21,005
Contractual snow plowing	17,715	17,715	9,147
Grounds supplies - Village property	4,370	4,370	-
Grounds supplies - railroad property	2,000	2,000	-
Power - METRA Station	3,375	3,375	2,736
Lighting	2,460	2,460	7,310
Parking meter parts - Village property	400	400	-
Parking meter parts - railroad property	5,550	5,550	5,756
Rent - commuter lot	40,000	40,000	30,517
Rent - Poplar Drive lots	5,700	5,700	3,805
Rent - St. Augustine lot	1,400	1,400	1,727
Rent - Masonic Temple lot	790	790	470
Other equipment	4,500	4,500	2,880
	<u>197,170</u>	<u>197,170</u>	<u>162,490</u>

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS) (Continued)
PARKING METER FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
EXPENSES (Continued)			
CTA Station			
Salaries			
Regular	\$ 26,650	\$ 26,650	\$ 26,862
Overtime	2,600	2,600	-
Employee benefits	8,920	8,920	9,213
Contractual services	5,740	5,740	519
Contractual grounds maintenance	14,800	14,800	2,074
Contractual snow plowing	7,110	7,110	4,347
Materials	2,800	2,800	92
Rent - CTA	27,000	27,000	28,816
Total CTA Station	95,620	95,620	71,923
Burmeister Parking Facility			
Contractual services	24,260	24,260	2,484
Materials	500	500	-
Lighting	11,000	11,000	8,161
Bond principal retirement	100,000	100,000	100,000
Bond interest expense	43,448	43,448	44,870
Total Burmeister Parking Facility	179,208	179,208	155,515
Total expenses	471,998	471,998	389,928
INCOME (LOSS) BEFORE TRANSFERS	(207,293)	(207,293)	(133,693)
TRANSFERS IN			
General Fund	160,000	160,000	138,053
NET INCOME (LOSS) (BUDGETARY BASIS)	\$ (47,293)	\$ (47,293)	4,360
Deduct 2004 IMRF Fund prepaid expense allocation			(1,087)
Add back bond principal retirement			100,000
Add back 2004 capital asset contribution from Capital Projects			86,377
Deduct amortization of bond discounts and refundings			(50)
Deduct depreciation expense			(126,180)
CHANGE IN NET ASSETS (GAAP BASIS)			63,420
NET ASSETS, JANUARY 1			4,497,024
NET ASSETS, DECEMBER 31			\$ 4,560,444

(See independent auditor's report.)

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for services provided for other funds.

Municipal Garage Fund - to account for the activity necessary to operate and maintain the Village's automotive fleet. User departments are charged a proportionate share determined by the number and types of vehicles in each department.

Employee Insurance Fund - to account for employer provided health and life insurance, employer flexible benefit contributions, and unemployment compensation. User departments are charged the expense incurred on behalf of their employees.

Workers' Compensation Fund - to account for the employer workers' compensation expense. User departments are charged a proportionate share of this expense determined by the personnel in each department.

Illinois Municipal Retirement Fund - to account for employer social security and Medicare contributions as well as employer pension contributions to the Illinois Municipal Retirement Fund (the statewide pension plan for the Village's full-time employees other than sworn police and fire personnel). User departments are charged the expense incurred on behalf of their employees.

VILLAGE OF WILMETTE, ILLINOIS
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS

December 31, 2004

	Municipal Garage	Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Totals
CURRENT ASSETS					
Cash and investments	\$ -	\$ -	\$ 5,435	\$ 23,996	\$ 29,431
Accounts receivable	-	3,683	-	-	3,683
Total assets	-	3,683	5,435	23,996	33,114
CURRENT LIABILITIES					
Accounts payable	-	-	5,435	23,996	29,431
Due to other funds	-	2,448	-	-	2,448
Deferred credit	-	1,235	-	-	1,235
Total liabilities	-	3,683	5,435	23,996	33,114
NET ASSETS					
Unrestricted	-	-	-	-	-
TOTAL NET ASSETS	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET ASSETS
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2004

	Municipal Garage	Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Totals
OPERATING REVENUES					
Charges for services	\$ 878,172	\$ 1,859,358	\$ 280,769	\$ 1,011,375	\$ 4,029,674
OPERATING EXPENSES					
Administration	-	1,859,358	280,769	1,011,375	3,151,502
Maintenance	878,172	-	-	-	878,172
Total operating expenses	878,172	1,859,358	280,769	1,011,375	4,029,674
CHANGE IN NET ASSETS	-	-	-	-	-
NET ASSETS, JANUARY 1	-	-	-	-	-
NET ASSETS, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2004

	Municipal Garage	Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund services	\$ 878,172	\$ 1,856,910	\$ 280,769	\$ 906,517	\$ 3,922,368
Payments to suppliers	(472,353)	(1,739,250)	(279,581)	(987,379)	(3,478,563)
Payments to employees	(405,819)	(122,625)	-	-	(528,444)
Net cash from operating activities	-	(4,965)	1,188	(80,862)	(84,639)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Change in interfund activity	-	2,448	-	-	2,448
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
None	-	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES					
None	-	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	(2,517)	1,188	(80,862)	(82,191)
CASH AND CASH EQUIVALENTS, JANUARY 1	-	2,517	4,247	104,858	111,622
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ -	\$ 5,435	\$ 23,996	\$ 29,431
CASH AND INVESTMENTS	\$ -	\$ -	\$ 5,435	\$ 23,996	\$ 29,431
Cash and cash equivalents	\$ -	\$ -	\$ 5,435	\$ 23,996	\$ 29,431
TOTAL CASH AND INVESTMENTS	\$ -	\$ -	\$ 5,435	\$ 23,996	\$ 29,431
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income to net cash from operating activities					
Changes in assets and liabilities					
Accounts receivable	-	(3,683)	-	-	(3,683)
Accounts payable	-	(2,517)	1,188	23,996	22,667
Deferred revenue	-	1,235	-	(104,858)	(103,623)
NET CASH FROM OPERATING ACTIVITIES	\$ -	\$ (4,965)	\$ 1,188	\$ (80,862)	\$ (84,639)

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS)
MUNICIPAL GARAGE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
General Fund billings	\$ 705,295	\$ 705,295	\$ 690,680
Sewer Fund billings	79,800	79,800	78,158
Water Fund billings	111,600	111,600	109,334
Total operating revenues	896,695	896,695	878,172
OPERATING EXPENSES			
Regular salaries	411,350	411,350	403,230
Overtime salaries	2,050	2,050	2,589
Employee benefits	124,580	124,580	113,877
Contractual services	28,000	28,000	22,496
Maintenance - radios	1,200	1,200	1,135
Contractual vehicle washing	4,575	4,575	3,778
Automobile insurance and claims	56,020	56,020	61,666
Uniforms	4,015	4,015	3,119
Supplies - automotive parts	115,575	115,575	110,177
Supplies - auto shop	11,400	11,400	9,774
Supplies - vehicle striping and safety	2,000	2,000	1,159
Gasoline and oil	111,000	111,000	132,265
Mechanics' tool allowance	2,200	2,200	2,200
Incidentals	75	75	56
Training	2,700	2,700	1,832
Licenses, titles, and inspection fees	4,765	4,765	3,750
Squad car transfer rehabilitation	5,000	5,000	5,069
Total operating expenses	886,505	886,505	878,172
CHANGE IN NET ASSETS	\$ 10,190	\$ 10,190	-
NET ASSETS, JANUARY 1			-
NET ASSETS, DECEMBER 31			\$ -

