

VILLAGE OF WILMETTE, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
December 31, 2003

Prepared by Finance Department

Robert N. Amoruso  
Finance Director

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VILLAGE OF WILMETTE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2003

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LEGISLATIVE

Village Board

Nancy Canafax, President

George Pearce

Beth Lambrecht

Bernard Michna

Patrick Hughes

Yip-Wah Chung

Jim Griffith

Executive

Mike Earl, Village Manager

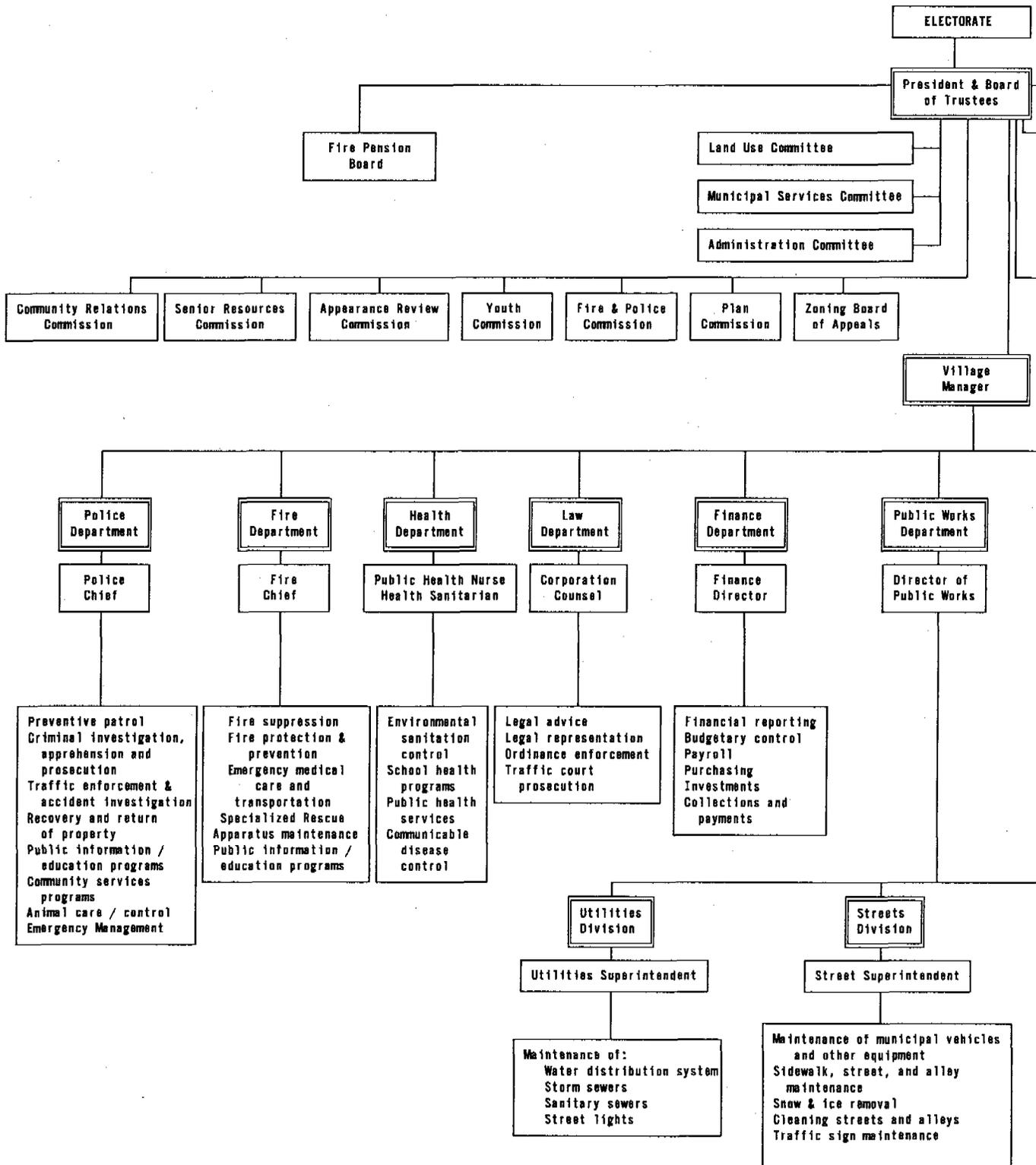
Michael Crotty, Assistant Village Manager