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS)
EMPLOYEE INSURANCE FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
General Fund billings	\$ 1,530,100	\$ 1,530,100	\$ 1,488,401
Municipal Garage Fund billings	62,230	62,230	56,264
Parking Meter Fund billings	15,140	15,140	16,912
Sewer Fund billings	68,070	68,070	57,313
Water Fund billings	219,120	219,120	240,468
Total operating revenues	1,894,660	1,894,660	1,859,358
OPERATING EXPENSES			
Administration			
Flexible benefit program contributions	124,800	124,800	122,625
Employee health insurance			
North Suburban Employee Benefit Co-Op	1,363,860	1,363,860	1,343,319
Humana HMO	290,000	290,000	294,093
HMO-Illinois	76,000	76,000	64,690
Employee life insurance	30,000	30,000	30,959
Unemployment compensation	10,000	10,000	3,672
Total operating expenses	1,894,660	1,894,660	1,859,358
CHANGE IN NET ASSETS	\$ -	\$ -	-
NET ASSETS, JANUARY 1			-
NET ASSETS, DECEMBER 31			\$ -

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS)
WORKER'S COMPENSATION FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
General Fund billings	\$ 259,000	\$ 259,000	\$ 232,109
Municipal Garage Fund billings	9,330	9,330	8,310
Parking Meter Fund billings	1,760	1,760	1,800
Sewer Fund billings	7,210	7,210	6,290
Water Fund billings	30,700	30,700	32,260
Total operating revenues	<u>308,000</u>	<u>308,000</u>	<u>280,769</u>
OPERATING EXPENSES			
Administration			
Workers' compensation			
Fixed premium portion	218,465	218,465	241,072
Payment of deductibles	89,535	89,535	39,697
Total operating expenses	<u>308,000</u>	<u>308,000</u>	<u>280,769</u>
CHANGE IN NET ASSETS	<u>\$ -</u>	<u>\$ -</u>	-
NET ASSETS, JANUARY 1			<u>-</u>
NET ASSETS, DECEMBER 31			<u>\$ -</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL (BUDGETARY BASIS)
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
OPERATING REVENUES			
Charges for services			
General Fund billings	\$ 717,270	\$ 717,270	\$ 700,061
Municipal Garage Fund billings	51,220	51,220	47,386
Parking Meter Fund billings	9,930	9,930	10,008
Sewer Fund billings	40,730	40,730	39,993
Water Fund billings	174,530	174,530	211,546
Wilmette Park District reimbursements	-	-	2,381
Total operating revenues	993,680	993,680	1,011,375
OPERATING EXPENSES			
Administration			
Employer IMRF contributions	349,130	349,130	373,520
Employer FICA contributions	464,780	464,780	459,378
Employer Medicare contributions	179,770	179,770	178,477
Total operating expenses	993,680	993,680	1,011,375
CHANGE IN NET ASSETS	\$ -	\$ -	-
NET ASSETS, JANUARY 1			-
NET ASSETS, DECEMBER 31			\$ -

(See independent auditor's report.)

FIDUCIARY FUNDS

Pension Trust Funds

Police Pension Fund - to account for the accumulation of resources to be used for disability and retirement annuity payments to uniformed Public Safety Officers covered by the Plan. Resources are contributed by employees and by property tax levies.

Firefighters' Pension Fund - to account for the accumulation of resources to be used for disability and retirement annuity payments to uniformed Public Safety Officers not covered by the Police Pension. Resources are contributed by employees and by property tax levies.

Agency Fund

Fire Insurance Tax Fund - to account for foreign fire insurance tax receipts held on behalf of retiring Village firefighters to be applied to their retiree health insurance premiums.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS

December 31, 2004

	Pension Trust			Agency
	Police Pension	Firefighters' Pension	Total	Fire Insurance Tax
ASSETS				
Cash and cash equivalents	\$ 1,954,724	\$ 2,841,332	\$ 4,796,056	\$ 136,180
Investments	22,086,537	22,261,334	44,347,871	290,955
Receivables (net, where applicable, of allowances for uncollectibles)				
Accrued interest	121,529	117,910	239,439	-
Total assets	24,162,790	25,220,576	49,383,366	427,135
LIABILITIES				
Accounts payable	7,350	7,299	14,649	-
Due to other funds	3,000	31,742	34,742	-
Health insurance deposits	-	-	-	427,135
Total liabilities	10,350	39,041	49,391	427,135
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 24,152,440	\$ 25,181,535	\$ 49,333,975	\$ -

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

COMBINING STATEMENT OF PLAN NET ASSETS
PENSION TRUST FUNDS

December 31, 2004

	Police Pension	Firefighters' Pension	Total
ASSETS			
Cash and cash equivalents	\$ 1,954,724	\$ 2,841,332	\$ 4,796,056
Investments, at fair value			
U. S. government obligations	7,280,015	7,208,385	14,488,400
U. S. government mutual funds	3,583,911	3,583,911	7,167,822
Common stock mutual funds	11,222,611	11,469,038	22,691,649
Receivables (net, where applicable, of allowances for uncollectibles)			
Accrued interest	121,529	117,910	239,439
Total assets	24,162,790	25,220,576	49,383,366
LIABILITIES			
Accounts payable	7,350	7,299	14,649
Due to other funds	3,000	31,742	34,742
Total liabilities	10,350	39,041	49,391
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 24,152,440	\$ 25,181,535	\$ 49,333,975

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

COMBINING STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUNDS

For the Year Ended December 31, 2004

	Police Pension	Firefighters' Pension	Total
ADDITIONS			
Contributions - employer			
General Fund	\$ 774,300	\$ 818,350	\$ 1,592,650
Contributions - plan members	308,512	324,802	633,314
Total contributions	1,082,812	1,143,152	2,225,964
Investment income			
Net appreciation in fair value of investments	1,050,842	1,091,742	2,142,584
Interest	607,585	616,776	1,224,361
Total investment income	1,658,427	1,708,518	3,366,945
Less investment expense	(39,855)	(40,003)	(79,858)
Net investment income	1,618,572	1,668,515	3,287,087
Total additions	2,701,384	2,811,667	5,513,051
DEDUCTIONS			
Benefit payments	1,343,768	1,659,450	3,003,218
Other	8,785	9,044	17,829
Total deductions	1,352,553	1,668,494	3,021,047
NET INCREASE	1,348,831	1,143,173	2,492,004
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1	22,803,609	24,038,362	46,841,971
December 31	\$ 24,152,440	\$ 25,181,535	\$ 49,333,975

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET ASSETS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
POLICE PENSION FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions - employer			
General Fund contribution	\$ 625,000	\$ 625,000	\$ 774,300
Contributions - plan members	270,400	270,400	308,512
Total contributions	895,400	895,400	1,082,812
Investment income			
Net appreciation in fair value of investments	-	-	1,050,842
Interest	1,600,000	1,600,000	607,585
Total investment income	1,600,000	1,600,000	1,658,427
Less investment expense	(38,333)	(38,333)	(39,855)
Net investment income	1,561,667	1,561,667	1,618,572
Total additions	2,457,067	2,457,067	2,701,384
DEDUCTIONS			
Benefit payments	1,400,000	1,400,000	1,343,768
Other			
Audit fee	3,000	3,000	3,000
Actuarial fee	1,667	1,667	1,667
Filing fee - state report	6,000	6,000	4,118
Other administrative expense	1,000	1,000	-
Total deductions	1,411,667	1,411,667	1,352,553
NET INCREASE	<u>\$ 1,045,400</u>	<u>\$ 1,045,400</u>	1,348,831
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1			<u>22,803,609</u>
December 31			<u>\$ 24,152,440</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET ASSETS -
BUDGET AND ACTUAL (BUDGETARY BASIS)
FIREFIGHTER'S PENSION FUND

For the Year Ended December 31, 2004

	Original Budget	Final Budget	Actual
ADDITIONS			
Contributions - employer			
General Fund contribution	\$ 748,000	\$ 748,000	\$ 818,350
Contributions - plan members	242,900	242,900	324,802
Total contributions	990,900	990,900	1,143,152
Investment income			
Net appreciation in fair value of investments	-	-	1,091,742
Interest	1,600,000	1,600,000	616,776
Total investment income	1,600,000	1,600,000	1,708,518
Less investment expense	(38,333)	(38,333)	(40,003)
Net investment income	1,561,667	1,561,667	1,668,515
Total additions	2,552,567	2,552,567	2,811,667
DEDUCTIONS			
Benefit payments	1,700,000	1,700,000	1,659,450
Other			
Audit fee	3,000	3,000	3,000
Actuarial fee	1,667	1,667	1,667
Filing fee - state report	6,000	6,000	4,377
Other administrative expense	1,000	1,000	-
Total deductions	1,711,667	1,711,667	1,668,494
NET INCREASE	\$ 840,900	\$ 840,900	1,143,173
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
January 1			<u>24,038,362</u>
December 31			<u>\$ 25,181,535</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended December 31, 2004

	Balance December 31, 2003	Additions	Deductions	Balance December 31, 2004
<u>Fire Insurance Tax Agency Fund</u>				
ASSETS				
Cash and cash equivalents and investments	\$ 383,312	\$ 70,298	\$ 26,475	\$ 427,135
TOTAL ASSETS	<u>\$ 383,312</u>	<u>\$ 70,298</u>	<u>\$ 26,475</u>	<u>\$ 427,135</u>
LIABILITIES				
Deposits payable	\$ 383,312	\$ 70,298	\$ 26,475	\$ 427,135
TOTAL LIABILITIES	<u>\$ 383,312</u>	<u>\$ 70,298</u>	<u>\$ 26,475</u>	<u>\$ 427,135</u>

See accompanying notes to financial statements.

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

General capital assets are those capital assets used in operations accounted for in governmental funds. General capital assets include all fixed assets of the Village not accounted for in Proprietary Funds or in Trust Funds.

VILLAGE OF WILMETTE, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CAPITAL ASSETS - BY SOURCE

December 31, 2004

CAPITAL ASSETS

Land (including rights-of-way)	\$ 1,570,240
Buildings	8,645,637
Machinery, equipment, and vehicles	7,789,608
Infrastructure	24,826,994
Construction in progress	<u>2,803,778</u>
 TOTAL	 <u>\$ 45,636,257</u>

INVESTMENT IN CAPITAL ASSETS

Bond issues	\$ 24,896,423
Installment contracts	125,000
Current revenues	9,699,226
Contribution from Wilmette Historical Society	968,235
War Memorial donations/Clampitt Fund transfer	67,345
Other donations	25,350
Motor fuel tax allotments	9,276,735
Sale of police confiscated property	32,900
Federal Revenue Sharing	
Village share	332,801
Cable television grant	150,452
Federal grants	53,990
State grants	<u>7,800</u>
 TOTAL	 <u>\$ 45,636,257</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

December 31, 2004

Function and Activity	Land	Buildings	Machinery, Equipment, and Vehicles	Infrastructure	Construction in Progress	Total
General government	\$ 1,347,679	\$ 2,597,854	\$ 855,596	\$ -	\$ 1,117,404	\$ 5,918,533
Streets and sanitation	55,008	3,874,415	3,593,295	-	-	7,522,718
Public safety - police	76,481	1,416,406	1,362,784	-	20,388	2,876,059
Public safety - fire	91,072	756,962	1,977,933	-	1,665,986	4,491,953
Infrastructure	-	-	-	24,826,994	-	24,826,994
	<u>\$ 1,570,240</u>	<u>\$ 8,645,637</u>	<u>\$ 7,789,608</u>	<u>\$ 24,826,994</u>	<u>\$ 2,803,778</u>	<u>\$ 45,636,257</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES IN CAPITAL ASSETS - BY FUNCTION AND ACTIVITY

For the Year Ended December 31, 2004

Function and Activity	Balance at December 31, 2003	Additions	Retirements	Balance at December 31, 2004
General government	\$ 5,217,106	\$ 809,320	\$ 107,893	\$ 5,918,533
Streets and sanitation	7,361,555	233,166	72,003	7,522,718
Public safety - police	2,852,083	146,317	122,341	2,876,059
Public safety - fire	2,930,405	1,601,448	39,900.00	4,491,953
Infrastructure	21,822,847	3,004,147	-	24,826,994
	\$ 40,183,996	\$ 5,794,398	\$ 342,137	\$ 45,636,257

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS

December 31, 2004

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
GENERAL CORPORATE FUND					
North Shore Community Bank					
Super N.O.W. accounts					
Pooled Cash - Unrestricted			\$ 8,089	\$ 8,089	\$ 8,089
Pooled Cash - Section 105			153,442	153,442	153,442
Infrastructure Maintenance Fee					
Escrow Account			92,748	92,748	92,748
E-911 Surcharge Account			107,330	107,330	107,330
Police Grant Activity Account			123,260	123,260	123,260
Clampitt Estate			126,499	126,499	126,499
Cash on hand			1,850	1,850	1,850
			613,218	613,218	613,218
Illinois Public Treasurers'					
Investment Pool			148,554	148,554	148,554
Total General Corporate Fund			\$ 761,772	\$ 761,772	\$ 761,772
SPECIAL REVENUE FUNDS					
MOTOR FUEL TAX FUND					
North Shore Community Bank					
Super N.O.W. account					
Illinois Public Treasurers'			\$ 1,046,638	\$ 1,046,638	\$ 1,046,638
Investment Pool			135	135	135
Total Motor Fuel Tax Fund			\$ 1,046,773	\$ 1,046,773	\$ 1,046,773
WAR MEMORIAL FUND					
Illinois Public Treasurers'					
Investment Pool			\$ 2,712	\$ 2,712	\$ 2,712
DEBT SERVICE FUNDS					
North Shore Community Bank					
Super N.O.W. account					
			\$ 1,466	\$ 1,466	\$ 1,466
CAPITAL PROJECTS FUND					
North Shore Community Bank					
Super N.O.W. account					
			\$ 9,198,654	\$ 9,198,654	\$ 9,198,654
WATER FUND					
North Shore Community Bank					
Super N.O.W. account					
Pooled Cash - Unrestricted			\$ 2,865,118	\$ 2,865,118	\$ 2,865,118
Pooled Cash - Section 105			18,482	18,482	18,482
Restricted by bond ordinance			6,494,041	6,494,041	6,494,041
Total Water Fund			\$ 9,377,641	\$ 9,377,641	\$ 9,377,641