FINANCIAL DEPARTMENT

Robert Amoruso, Finance Director

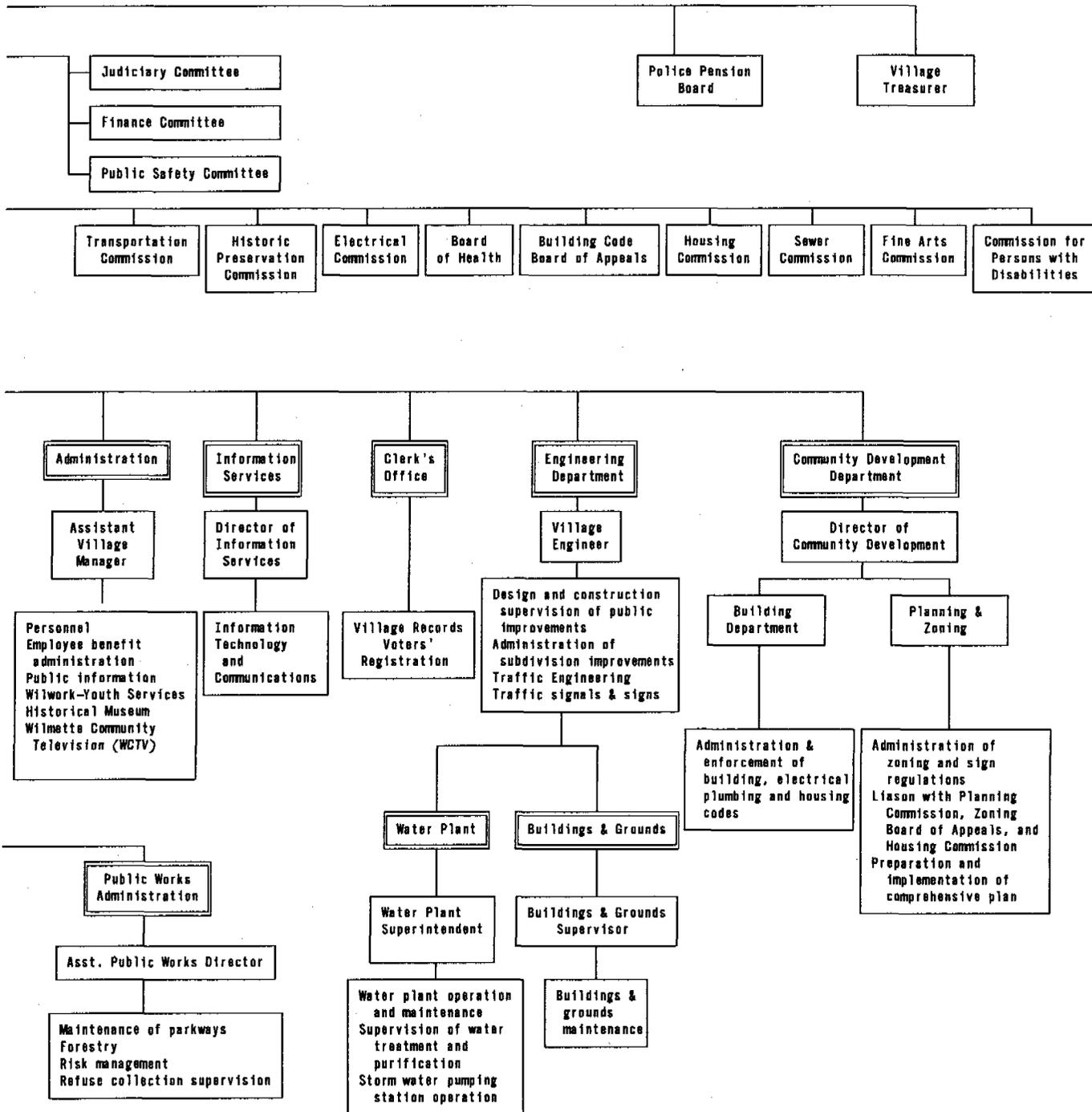
Kathleen Gargano, Assistant Finance Director

# VILLAGE OF Organization



# WILMETTE

## Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Wilmette,  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "Edward Haney".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director



# VILLAGE OF WILMETTE

1200 WILMETTE AVE.  
WILMETTE, ILLINOIS 60091

March 21, 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, 2003 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 general purpose financial statements and the combining and individual fund and account group 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
Paramedic 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	

The financial statements included in this report are distinctly different in form than those issued in prior years. The 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 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 11<sup>th</sup> 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 grew by 2.4% in 2003 following small declines in the previous two years. 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 resulted in increases in permit fees and service charges 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 2002 equalized assessed valuation is 37% greater than in 2000. Growth in construction activity reflects the community's desire to continue this trend as construction permits indicated a value of \$63 million in home improvements in 2003. 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. Additionally, 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 over 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 the Lehman Brothers Government Bond index is used to evaluate fixed income investment performance.

**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 promotes on the job safety through staff 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 8.455% 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 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 may be used by the retiree and their dependents to reimburse any health care costs. The Village is pre-funding this 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**

#### **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. The Village and the Park District have taken proposals from developers and begun review to determine the potential adaptive rehabilitation and re-use of the building on this site.

#### **Information Services - Enterprise Resource Planning System**

The Information Services Department continued the implementation of the ERP that began in 2002. 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.

#### **Regional Dispatch**

The Village participated in local and regional planning meetings to determine the feasibility and desirability of a regional combined Fire and Police Emergency Communications Center on the north shore.

#### **Section 105 Plan**

The Village revised the manner in which it subsidizes retiree health coverage. Beginning in 2003 qualified retirees will be credited with a lump-sum "bank" that is defined by their longevity and their unused sick leave balance at retirement. This money can then be used for the reimbursement of health insurance premiums and other medical expenses on a pre-tax basis. The Village is actuarially pre-funding this program.

#### **Public Works Department - Organizational Development**

For the past two years, all employees in the Public Works Department have participated in a Leadership Series Training Program, "Building on Our Strengths" in partnership with The Business Institute at Oakton Community College. The program has received grant assistance for up to 50% of the total cost. Five sessions have been held each year. The sessions focus on improving communication at all levels in the Department, and enhanced utilization of individual and team skills.

#### **Village Hall - Expanded Business Hours**

The 2003 budget made permanent opening the Village Hall at 7:30 am as opposed to 8:30 am. The 5 pm business closing time remained unchanged. This past summer the Village Hall was open from 7:30 am until 5 pm on a trial basis. The trial revealed that many people prefer to do business at Village Hall in the early morning hours. Records indicate an average of 33 phone calls and 12 visitors per day during the 7:30 am to 8:30 am time period. This proposal has the added benefit of allowing a more flexible work schedule for Village Hall employees.

## **Capital Improvements**

An aggressive capital improvement schedule continued in 2003 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 2003 capital projects activity:

### **METRA**

In 2003 the Village completed the \$2.6 million reconstruction of the METRA parking lot. This included replacing the old coin-fed parking meters with new meters that accept coins or debit cards.

### **Street Resurfacing Program**

In 2003 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 2003, \$3.43 million in street resurfacing projects were completed in various areas of town. One of these improvements included reconstruction of Washington Avenue. Of this amount, \$1 million was funded by the State-shared motor fuel tax.

### **Street Lighting Program**

The Village expended \$776,655 for the final phase of a five year program to replace the series street lighting system. The previous system, installed in the early 1920's, was a high voltage series system. This was changed to a modern, low voltage parallel system. In total, the Village spent approximately \$5.1 million on this multi-year program.

### **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) continued in 2003. The two year costs to date have totaled \$5.57 million. The total project cost is estimated at \$6.4 million and will be completed in 2004. 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 Main and Sewer improvements**

In conjunction with the aforementioned street resurfacing program the Sterling lane water main was replaced as were the water main and sewer lines on Washington Avenue. These were financed from the Water and Sewer Funds' portion on the 2002 bond issue.

### **Automatic Meter Readers**

The Village continued the third 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 Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report for the year ended December 31, 2002. This was the 13<sup>th</sup> consecutive year that the Certificate of Achievement was awarded to the Village. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The Village was also awarded the Distinguished Budget Presentation Award by the GFOA for its 2003 budget document. This was the fifth 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 2004 budget has been submitted to the GFOA to determine its eligibility for another award.