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2004

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
SEWER FUND					
North Shore Community Bank					
Super N.O.W. account:					
Pooled Cash - Unrestricted			\$ 2,123,099	\$ 2,123,099	\$ 2,123,099
Pooled Cash - Section 105			4,117	4,117	4,117
Restricted by bond ordinance			2,306,542	2,306,542	2,306,542
Total Sewer Fund			\$ 4,433,758	\$ 4,433,758	\$ 4,433,758
PARKING METER FUND					
North Shore Community Bank					
Super N.O.W. account					
			\$ 445,846	\$ 445,846	\$ 445,846
INTERNAL SERVICE FUNDS					
North Shore Community Bank					
Super N.O.W. account					
			\$ 29,431	\$ 29,431	\$ 29,431
FIREFIGHTERS' PENSION FUND					
Cash and cash equivalents					
North Shore Community Bank					
Super N.O.W. account					
Wachovia - Government Securities Fund			159,976	159,976	159,976
Bank One - One Group U.S. Treasury Securities Fund			5,517	5,517	5,517
			2,841,332	2,841,332	2,841,332
GNMA securities	7.00%		81,374	83,267	87,060
	7.50%		17,113	16,600	18,427
	8.00%		15,282	15,243	16,694
	9.00%		18,116	18,146	20,206
	9.50%		25,850	25,388	29,075
	10.00%		7,305	7,211	8,219
	10.50%		7,578	7,931	8,505
	10.75%		223	239	247
	11.00%		31,570	33,909	35,513
	11.50%		9,340	9,783	10,685
			213,751	217,717	234,631

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2004

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
FIREFIGHTERS' PENSION FUND (Continued)					
United States Treasury					
Notes and Bonds	5.750%	11/15/05	\$ 600,000	\$ 634,831	\$ 615,378
	6.625%	05/15/07	550,000	546,477	593,335
	5.625%	05/15/08	150,000	163,436	160,887
	4.250%	01/15/10	550,211	611,214	690,862
	5.000%	02/15/11	200,000	215,171	212,758
	3.375%	01/15/12	303,777	312,225	367,068
	7.250%	08/15/22	800,000	851,091	1,031,032
	6.500%	11/15/26	300,000	336,035	364,464
			<u>3,453,988</u>	<u>3,670,480</u>	<u>4,035,784</u>
Federal Agency securities					
F.N.M.A. Notes	3.270%	06/30/10	395,000	382,439	380,310
F.N.M.A. Notes	5.250%	08/01/12	100,000	102,582	103,750
F.N.M.A. Debentures	7.250%	01/15/10	750,000	761,580	862,035
F.H.L.M.C. Debentures	7.000%	07/15/05	850,000	892,659	869,125
F.H.L.M.C. Debentures	4.875%	03/15/07	700,000	748,966	722,750
			<u>2,795,000</u>	<u>2,888,226</u>	<u>2,937,970</u>
Mutual Funds					
Vanguard 500 Index Mutual Fund			5,175,501	5,175,501	5,104,743
Vanguard Total Stock Market Index Mutual Fund			5,331,126	5,331,126	5,267,368
European Pacific Growth Equity Mutual Fund			509,007	509,007	550,805
Templeton Foreign "A" Mutual Fund			507,175	507,175	546,122
State Street Global Intermediate U.S. Government Fund			2,389,141	2,389,141	2,863,191
State Street Global Long U.S. Government Fund			539,943	539,943	720,720
			<u>539,943</u>	<u>539,943</u>	<u>720,720</u>
Total Firefighters' Pension Fund			<u>\$ 23,755,964</u>	<u>\$ 24,069,648</u>	<u>\$ 25,102,666</u>
POLICE PENSION FUND					
Cash and cash equivalents					
North Shore Community Bank					
Super N.O.W. account			\$ 1,777,844	\$ 1,777,844	\$ 1,777,844
Wachovia - Government Securities Fund			169,933	169,933	169,933
Bank One - One Group U.S. Treasury Securities Fund			6,947	6,947	6,947
			<u>1,954,724</u>	<u>1,954,724</u>	<u>1,954,724</u>

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2004

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
POLICE PENSION FUND (Continued)					
GNMA securities					
	7.00%		\$ 92,888	\$ 94,573	\$ 99,428
	8.00%		36,986	38,423	40,361
	9.00%		15,177	15,173	16,935
	9.50%		41,342	40,594	46,441
	10.00%		8,868	8,769	9,895
	10.50%		6,729	7,086	7,561
	11.00%		27,358	29,299	30,672
	11.50%		607	647	693
			<u>229,955</u>	<u>234,564</u>	<u>251,986</u>
United States Treasury Notes					
	7.500%	02/15/05	150,000	163,382	150,996
	5.750%	11/15/05	600,000	634,831	615,378
	6.625%	05/15/07	450,000	447,118	485,456
	5.625%	05/15/08	150,000	163,436	160,887
	4.250%	01/15/10	550,211	611,215	690,862
	5.000%	02/15/11	200,000	215,171	212,758
	3.375%	01/15/12	303,777	312,225	367,068
	7.250%	08/15/22	800,000	894,433	1,031,032
	6.500%	11/15/26	300,000	336,034	364,464
			<u>3,503,988</u>	<u>3,777,845</u>	<u>4,078,901</u>
Federal Agency securities					
F.N.M.A. Notes	3.270%	06/30/10	400,000	387,280	385,124
F.N.M.A. Notes	5.250%	08/01/12	100,000	102,582	103,750
F.N.M.A. Debentures	7.250%	01/15/10	800,000	812,352	919,504
F.H.L.M.C. Debentures	7.000%	07/15/05	800,000	828,405	818,000
F.H.L.M.C. Debentures	4.875%	03/15/07	700,000	748,966	722,750
			<u>2,800,000</u>	<u>2,879,585</u>	<u>2,949,128</u>
Mutual Funds					
Vanguard 500 Index Mutual Fund			5,083,235	5,083,235	4,986,149
Vanguard Total Stock Market Index Mutual Fund			5,241,948	5,241,948	5,139,536
European Pacific Growth Equity Mutual Fund			509,007	509,007	550,805
Templeton Foreign "A" Mutual Fund			507,175	507,175	546,121
State Street Global Intermediate U.S. Government Fund			2,389,141	2,389,141	2,863,191
State Street Global Long U.S. Government Fund			539,943	539,943	720,720
			<u>539,943</u>	<u>539,943</u>	<u>720,720</u>
Total Police Pension Fund			<u>\$ 22,759,116</u>	<u>\$ 23,117,167</u>	<u>\$ 24,041,261</u>