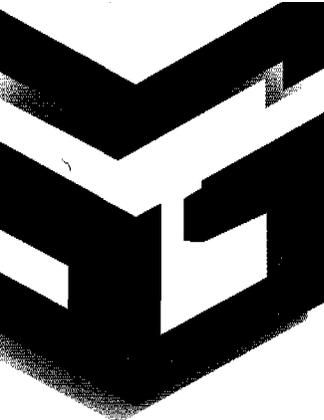
## **Acknowledgments**

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**



Sikich Gardner & Co, LLP  
Accountants & Consultants

998 Corporate Boulevard  
Aurora, IL 60504

A Member of Sikich Group, LLC

MEMBERS OF  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
ILLINOIS CPA SOCIETY

## 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, 2003, 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, 2003, 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, 2003, 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.

The Village has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basis Financial Statements - and Management's Discussion and Analysis - For State and Local Governments*, Statement No. 37, *Basis Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, as of January 1, 2003. This results in a change in the Village's method of accounting for certain expenditures and a change in the format and content of the basic financial statements, combining and individual fund financial statements, and notes to financial statements.

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 is not a required part of the basic financial statements but is 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.

*Skidmore, Dowd & Co., LLP*

Aurora, Illinois  
January 18, 2005

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

**VILLAGE OF WILMETTE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2003**

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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, 2003. 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 ) and the Village's financial statements. This is the Village of Wilmette's first MD&A.

**Financial Highlights**

- The Village's net assets increased \$1,056,700 (2%) during the fiscal year ending December 31, 2003. The governmental net assets decreased by \$849,114 and the business-type activities net assets increased by \$1,905,814.
- The Village's combined Governmental Funds ending fund balance decreased \$2,826,549 as of December 31, 2003.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$4,387,148 or 20% of General Fund expenditures.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

In prior years, the primary focus of local government financial statements has been summarized by fund type information on a current financial resource basis. This approach has been modified, and for the first time the Village's Financial Statements present two kinds of statements, each with a different snapshot of the Village's finances. The focus of the new Financial Statements is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government), and enhance the Village's accountability.

### **Government-Wide Financial Statements**

The Government-Wide Financial Statements (see pages 18-20) 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, for the first time, 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 19-20) 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.

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 Major Fund presentation (see pages 21 and 23) 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 financial 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 seven 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, Public Art, 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.

**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 25-28) 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 29-30). 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 31-64 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 65-86 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. This new statement required 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 STATEMENT**

In accordance with GASB Statement No. 34, the Village is not required to restate prior periods for the purpose of providing comparative information. However, in future years, when prior information is available, a comparative analysis of Government-Wide information will be presented.

**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 \$46,492,089 as of December 31, 2003.

The following table reflects the condensed Statement of Net Assets:

**Table 1: Statement of Net Assets as of December 31, 2003**

	<b>Governmental Activities <u>2003</u></b>	<b>Business-Type Activities <u>2003</u></b>	<b>Total Primary Government <u>2003</u></b>
<b>Assets</b>			
Current Assets	\$ 31,948,032	\$ 8,888,298	\$ 40,836,330
Noncurrent Assets	28,454,348	72,158,611	100,612,959
<b>Total Assets</b>	<b>\$ 60,402,380</b>	<b>\$ 81,046,909</b>	<b>\$ 141,449,289</b>
<b>Liabilities</b>			
Current Liabilities	\$ 12,142,483	\$ 597,074	\$ 12,739,557
Long-Term Liabilities	37,420,232	44,797,411	82,217,643
<b>Total Liabilities</b>	<b>\$ 49,562,715</b>	<b>\$ 45,394,485</b>	<b>\$ 94,957,200</b>
<b>Net Assets:</b>			
Investment in Capital Assets, Net of Related Debt	\$ 6,845,616	\$ 33,343,412	\$ 40,189,028
Restricted	1,107,740	-	1,107,740
Unrestricted	2,886,309	2,309,012	5,195,321
<b>Total Net Assets</b>	<b>\$ 10,839,665</b>	<b>\$ 35,652,424</b>	<b>\$ 46,492,089</b>

For more detailed information see the Statement of Net Assets (page 18).

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. 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.

The final component of the Village's net assets are the unrestricted assets in the amount of \$5,195,321, which can be used to finance day-to-day operations.

### Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation:

- **Net Results of Activities** – which will impact (increase/decrease) current assets and unrestricted net assets.
- **Borrowing for Capital** – which will increase current assets and long-term debt.
- **Spending Borrowed Proceeds on New Capital** – which will reduce current assets and increase capital assets. A second impact of this is an increase in invested capital assets and an increase in net debt, which will not change the investment in capital assets, net of debt.
- **Spending of Nonborrowed Current Assets on New Capital** – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase the investment in capital assets, net of debt.
- **Principal Payment on Debt** – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase the investment in capital assets, net of debt.
- **Reduction of Capital Assets through Depreciation** – which will reduce capital assets and the investment in capital assets, net of debt.

### Changes in Net Assets

The following chart shows the revenues and expenses of the Village's activities:

**Table 2: Changes in Net Assets for the Fiscal Year Ended December 31, 2003**

	<b>Governmental Activities <u>2003</u></b>	<b>Business-Type Activities <u>2003</u></b>	<b>Total Primary Government <u>2003</u></b>
<b>Revenues</b>			
Program Revenues			
Charges for Services	\$ 4,050,207	\$ 8,646,110	\$ 12,696,317
Operating Grants	850,178	-	850,178
Capital Grants	2,106,109	45,750	2,151,859
General Revenues			
Property Taxes	8,875,622	-	8,875,622
Other Taxes	9,887,357	-	9,887,357
Other Revenue and Transfers	1,887,049	1,307,814	3,194,863
<b>Total Revenues</b>	<b>\$ 27,656,522</b>	<b>\$ 9,999,674</b>	<b>\$ 37,656,196</b>
<b>Expenses</b>			
General Government	\$ 3,575,237	\$ -	\$ 3,575,237
Public Safety	13,224,840	-	13,224,840
Streets and Sanitation	8,086,777	-	8,086,777
Other Public Works	1,012,646	-	1,012,646
Public Health	145,857	-	145,857
Community Development	869,963	-	869,963
Interest	1,590,316	-	1,590,316
Water	-	5,276,280	5,276,280
Sewer	-	2,407,541	2,407,541
Parking	-	410,039	410,039
<b>Total Expenses</b>	<b>\$ 28,505,636</b>	<b>\$ 8,093,860</b>	<b>\$ 36,599,496</b>
Changes in Net Assets	(849,114)	1,905,814	1,056,700
Net Assets January 1	11,688,779	33,746,610	45,435,389
Net Assets December 31	<u>\$ 10,839,665</u>	<u>\$ 35,652,424</u>	<u>\$ 46,492,089</u>

(See Independent auditor's report)

### Normal Impacts

There are eight basic impacts on revenues and expenses as reflected below::

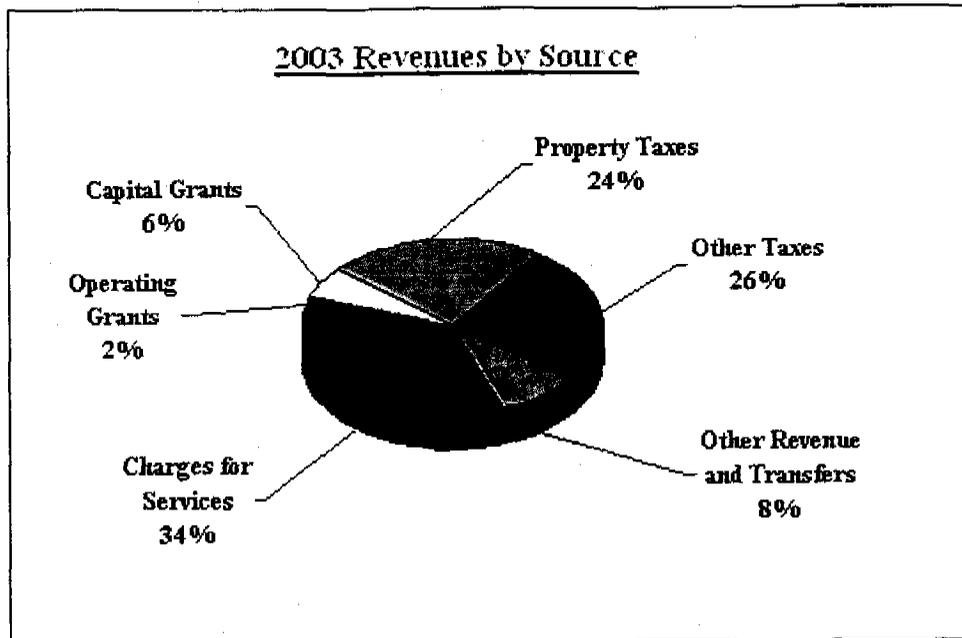
#### Revenues:

- **Economic Condition** – which can reflect a declining, stable, or growing economic environment and has a substantial impact on state income, sales, and utility tax revenue as well as public spending habits for building permits, elective user fees, and levels of consumption.
- **Increase/Decrease in Village-Approved Rates** – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (property taxes, water, sewer, service charges, permit fees, home rule sales tax, etc.).
- **Changing Patterns in Intergovernmental and Grant Revenue (both recurring and nonrecurring)** – certain recurring revenues (e.g. State shared revenues) may experience significant changes periodically while nonrecurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.
- **Market Impacts on Investment Income** – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

#### Expenses:

- **Introduction of New Programs** – within the functional expense categories (General Government, Public Safety, Streets and Sanitation, etc.), individual programs may be added or deleted to meet changing community needs.
- **Change in Authorized Personnel** – changes in service demand may cause the Village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent % of the Village's General Fund and % of enterprise fund operating costs.
- **Salary Increases (annual adjustments and merit)** – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.
- **Inflation** – while overall inflation appears to be relatively modest, the Village is a major consumer of certain commodities such as supplies, fuels, and parts. Some functions may experience unusual commodity-specific increases.

**Current Year Impacts – Revenues**



The Village benefits from a highly diversified revenue base. For the fiscal year ended December 31, 2003 revenues totaled \$37,656,196. Governmental Activities provided \$27,656,522 of this total, while Business-Type Activities provided \$9,999,674.

Nonrecurring revenues were significant in 2003. The capital grant total of \$2,106,109 noted in the Governmental Activities represents monies received toward the renovations of the METRA parking lot. Included in the Other Revenues and Transfers is \$1,421,412 from the Village of Glenview for the expansion of the Wilmette Water Plant. The METRA lot project was completed in 2003 and was capitalized in the Parking Meter Fund. The plant expansion will not be completed until 2004 and has been capitalized as construction in progress in the Water Fund. These two items represent 9% of 2003 total revenues.

Property taxes represent 24% of total revenues and nearly one-third of Governmental Activities revenue. The 2002 tax levy reflected a 6% increase over the 2001 levy. This increase was divided into approximately 4% to fund operating costs and 2% for additional debt service.

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

Other taxes cumulatively represent 26% of total revenues and about 36% of Governmental Activities revenue. State-shared sales tax revenue of \$3,375,314, representing retail sales in the Village, reflects 2.4% growth over 2002. State-shared income tax revenue of \$1,713,517, representing state-wide collections distributed on a per-capita basis, reflects a 5.5% decrease compared to 2002. The electric and gas portions of the utility tax revenue are local taxes while the telecommunications portion is a state-shared tax. Both, however, represent the activity within the Village. Utility tax (including the telecommunications tax) revenue of \$2,831,751 is 12% greater than in 2002. This is attributed to better collection results from the telecommunications tax becoming a state-shared revenue. The local real estate transfer tax revenue of \$1,345,450 reflects 15% growth over 2002 and is indicative of the increasing property values in Wilmette.