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2004

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
FIRE INSURANCE TAX FUND					
Bank One - One Group U.S. Treasury Securities Fund			\$ 62,326	\$ 62,326	\$ 62,326
North Shore Community Bank Super N.O.W. account			73,854	73,854	73,854
Zero coupon treasury security			300,000	277,488	290,955
Total Fire Insurance Tax Fund			<u>\$ 436,180</u>	<u>\$ 413,668</u>	<u>\$ 427,135</u>
Total Fiduciary Funds			<u>\$ 46,953,972</u>	<u>\$ 47,603,195</u>	<u>\$ 49,573,774</u>
TOTAL DEPOSITS AND INVESTMENTS			<u>\$ 72,249,313</u>	<u>\$ 72,898,536</u>	<u>\$ 74,869,115</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

GOVERNMENT-WIDE REVENUES

Last Two Fiscal Years

	2004	2003
PROGRAM REVENUES		
Charges for services	\$ 13,063,288	\$ 12,696,317
Operating grants and contributions	881,558	850,178
Capital grants and contributions	534,873	2,151,859
GENERAL REVENUES		
Taxes	19,286,895	17,355,073
Investment income	379,363	499,660
Miscellaneous	483,499	520,692
Gain (loss) on sale of capital assets	30,500	(57,373)
Contributions	478,190	2,231,884
TOTAL REVENUES	<u>\$ 35,138,166</u>	<u>\$ 36,248,290</u>

NOTE: The Village implemented GASB S-34 for the fiscal year ended December 31, 2003.

Data Source

Village Records

VILLAGE OF WILMETTE, ILLINOIS

GOVERNMENT-WIDE EXPENSES BY FUNCTION

Lat Two Fiscal Years

	2004	2003
GOVERNMENTAL ACTIVITIES		
General government	\$ 3,195,919	\$ 3,575,237
Public safety	12,681,422	13,224,840
Streets and sanitation	6,408,770	8,086,777
Other public works	1,073,884	1,012,646
Public health	154,543	145,857
Community development	964,234	869,963
Interest	1,570,605	1,590,316
Total governmental activities	26,049,377	28,505,636
BUSINESS-TYPE ACTIVITIES		
Water	5,253,705	5,276,280
Sewer	2,146,754	2,407,541
Parking	417,245	410,039
Total business-type activities	7,817,704	8,093,860
TOTAL PRIMARY GOVERNMENT	\$ 33,867,081	\$ 36,599,496

NOTE: The Village implemented GASB S-34 for the fiscal year ended December 31, 2003.

Data Source

Village Records

VILLAGE OF WILMETTE, ILLINOIS
GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995 (A)	1995
Property taxes	\$ 9,418,575	\$ 8,875,622	\$ 8,395,333	\$ 7,905,450	\$ 7,721,580	\$ 7,336,473	\$ 7,033,429	\$ 6,354,053	\$ 6,265,192	\$ 3,166,113	\$ 6,109,830
Personal property	167,897	149,998	148,512	185,920	205,351	185,096	189,577	172,937	52,049	30,464	47,637
replacement tax	3,356,036	3,375,314	3,294,958	3,468,657	3,493,393	3,395,947	3,128,537	2,854,403	2,751,043	1,868,648	2,346,494
Municipal sales tax	1,447,829	1,345,450	1,165,068	1,035,792	980,769	906,564	894,126	706,817	571,911	431,822	592,923
Real estate transfer tax	2,707,925	2,831,751	2,523,042	2,533,264	2,526,072	2,577,544	2,234,731	2,213,988	2,177,853	1,321,694	1,860,306
Utility tax	113,428	90,198	81,950	75,423	-	-	-	-	-	-	-
Wireless 911 tax	2,172,187	2,094,575	1,606,897	1,570,827	1,526,400	1,594,893	1,380,545	1,562,699	1,295,996	416,666	1,595,269
Licenses and permits	1,757,291	1,713,517	1,813,821	2,015,087	2,076,816	1,903,090	1,851,505	1,725,069	1,579,285	930,612	1,317,038
Income tax	2,447	2,457	2,515	-	-	-	-	-	-	-	-
Other taxes	789,158	784,753	786,651	765,803	792,786	661,768	628,818	638,849	617,650	417,573	592,241
Motor fuel tax	-	-	-	-	-	-	-	-	-	-	-
Municipal bus operating grant	-	-	-	-	-	-	-	-	-	-	732,997
Other intergovernmental revenue	516,027	444,096	2,038,342	3,080	3,526	3,524	2,743	2,489	2,991	2,434	4,956
Sewer service charge (B)	-	-	3,013,203	2,829,990	2,788,030	2,890,706	2,830,584	2,772,197	2,358,443	1,570,003	1,841,788
Other charges for service	1,640,957	3,571,355	1,443,477	321,885	345,053	321,513	298,489	385,210	344,532	217,975	338,165
Fines	363,871	350,291	297,992	267,000	286,133	320,254	341,324	313,530	313,054	208,607	306,487
Investment income	260,765	274,252	816,990	399,686	560,906	423,464	277,865	285,034	338,257	271,015	290,075
Miscellaneous income	513,999	694,537	880,594	739,168	692,720	771,058	707,262	1,193,514	753,077	488,067	770,821
TOTAL	\$ 25,228,392	\$ 26,598,166	\$ 28,309,345	\$ 24,117,032	\$ 23,999,535	\$ 23,291,894	\$ 21,799,535	\$ 21,180,789	\$ 19,421,333	\$ 11,341,693	\$ 18,747,027

Includes revenues of the General Corporate, Special Revenue, Debt Service, and Capital Projects Funds.

(A) The Village changed its fiscal year end from April 30 to December 31 effective December 31, 1995.

(B) The Sewer Fund became an enterprise fund effective January 1, 2003.

Data Source

Village of Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995 (A)	1995
General government	\$ 2,934,612	\$ 2,769,169	\$ 2,115,160	\$ 1,918,406	\$ 1,663,386	\$ 1,680,368	\$ 1,564,480	\$ 1,544,095	\$ 1,329,578	\$ 805,942	\$ 1,100,738
Public safety	12,272,889	11,527,958	10,323,232	10,330,474	9,630,599	9,043,787	8,512,787	7,005,133	6,831,971	4,175,317	5,820,739
Streets and sanitation	4,857,268	5,181,212	5,563,500	5,831,953	5,822,727	5,405,380	5,030,217	4,517,413	4,418,409	2,948,137	4,161,425
Other public works	1,043,884	1,012,646	899,030	933,645	983,121	927,023	1,098,276	785,151	785,545	488,564	658,105
Public health	154,543	145,857	148,368	163,634	162,908	156,271	151,632	116,398	110,921	69,098	106,282
Community and economic development	964,234	869,963	846,395	782,215	785,065	709,525	744,974	688,861	563,411	355,002	706,083
Insurance	**	**	287,118	307,762	261,078	244,041	265,310	1,196,986	1,293,740	835,995	1,149,030
Employees' pension	*	*	*	*	*	*	*	1,569,258	909,161	583,074	939,667
Municipal bus operations	-	-	-	-	-	-	-	-	-	-	769,718
Miscellaneous	**	-	346,656	351,736	298,575	298,927	354,828	326,278	303,534	232,722	391,454
Capital outlay	5,303,393	6,104,435	8,741,902	6,032,847	3,788,753	3,418,887	3,464,201	8,437,288	6,319,664	6,276,284	5,318,656
Debt service											
Principal	1,010,000	885,000	2,306,600	2,166,972	2,047,229	1,945,881	1,856,977	1,651,904	1,361,427	1,114,843	859,042
Bond issuance costs	30,593	-	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	1,550,782	1,593,255	2,333,643	1,564,737	1,410,160	1,442,871	1,291,398	1,207,234	1,021,311	914,288	577,304
TOTAL	\$ 30,122,198	\$ 30,089,495	\$ 33,911,604	\$ 30,384,381	\$ 26,853,601	\$ 25,272,961	\$ 24,335,080	\$ 29,045,999	\$ 25,248,672	\$ 18,799,266	\$ 22,558,245

Includes expenditures of the General Corporate, Special Revenue, Debt Service, and Capital Projects Funds.

* The Village has combined its Police and Firefighters' Pension contributions in the public safety line item and the IMRF contribution in various other functions.

** The Village has combined its insurance expenditures and miscellaneous expenditures in the general Village line item.

(A) The Village changed its fiscal year end from April 30 to December 31 effective December 31, 1995.

Data Source

Village of Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS

PROPERTY TAX RATES BY FUND
(Rate per \$100 of Equalized Assessed Valuation)

Last Ten Levy Years

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General corporate	0.4937	0.4462	0.4494	0.7704	0.7155	0.7002	0.7529	0.6137	0.5838	0.6074
Police protection	0.0635	0.0559	0.0611	-	-	-	-	-	-	-
Fire protection	0.0635	0.0559	0.0611	-	-	-	-	-	-	-
Subtotal - General Fund	0.6207	0.5580	0.5716	0.7704	0.7155	0.7002	0.7529	0.6137	0.5838	0.6074
General liability insurance	0.0373	0.0339	0.0345	0.0345	0.0231	0.0223	-	-	-	-
Bonds and interest	0.1124	0.1157	0.1136	0.1123	0.1154	0.1315	0.1490	0.1339	0.155	0.1802
Civil preparedness	0.0010	0.0009	0.0009	-	-	-	-	-	-	-
Workers' compensation	0.0373	0.0247	0.0191	-	-	-	-	-	-	-
Police pension	0.0299	0.0279	0.0293	-	-	-	-	-	-	-
Firefighters' pension	0.0299	0.0279	0.0293	-	-	-	-	-	-	-
Illinois Municipal Retirement Fund	0.1123	0.0921	0.0947	-	-	-	-	-	-	-
TOTAL	0.9808	0.8811	0.8930	0.9172	0.8540	0.8540	0.9019	0.7476	0.7388	0.7876
ACTUAL RATE EXTENDED	0.9810	0.8810	0.8930	0.9180	0.8540	0.8540	0.9020	0.7480	0.7390	0.7880

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years

Year	General Property Tax Extensions	Total Collections	Percent of Total Extension Collected
1995	\$ 6,698,300	\$ 6,621,645	98.9%
1996	6,865,900	6,829,294	99.5%
1997	7,072,200	7,117,252	100.6%
1998	7,384,700	7,526,859	101.9%
1999	7,642,700	7,602,853	99.5%
2000	7,994,173	7,962,142	99.6%
2001	8,461,616	8,442,732	99.8%
2002	8,968,044	8,955,118	99.9%
2003	9,505,136	9,039,215	95.1%
2004	10,333,000	-*	-

* Taxes are collected in two installments due in March and August of the following year.

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS

EQUALIZED ASSESSED VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Tax Levy Year	Real Property New Trier Township	Real Property Northfield Township	Railroad Property New Trier Township	Total Assessment	Equalization Factor
1994	\$ 666,516,791	\$ 2,819,316	\$ 68,643	\$ 669,404,750	2.1135
1995	757,080,372	3,182,998	82,500	760,345,870	2.1243
1996	765,412,446	3,242,366	161,812	768,816,624	2.1517
1997	767,728,846	3,220,131	146,633	771,095,610	2.1489
1998	861,183,490	3,407,486	136,626	864,727,602	2.1799
1999	891,271,087	3,509,801	132,765	894,913,653	2.2505
2000	882,765,423	3,500,518	135,787	886,401,728	2.2235
2001	1,127,562,716	4,164,954	139,261	1,131,866,931	2.3098
2002	1,210,079,062	4,432,414	158,585	1,214,670,061	2.4689
2003	1,202,287,401	4,377,864	167,938	1,206,833,203	2.4598

Note: 2004 levy year information not available.

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS

ANALYSIS OF VILLAGE TAX LEVY (EXCLUDING SPECIAL SERVICE AREAS)

Last Ten Fiscal Years

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General corporate	\$ 3,392,665	\$ 3,455,444	\$ 5,940,315	\$ 6,186,857	\$ 6,266,007	\$ 6,673,457	\$ 6,946,488	\$ 7,084,760	\$ 7,330,671	\$ 7,923,500
Police protection	425,000	470,000	-	-	-	-	-	-	-	-
Fire protection	425,000	470,000	-	-	-	-	-	-	-	-
Subtotal - General Fund	4,242,665	4,395,444	5,940,315	6,186,857	6,266,007	6,673,457	6,946,488	7,084,760	7,330,671	7,923,500
General liability insurance	257,500	265,200	265,866	200,000	200,000	-	-	-	-	-
Bonds and interest	879,635	873,256	866,019	997,843	1,176,693	1,320,716	1,515,128	1,883,284	2,174,465	2,409,500
Civil preparedness	7,000	7,000	-	-	-	-	-	-	-	-
Workers' compensation	187,500	147,000	-	-	-	-	-	-	-	-
Police pension	212,000	225,000	-	-	-	-	-	-	-	-
Firefighters' pension	212,000	225,000	-	-	-	-	-	-	-	-
Illinois Municipal Retirement Fund	700,000	728,000	-	-	-	-	-	-	-	-
TOTAL	\$ 6,698,300	\$ 6,865,900	\$ 7,072,200	\$ 7,384,700	\$ 7,642,700	\$ 7,994,173	\$ 8,461,616	\$ 8,968,044	\$ 9,505,136	\$ 10,333,000

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS

PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
(Rate per \$100 of Equalized Assessed Valuation)

Last Ten Levy Years

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Village of Wilmette	0.981	0.881	0.893	0.918	0.854	0.854	0.902	0.748	0.739	0.788
School District #39	3.155	2.913	2.976	3.314	3.087	3.193	3.454	2.742	2.610	2.707
School District #203	2.105	1.915	1.929	1.967	1.871	1.845	1.936	1.611	1.935	1.799
Community College #535	0.255	0.233	0.208	0.216	0.205	0.203	0.213	0.186	0.179	0.186
Wilmette Park District	0.508	0.457	0.463	0.475	0.430	0.423	0.528	0.425	0.510	0.526
Wilmette Public Library	0.410	0.365	0.375	0.389	0.343	0.338	0.351	0.309	0.315	0.352
Cook County	0.993	1.023	0.989	0.946	0.911	0.877	0.824	0.778	0.690	0.659
Sanitary District	0.495	0.495	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361
Forest Preserve District	0.073	0.072	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059
New Trier Township	0.059	0.055	0.057	0.060	0.057	0.057	0.058	0.046	0.045	0.048
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.008	0.008	0.008	0.008	0.007	0.006	0.004
Mosquito Abatement District	0.011	0.011	0.011	0.011	0.011	0.011	0.011	0.010	0.009	0.009
TOTAL	9.053	8.428	8.475	8.829	8.293	8.298	8.769	7.330	7.470	7.498

SHARE OF TOTAL TAX
RATE BY THE VILLAGE
OF WILMETTE, ILLINOIS

10.8%	10.5%	10.5%	10.4%	10.3%	10.3%	10.3%	10.3%	10.2%	9.9%	10.5%
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Note: 2004 levy year information not available.