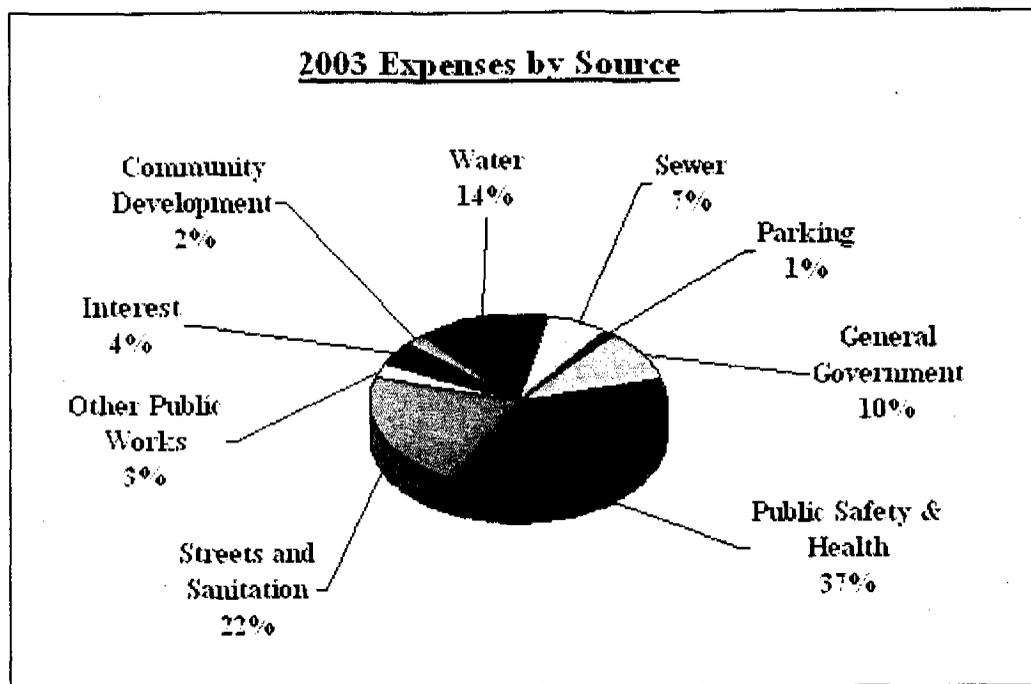
Charges for services totaling \$12,696,317 represent 34% of total revenues. More than 73% of this revenue is from utility billings as follows:

	<u>2003</u>		<u>2002</u>	<u>% Change</u>
Wholesale Water Sales	\$ 3,600,787	\$	3,419,764	5.3%
Residential Water Sales	1,715,073		1,629,982	5.2%
Residential Sewer Charges	2,934,633		3,012,903	(2.6%)
Residential Refuse Charges	1,092,158		1,047,996	4.2%
	<u>\$ 9,342,651</u>	<u>\$</u>	<u>9,110,645</u>	<u>2.5%</u>
Wholesale Water Rate	\$ .783 / ccf	\$	.776 / ccf	0.9%
Residential Water Rate	\$ 1.03 / ccf	\$	1.10 / ccf	6.8%
Residential Sewer Rate	\$ 1.90 / ccf	\$	1.90 / ccf	0.0%
Residential Refuse Rate	\$10.40 / month	\$	10.00 / month	4.0%

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 2003 produced lower water sales volume, therefore the 2003 residential water sales and sewer charges are somewhat below the change in the respective rates for these two revenues. There is very little to effect refuse charge volume so this revenue is in line with the rate change. Wholesale water sales volume has grown due to the population growth of the Village of Glenview (our primary wholesale customer). Thus, revenue growth is significantly greater than the rate increase.

Permits and license totaling \$2,094,575 represent 16.5% of total service charges. This is a \$487,678 (30%) increase over 2002. The fee for vehicle license was increased from \$40 to \$45 in 2003, providing an additional \$89,000. The 2003 permit fee rate increases varied by the type of permit. The revenue growth is equally attributable to rate increases as well as activity volume.

**Current Year Impacts – Expenses**



For the fiscal year ended December 31, 2003 expenses totaled \$36,599,496. Governmental Activities accounted for \$28,505,636 of this total, while Business-Type Activities represented \$8,093,860.

Year to year comparisons for Governmental Activities are difficult in 2003 as this is the first year of capitalizing capital expenditures and recording depreciation in the functional categories. Additionally, the establishment of a Section 105 Plan in 2003 impacted the manner for which accrued sick leave is accounted. This is also the first year that the Village's Sewer Fund is reported as an enterprise type fund (previously this was a special revenue type fund under the prior reporting model), so the same year-to-year comparison limitations exist for the Sewer Fund as for Governmental Activities. Year to year comparisons on a budgetary basis are detailed later in the MD&A.

Of the \$28,505,636 expense from Governmental Activities, \$13,370,687 (47%) is attributed to Public Safety and Health while \$9,099,423 (32%) is ascribed to Public Works related expenses.

The Water Fund expense total of \$5,276,280 represents 65% of the total Business-Type Activities. This is \$588,033 (12.5%) more than in 2002. Much of this increase can be attributed to changes in the accounting for accumulated sick leave with the Village's new Section 105 Plan as well as a budgetary change in 2003 in the manner in which fringe benefits are allocated to the Water Fund for administrative employees. Net of these accounting changes, Water Fund expense growth was about 7%. This is attributed to increased debt interest expense and expected

increases in wages and fringe benefits. Parking Meter Fund expense of \$410,039 is \$97,690 greater than 2002. Increased depreciation related to the METRA lot renovation accounts for \$71,000 of this increase. Growth in rent expense (from the sharing of revenues) accounts for most of the remaining increase. Rent is calculated from total revenues and the daily parking fee was increased from \$1.25 to \$1.50 when the lot re-opened in November 2002 after closing for much of 2002 for the improvements.

### 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	\$ 20,736,350	\$20,736,350	\$21,597,712	3,000	21,600,712
Expenditures	22,293,585	22,293,585	21,613,861	336,092	21,949,953
Excess (Deficiency) of Revenues over Expenditures	\$ (1,557,235)	\$ (1,557,235)	\$ (16,149)		\$ (349,241)
Other Financing Sources (Uses)	\$ 590,000	\$ 590,000	\$ 591,308	65,586	656,894
Net Changes in Fund Balance	<u>\$ (967,235)</u>	<u>\$ (967,235)</u>	<u>\$ 575,159</u>		<u>\$ 307,653</u>

General Fund revenues were \$861,362 more than the 2003 budget. This positive variance is mainly attributed to the net of (1) the real estate transfer tax at \$300,450 more than budget; (2) utility tax at \$431,751 more than budget; (3) permit fees and licenses at \$428,925 more than budget; and (4) service charges that were \$142,759 below budget.

The variances in the transfer tax and permit revenues are a function of the high property values in Wilmette and the significant improvements that our residents continue to make to their properties. Much of the utility tax variance is attributed to the improved telecommunications tax collections from the conversion of this tax from being locally collected to becoming a state-shared tax in 2003. Additionally, there is a three month lag in these collections that resulted in a larger than expected accrual at year end. The negative variance in service charges is mainly the result of (1) lower refuse fees from multi-unit dwellings arranging their own refuse collection instead of using the Village's contractor and (2) lower than anticipated ambulance transport fees due to the non-billing for mutual aid transports.