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS

RATIO OF GENERAL BONDED DEBT TO EQUALIZED
ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

Last Ten Fiscal Years

Fiscal Year	(a) Population	(b) Equalized Assessed Value	(c) General Obligation Bonded Debt	Ratio of Bonded Debt to Equalized Assessed Value	Bonded Debt Per Capita
2004	27,651	\$ 1,206,833,203	\$ 33,590,000	2.78%	\$ 1,214.78
2003	27,651	1,214,670,061	34,330,000	2.83%	1,241.55
2002	27,651	1,131,866,931	35,210,000	3.11%	1,273.37
2001	27,651	886,401,728	14,510,000	1.64%	524.75
2000	26,530	894,913,653	12,233,333	1.37%	461.11
1999	26,530	864,727,602	10,883,333	1.26%	410.23
1998	26,530	771,095,610	7,448,333	0.97%	280.75
1997	26,530	768,816,624	5,578,333	0.73%	210.27
1996	26,530	760,345,870	5,675,000	0.75%	213.91
1995	26,530	669,404,750	6,193,334	0.93%	233.45

Data Source

(a) U.S. Census Bureau

(b) County Clerk

(c) Village of Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

December 31, 2004

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Wilmette	Amount Applicable to Wilmette
Village of Wilmette	\$ 33,590,000	100.000%	\$ 33,590,000
School districts			
Avoca School District #37	4,564,980	36.990%	1,688,586
Kenilworth School District #38	4,975,000	2.231%	110,992
Wilmette School District #39	12,330,000	95.391%	11,761,710
Community College #535	-	7.334%	-
New Trier Township High School District #203	14,145,000	35.404%	5,007,896
Total school districts	36,014,980		18,569,184
Other Agencies			
Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago	2,583,170,000	1.156%	29,861,445
Wilmette Park District	1,366,739,115	1.181%	16,141,189
Glenview Park District	29,700,000	100.000%	29,700,000
Wilmette Public Library District	12,750,000	0.122%	15,555
	277,000	100.000%	277,000
Total other agencies	3,992,636,115		75,995,189
Total overlapping debt	4,028,651,095		94,564,374
Total direct and overlapping debt	\$ 4,062,241,095		\$ 128,154,374
Per capita direct and overlapping debt (27,651 Population)			\$ 4,634.71

Note 1 - For Home Rule Units Article VII, Section 6(k) provides that the General Assembly may limit the amount and require referenda for approval of debt payable from ad valorem property taxes in excess of 1% of assessed valuation. However, no such statute has been enacted at this time. So long as the General Assembly has not established any debt limit, the Village is free to borrow up to any amount, with or without referendum, on a general obligation basis.

Data Source

County Clerk and Village of Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS
SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2004

The Village is a home rule municipality.

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

"The General Assembly may limit by law the amount and may 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 per cent: ... indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum ... shall not be included in the foregoing percentage amounts."

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

VILLAGE OF WILMETTE, ILLINOIS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
BONDED DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

Last Ten Fiscal Years

Year	Principal	Interest	Total Debt Service	Total Expenditures *	Ratio of Debt Service to Total General Governmental Expenditures
2004	\$ 1,005,000	\$ 1,548,382	\$ 2,553,382	\$ 30,122,198	8.48%
2003	880,000	1,590,818	2,470,818	30,089,495	8.21%
2002	815,000	1,468,280	2,283,280	33,911,604	6.73%
2001	723,333	603,653	1,326,986	30,384,381	4.37%
2000	650,000	520,809	1,170,809	26,853,601	4.35%
1999	615,000	475,845	1,090,845	25,272,961	4.32%
1998	590,000	358,649	948,649	24,335,080	3.90%
1997	576,667	310,355	887,022	29,045,999	3.05%
1996	548,334	345,202	893,536	25,248,672	3.54%
(A) 1995	504,999	361,877	866,876	18,799,266	4.61%
1995	525,000	254,135	779,135	22,558,245	3.45%

* Includes General Corporate, Special Revenue, Capital Projects, and Debt Service Funds.

(A) The Village changed its fiscal year end from April 30 to December 31 effective December 31, 1995.

Data Source

Village of Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS
SCHEDULE OF ENTERPRISE DEBT COVERAGE

Last Ten Fiscal Years

Year	Operating Revenue	Operating Expenses *	Net Revenue Available for Debt Service	Principal	Interest	Total Debt Service **	Coverage
2004	\$ 8,886,273	\$ 4,402,576	\$ 4,483,697	\$ 2,046,127	\$ 1,798,474	\$ 3,844,601	1.17
2003	8,646,110	4,752,315	3,893,795	1,940,099	1,868,998	3,809,097	1.02
2002	5,320,019	3,214,693	2,105,326	385,000	1,042,556	1,427,556	1.47
2001	5,074,759	3,205,293	1,869,466	381,667	863,116	1,244,783	1.50
2000	4,741,163	3,158,607	1,582,556	390,000	847,900	1,237,900	1.28
1999	5,051,910	3,020,501	2,031,409	661,500	705,131	1,366,631	1.49
1998	4,661,231	2,965,448	1,695,783	835,000	833,028	1,668,028	1.02
1997	4,633,509	2,817,390	1,816,119	528,333	806,056	1,334,389	1.36
1996	4,396,666	2,799,097	1,597,569	521,666	660,855	1,182,521	1.35
(A) 1995	3,293,672	1,800,770	1,492,902	485,001	504,944	989,945	1.51
1995	4,822,334	2,396,242	2,426,092	445,000	707,079	1,152,079	2.11

* Excludes depreciation.

** Includes general obligation debt serviced through water revenues and parking revenues.

(A) The Village changed its fiscal year end from April 30 to December 31 effective December 31, 1995.

Data Source

Village of Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS

PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS

Last Ten Fiscal Years

Calendar Year	New Construction (a)		Other Construction - Additions and Alterations (a)		Bank Deposits (b)	Total Property Value (c)
	Number of Permits	Value	Number of Permits	Value		
2004	58	\$ 26,236,500	972	\$ 28,688,320	\$ 1,145,076,058	\$ 3,620,499,609
2003	72	30,294,000	909	32,890,173	1,145,076,058	3,644,010,183
2002	43	16,881,000	943	31,293,028	1,145,076,058	3,395,600,793
2001	48	17,980,700	1,072	26,533,581	1,075,383,904	2,659,205,184
2000	37	14,475,500	1,029	28,821,725	1,007,422,000	2,659,205,184
1999	51	19,892,000	1,182	26,804,952	962,418,000	2,684,740,959
1998	44	13,489,000	1,169	22,201,049	960,922,036	2,594,182,806
1997	31	20,024,178	1,044	20,498,934	960,922,036	2,313,286,830
1996	38	14,522,500	1,309	19,351,034	769,288,480	2,306,449,872
1995	21	6,489,000	1,181	15,541,592	709,782,446	2,281,037,610

Data Source

- (a) Village of Wilmette Department of Community Development.
- (b) Bank deposits were based on commercial bank deposits.
- (c) Estimated value from information provided by the County Clerk.