The 2003 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 2003 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	\$ 14,659,240	\$14,482,800	\$15,024,956	\$ (542,156)
Refuse	1,982,915	1,982,915	1,936,117	46,798
Other Recurring	3,766,440	3,672,300	3,559,159	113,141
Capital Outlay	1,193,590	1,176,000	1,008,081	167,919
Other Nonrecurring	691,400	64,400	85,548	(21,148)
	<u>\$ 22,293,585</u>	<u>\$21,378,415</u>	<u>\$21,613,861</u>	<u>\$ (235,446)</u>

Personnel expenditures were significantly in excess of expectations. The required contributions to the Village's Police and Firefighters' Pension Funds accounted for \$216,000 of this variance. This is the result of poor investment performance over the past few years. Another \$221,000 of this variance can be attributed to increased overtime expense in the Police and Fire Departments. The remaining personnel variance is the result of lower than average employee turnover.

Approximately \$120,000 in savings in the capital outlay category resulted from the ability to defer the replacement of an ambulance by one year. Savings in landfill costs resulted in the positive variance in the refuse program. General savings throughout the budget produced the remaining expenditure variance.

**CAPITAL ASSETS**

The Village's investment in capital assets for its Government and Business-Type Activities as of December 31, 2003 amounts to \$100,050,069. The investment in capital assets includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a net increase of \$5,582,900 (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 41-43.

The Governmental Activities net capital assets increased from last year by \$3,166,130. This is primarily the result of expenditures from the 2002 general obligation bond issue. Business-Type Activities net capital assets increased by \$2,416,770. This is mainly from the expansion of the Village's water plant (paid by the Village of Glenview).

**DEBT OUTSTANDING**

The Village currently has seven general obligation bond issues and four loans from the Environmental Protection Agency outstanding. The following table summarizes the Village's long-term debt outstanding.

**Table 5: Bonded and Similar Indebtedness**

	Outstanding at December 31, <u>2002</u>	Issued <u>in 2003</u>	Retired <u>in 2003</u>	Outstanding at December 31, <u>2003</u>
General Obligation Bonds	58,625,000	-	(1,285,000)	57,340,000
E.P.A. Loans	23,027,357	-	(1,535,099)	21,492,258
Installment Contracts	227,650	65,586	(12,004)	281,232
<b>Totals</b>	<b>81,880,007</b>	<b>65,586</b>	<b>(2,832,103)</b>	<b>79,113,490</b>
Governmental Activities	35,437,650	65,586	(892,004)	34,611,232
Business-Type Activities	46,442,357	-	(1,940,099)	44,502,258
<b>Totals</b>	<b>81,880,007</b>	<b>65,586</b>	<b>(2,832,103)</b>	<b>79,113,490</b>

The only new debt in 2003 is from the 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. Retired debt in 2003 was expected per the required amortization schedules.

The Village, under its home rule authority, does not have a legal debt limit. During With the 2002 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 will issue additional debt in 2004 for further sewer and water improvements.

Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 45-53.

### **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 2004. 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 2004. Increases in real estate taxes and services charges will likely be used to make up for this gap.

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, 2003

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,968,567	\$ 2,107,344	\$ 7,075,911
Receivables, net of allowance where applicable			
Property taxes	9,513,649	-	9,513,649
Sales taxes	821,172	-	821,172
Utility taxes	194,619	-	194,619
Accrued interest	21,980	-	21,980
Accounts	766,805	1,565,542	2,332,347
Prepaid expenses	143,089	27,305	170,394
Inventory	-	79,491	79,491
Note receivable	225,586	-	225,586
Due from other governments	566,101	-	566,101
Due from (to) other funds	762,155	(762,155)	-
Due from fiduciary funds	53,701	-	53,701
Deposits	415,475	-	415,475
Restricted assets			
Cash and cash equivalents	10,194,294	3,059,191	13,253,485
Investments	3,300,840	2,792,982	6,093,822
Accrued interest	-	18,598	18,598
Deferred charges	-	183,712	183,712
Net pension asset	379,177	-	379,177
Capital assets			
Not being depreciated	1,935,285	7,282,984	9,218,269
Depreciated, net of accumulated depreciation	26,139,885	64,691,915	90,831,800
<b>Total assets</b>	<b>60,402,380</b>	<b>81,046,909</b>	<b>141,449,289</b>
<b>LIABILITIES</b>			
Accounts payable	1,177,588	360,189	1,537,777
Accrued wages and benefits	1,039,452	63,010	1,102,462
Accrued interest payable	129,629	171,610	301,239
Deposits	223,600	2,265	225,865
Deferred property taxes	9,457,611	-	9,457,611
Other deferred revenue	114,603	-	114,603
Noncurrent liabilities			
Due within one year	1,012,243	2,046,127	3,058,370
Due in more than one year	36,407,989	42,751,284	79,159,273
<b>Total liabilities</b>	<b>49,562,715</b>	<b>45,394,485</b>	<b>94,957,200</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	6,845,616	33,343,412	40,189,028
Restricted for			
Highways and streets	1,058,746	-	1,058,746
Debt service	48,994	-	48,994
Unrestricted	2,886,309	2,309,012	5,195,321
<b>TOTAL NET ASSETS</b>	<b>\$ 10,839,665</b>	<b>\$ 35,652,424</b>	<b>\$ 46,492,089</b>

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2003

	Program Revenues			
	Charges	Operating	Capital	
<b>FUNCTIONS/PROGRAMS</b>				
<b>PRIMARY GOVERNMENT</b>				
Governmental activities				
General government	\$ 3,575,237	\$ 139,939	\$ -	\$ -
Public safety	13,224,840	1,402,962	65,425	-
Streets and sanitation	8,086,777	1,270,178	784,753	2,106,109
Other public works	1,012,646	27,435	-	-
Public health	145,857	11,311	-	-
Community development	869,963	1,198,382	-	-
Interest	1,590,316	-	-	-
Total governmental activities	28,505,636	4,050,207	850,178	2,106,109
Business-type activities				
Water	5,276,280	5,450,496	-	45,750
Sewer	2,407,541	2,934,783	-	-
Parking	410,039	260,831	-	-
Total business-type activities	8,093,860	8,646,110	-	45,750
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 36,599,496</b>	<b>\$ 12,696,317</b>	<b>\$ 850,178</b>	<b>\$ 2,151,859</b>

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,435,298)	\$ -	\$ (3,435,298)
	(11,756,453)	-	(11,756,453)
	(3,925,737)	-	(3,925,737)
	(985,211)	-	(985,211)
	(134,546)	-	(134,546)
	328,419	-	328,419
	(1,590,316)	-	(1,590,316)
	(21,499,142)	-	(21,499,142)
	-	219,966	219,966
	-	527,242	527,242
	-	(149,208)	(149,208)
	-	598,000	598,000
	(21,499,142)	598,000	(20,901,142)
General revenues			
Taxes			
Property	8,875,622	-	8,875,622
Sales	3,375,314	-	3,375,314
Income	1,713,517	-	1,713,517
Utility	1,423,845	-	1,423,845
Telecommunications	1,407,906	-	1,407,906
Real estate transfer	1,345,450	-	1,345,450
Other	621,325	-	621,325
Investment income	368,368	131,292	499,660
Miscellaneous	520,692	-	520,692
Gain (loss) on disposal of capital assets	33,750	(91,123)	(57,373)
Transfers in (out)	599,194	(599,194)	-
Contributions	365,045	1,866,839	2,231,884
Total	20,650,028	1,307,814	21,957,842
CHANGE IN NET ASSETS	(849,114)	1,905,814	1,056,700
NET ASSETS, JANUARY 1	59,263,011	17,666,652	76,929,663
Prior period adjustment	(47,574,232)	16,079,958	(31,494,274)
NET ASSETS, JANUARY 1, RESTATED	11,688,779	33,746,610	45,435,389
NET ASSETS, DECEMBER 31	\$ 10,839,665	\$ 35,652,424	\$ 46,492,089

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2003

	General Corporate	2002 General Obligation Bond	Nonmajor Governmental	Total
ASSETS				
Cash and cash equivalents	\$ 2,821,606	\$ -	\$ 2,035,339	\$ 4,856,945
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	7,338,288	-	2,175,361	9,513,649
Sales taxes	821,172	-	-	821,172
Utility taxes	194,619	-	-	194,619
Accounts receivable	766,805	-	-	766,805
Accrued interest	-	21,980	-	21,980
Due from other funds	1,871,663	-	-	1,871,663
Due from other governments	502,451	-	63,650	566,101
Note receivable	225,586	-	-	225,586
Deposits	415,475	-	-	415,475
Restricted assets				
Cash and cash equivalents	224,455	9,969,839	-	10,194,294
Investments		3,300,840		3,300,840
Prepaid items	143,089	-	-	143,089
<b>TOTAL ASSETS</b>	<b>\$ 15,325,209</b>	<b>\$ 13,292,659</b>	<b>\$ 4,274,350</b>	<b>\$ 32,892,218</b>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 1,099,505	\$ 70,981	\$ 338	\$ 1,170,824
Accrued wages and benefits	1,039,452	-	-	1,039,452
Due to other funds	55,807	-	1,000,000	1,055,807
Deposits	223,600	-	-	223,600
Deferred property taxes	7,294,018	-	2,163,593	9,457,611
Deferred revenues	9,745	-	-	9,745
Other deferred credits	415,475	-	-	415,475
<b>Total liabilities</b>	<b>10,137,602</b>	<b>70,981</b>	<b>3,163,931</b>	<b>13,372,514</b>
FUND BALANCES				
Reserved for note receivable	225,586	-	-	225,586
Reserved for prepaid items	143,089	-	-	143,089
Reserved for debt service	-	-	48,994	48,994
Reserved for encumbrances	105,255	-	5,257	110,512
Reserved for highways and streets	-	-	1,053,489	1,053,489
Reserved for cable TV expenditures	26,531	-	-	26,531
Reserved for capital outlay	-	13,221,678	-	13,221,678
Unreserved				
Designated for Clampitt estate	133,247	-	-	133,247
Designated for infrastructure maintenance fee escrow	91,208	-	-	91,208
Designated for Section 105 Plan	75,543	-	-	75,543
Undesignated for General Fund	4,387,148	-	-	4,387,148
Undesignated for Special Revenue Funds	-	-	2,679	2,679
<b>Total fund balances</b>	<b>5,187,607</b>	<b>13,221,678</b>	<b>1,110,419</b>	<b>19,519,704</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,325,209</b>	<b>\$ 13,292,659</b>	<b>\$ 4,274,350</b>	<b>\$ 32,892,218</b>

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, 2003

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 19,519,704
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	28,075,170
Certain revenues that are deferred in the governmental funds are available revenues in the statement of net assets	415,475
The net pension asset is not a current financial resource and is therefore not reported in the governmental funds	379,177
Interest payable is not due and payable in the current period and therefore, not reported in the governmental funds	(129,629)
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds	
Bonds payable	(34,545,647)
Installment contracts payable	(65,586)
Compensated absences payable	<u>(2,808,999)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 10,839,665</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, 2003