VILLAGE OF WILMETTE, ILLINOIS

PRINCIPAL TAXPAYERS

December 31, 2004

Taxpayer	Type of Business	2003 Equalized Assessed Valuation	Percentage of Total Equalized Assessed Valuation
Joseph Freed Associates	Edens Plaza Shopping Center	\$ 28,156,088	2.33%
Plaza del Lago, Inc.	Shopping Plaza	10,560,012	0.88%
1630 Sheridan Corporation	Residential Property	9,351,889	0.77%
L.J. Thalmann Co.	Commercial and Office Property	5,570,089	0.46%
William C. Kagan	Westlake Plaza Shopping Center	3,847,336	0.32%
Landau & Heyman	Wilmette Commons Shopping Plaza	3,402,386	0.28%
Avgeris - 3201 Old Glenview Road	Office Property	3,226,564	0.27%
Westmoreland Country Club	Country Club	2,986,337	0.25%
Manor Health Care Corp.	Nursing Home	2,906,355	0.24%
Beth Corp.	Bank	2,383,529	0.20%
Ameritech	Utility Company	2,244,100	0.19%
Jeffrey Strange	Residential Property	1,914,649	0.16%
Michigan Shores Club	Private Club	1,840,472	0.15%
Shamim Esmail	Bank Properties	1,271,719	0.11%
Wolin-Levin 1410 Sheridan Road	Residential Property	1,207,417	0.10%
		<u>\$ 80,868,942</u>	<u>6.70%</u>

Note: 2004 levy year information not available.

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2004

Type of Coverage	Insurer	Limits of Coverage	Policy Date	Expiration Date
General liability	Intergovernmental	\$10,000,000	1/1/2004	12/31/2004
Police professional	Risk Management	\$10,000,000	1/1/2004	12/31/2004
Employee benefits liability	Agency	\$10,000,000	1/1/2004	12/31/2004
Automobile liability:		\$10,000,000	1/1/2004	12/31/2004
Uninsured/Underinsured Motorist		\$500,000	1/1/2004	12/31/2004
Public officials liability		\$10,000,000	1/1/2004	12/31/2004
Workers' compensation		\$31,500,000	1/1/2004	12/31/2004
Employer's liability		\$1,000,000	1/1/2004	12/31/2004
First Party Property - all risk		\$250,000,000/ per occurrence	1/1/2004	12/31/2004
Boiler/machinery		\$50,000,000	1/1/2004	12/31/2004
Crime:				
Employee theft/dishonesty		\$5,000,000	1/1/2004	12/31/2004
Forgery or alteration		\$5,000,000	1/1/2004	12/31/2004
Credit card forgery		\$5,000,000	1/1/2004	12/31/2004
Theft, disappearance, and destruction		\$5,000,000	1/1/2004	12/31/2004
Computer fraud		\$5,000,000	1/1/2004	12/31/2004
Public officials bond				
Village President, Treasurer, and Clerk		Blanket Statutory Limits	1/1/2004	12/31/2004
Business interruption (loss of sales tax)		\$5,000,000	1/1/2004	12/31/2004

All coverage limits shown are per occurrence. The Village is a member of the Intergovernmental Risk Management Agency. The Agency manages and funds general liability claims, vehicle and other property damage claims, first party liability claims, workers' compensation claims, and public officials' liability claims. All claims carry a \$2,500 deductible, and the 2004 premium for this was \$766,000.

Data Source

Intergovernmental Risk Management Agency

VILLAGE OF WILMETTE, ILLINOIS

MISCELLANEOUS STATISTICS

December 31, 2004

Date of incorporation						September 19, 1872
Form of government						Council - Manager
Area						5.35 square miles
Population:						
1950						18,162
1960						28,268
1970						32,134
1980						28,221
1990						26,530
2000						27,651
Number of housing units (2000 census)						10,319
Median family income (2000 census)						\$ 122,515
	2004	2003	2002	2001	2000	
Annual gross retail sales	\$ 306,574,133	\$ 312,624,089	\$ 302,851,179	\$ 312,847,559	\$ 310,262,044	
Number of retail establishments	738	750	750	720	733	
Municipal Services and facilities:						
Number of full-time employees						208
Miles of streets						87.8
Miles of alleys						18.8
Miles of sidewalks						166.1
Miles of sewers:						
Sanitary						55.6
Storm						49.33
Combined sanitary/storm						46.7
Total miles of sewers						<u>151.59</u>
Number of street lights						2,510
Refuse collection customers						8,702
Building permits:	2004	2003	2002	2001	2000	
New construction - residential and non-residential:						
Number of permits issued	58	72	43	48	37	
Value of construction authorized	\$ 26,236,500	\$ 30,294,000	\$ 16,881,000	\$ 17,980,700	\$ 14,475,500	
Other - additions and alterations:						
Number of permits issued	972	909	943	1,072	1,029	
Value of construction authorized	\$ 28,688,320	\$ 32,890,173	\$ 31,293,028	\$ 26,533,581	\$ 28,821,725	
Fire Protection:						
Number of firefighters						45
Number of fire personnel certified as paramedics						42
Number of stations						2
Number of hydrants						975
I.S.O. rating						Class 4
Police Protection:						
Number of sworn officers						46
Number of civilian employees						22

VILLAGE OF WILMETTE, ILLINOIS
 MISCELLANEOUS STATISTICS (Continued)

December 31, 2004

	2004	2003	2002	2001	2000
Number of law violations:					
Felonies (Part I crimes)	488	465	521	526	575
Misdemeanors (Part II crimes)	2,026	2,010	1,549	1,515	1,414
Miscellaneous offenses (incidents reported)	17,612	17,246	16,494	17,282	17,365
Traffic accidents	1,006	1,054	1,092	1,055	1,148
Municipal parking facilities:					
Paid - Long-term spaces:					
Decal					269
Metered					387
Slot-box					200
Free - Short-term spaces:					
Handicapped parking					32
Otherwise reserved spaces					58
Other					172
Waterworks and sewerage facilities:					
Population served:					
Wilmette					27,651
Glenview					56,000
Prospect Heights					22,500
Number of meters in operation					9,018
Number of unmetered customers					None
Number of housing units connected to the sewerage system					10,035
Water filtration plant rated daily capacity					42 M.G.D
Rated daily pumping capacity					42 M.G.D
Average daily pumpage - calendar year 2004					12.430 M.G.D.
Maximum daily pumpage - calendar year 2004					20.905 M.G.D.
Miles of water mains					91.3
Sources:					
Village of Wilmette Finance Department					
Village of Wilmette Community Development Department					
Village of Wilmette Police Department					
Village of Wilmette Fire Department					
Village of Wilmette Public Works Department					
Illinois Department of Revenue					
U.S. Census Bureau					