	General Corporate	2002 General Obligation Bond	Nonmajor Governmental	Total
<b>REVENUES</b>				
Property taxes	\$ 7,009,093	\$ -	\$ 1,866,529	\$ 8,875,622
Real estate transfer taxes	1,345,450	-	-	1,345,450
Utility taxes	1,423,845	-	-	1,423,845
E-911 surcharge	378,671	-	-	378,671
Licenses, permits, and fees	2,094,575	-	-	2,094,575
Intergovernmental shared taxes				
Sales	3,375,314	-	-	3,375,314
Income	1,713,517	-	-	1,713,517
Telecommunications	1,407,906	-	-	1,407,906
Personal property replacement	149,998	-	-	149,998
Wireless 911	90,198	-	-	90,198
Motor fuel	-	-	784,753	784,753
Auto lease tax	2,457	-	-	2,457
Other intergovernmental revenue	65,425	-	-	65,425
Charges for services	1,605,341	1,966,014	-	3,571,355
Fines	350,291	-	-	350,291
Investment income	60,189	192,697	21,366	274,252
Miscellaneous	528,442	140,095	26,000	694,537
<b>Total revenues</b>	<b>21,600,712</b>	<b>2,298,806</b>	<b>2,698,648</b>	<b>26,598,166</b>
<b>EXPENDITURES</b>				
Current				
General government	2,719,057	-	50,112	2,769,169
Public safety	11,527,958	-	-	11,527,958
Streets and sanitation	5,181,212	-	-	5,181,212
Other public works	1,012,646	-	-	1,012,646
Public health	145,857	-	-	145,857
Community development	869,963	-	-	869,963
Capital outlay	488,260	4,616,175	1,000,000	6,104,435
Debt service				
Principal retirement	5,000	-	880,000	885,000
Interest and fiscal charges	-	600,000	993,255	1,593,255
<b>Total expenditures</b>	<b>21,949,953</b>	<b>5,216,175</b>	<b>2,923,367</b>	<b>30,089,495</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(349,241)</b>	<b>(2,917,369)</b>	<b>(224,719)</b>	<b>(3,491,329)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Installment contract proceeds	65,586	-	-	65,586
Transfers in	750,000	-	7,886	757,886
Transfers (out)	(158,692)	-	-	(158,692)
<b>Total other financing sources (uses)</b>	<b>656,894</b>	<b>-</b>	<b>7,886</b>	<b>664,780</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>307,653</b>	<b>(2,917,369)</b>	<b>(216,833)</b>	<b>(2,826,549)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>4,879,954</b>	<b>15,926,988</b>	<b>1,327,252</b>	<b>22,134,194</b>
Prior period adjustment	-	212,059	-	212,059
<b>FUND BALANCES, JANUARY 1, RESTATED</b>	<b>4,879,954</b>	<b>16,139,047</b>	<b>1,327,252</b>	<b>22,346,253</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 5,187,607</b>	<b>\$ 13,221,678</b>	<b>\$ 1,110,419</b>	<b>\$ 19,519,704</b>

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, 2003

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (2,826,549)
Amounts reported for governmental activities in the statement activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	4,692,264
Certain revenues are not available in the governmental funds but are reported as revenues in the statement of activities	459,162
The change in net pension asset is not a current financial resource and therefore is not reported in the governmental funds	8,721
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	(65,586)
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	880,000
Installment contracts payable	12,004
Accrued interest payable	2,938
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	(1,891,180)
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	<u>(2,120,888)</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (849,114)</u>

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS

December 31, 2003

	Business-Type Activities				Governmental
	Water	Sewer	Nonmajor Enterprise	Total	Internal Service
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 838,846	\$ 820,051	\$ 448,447	\$ 2,107,344	\$ 111,622
Receivables					
Accounts - billed	551,087	533,175	2,280	1,086,542	-
Accounts - unbilled	174,000	305,000	-	479,000	-
Due from other funds	55,807	-	-	55,807	-
Inventories	79,491	-	-	79,491	-
Prepaid expenses	21,920	4,298	1,087	27,305	-
Restricted assets					
Capital improvements reserve					
Cash and cash equivalents	2,241,550	817,641	-	3,059,191	-
Investments	2,792,982	-	-	2,792,982	-
Accrued interest	18,598	-	-	18,598	-
<b>Total current assets</b>	<b>6,774,281</b>	<b>2,480,165</b>	<b>451,814</b>	<b>9,706,260</b>	<b>111,622</b>
<b>OTHER ASSETS</b>					
Deferred charges - unamortized bond discount	183,712	-	-	183,712	-
<b>CAPITAL ASSETS</b>					
Not being depreciated	6,564,092	59,788	659,104	7,282,984	-
Depreciated	32,691,930	45,227,618	4,864,799	82,784,347	-
Accumulated depreciation	(9,994,857)	(7,523,988)	(573,587)	(18,092,432)	-
<b>Net capital assets</b>	<b>29,261,165</b>	<b>37,763,418</b>	<b>4,950,316</b>	<b>71,974,899</b>	<b>-</b>
<b>Total assets</b>	<b>36,219,158</b>	<b>40,243,583</b>	<b>5,402,130</b>	<b>81,864,871</b>	<b>111,622</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable	224,277	114,545	21,367	360,189	6,764
Accrued wages and benefits	49,245	10,026	3,739	63,010	-
Accrued interest payable	81,099	90,511	-	171,610	-
Due to other funds	-	817,962	-	817,962	-
Customers' deposits	2,265	-	-	2,265	-
Deferred revenue	-	-	-	-	104,858
Environmental Protection Agency loans payable - current	-	1,586,127	-	1,586,127	-
General obligation bonds payable - current	340,000	20,000	100,000	460,000	-
<b>Total current liabilities</b>	<b>696,886</b>	<b>2,639,171</b>	<b>125,106</b>	<b>3,461,163</b>	<b>111,622</b>
<b>LONG-TERM LIABILITIES</b>					
Compensated absences payable	282,103	13,050	-	295,153	-
Environmental Protection Agency loans payable	-	19,906,131	-	19,906,131	-
General obligation bonds payable	19,810,000	1,960,000	780,000	22,550,000	-
<b>Total long-term liabilities</b>	<b>20,092,103</b>	<b>21,879,181</b>	<b>780,000</b>	<b>42,751,284</b>	<b>-</b>
<b>Total liabilities</b>	<b>20,788,989</b>	<b>24,518,352</b>	<b>905,106</b>	<b>46,212,447</b>	<b>111,622</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	14,164,295	15,108,801	4,070,316	33,343,412	-
Unrestricted	1,265,874	616,430	426,708	2,309,012	-
<b>TOTAL NET ASSETS</b>	<b>\$ 15,430,169</b>	<b>\$ 15,725,231</b>	<b>\$ 4,497,024</b>	<b>\$ 35,652,424</b>	<b>\$ -</b>

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, 2003

	Business-Type Activities			Governmental	
	Water	Sewer	Nonmajor Enterprise	Internal Service	
<b>OPERATING REVENUES</b>					
Charges for services					
Billings	\$ 5,315,859	\$ 2,934,633	\$ -	\$ 8,250,492	\$ -
Water permit fees	47,600	-	-	47,600	-
Water meters (net of cost of sales)	23,662	-	-	23,662	-
Parking fees	-	-	260,831	260,831	-
Internal services	-	-	-	-	3,506,445
Other	63,375	150	-	63,525	-
<b>Total operating revenues</b>	<b>5,450,496</b>	<b>2,934,783</b>	<b>260,831</b>	<b>8,646,110</b>	<b>3,506,445</b>
<b>OPERATING EXPENSES</b>					
Water plant operations	2,002,435	-	-	2,002,435	-
Distribution	722,701	-	-	722,701	-
Maintenance	266,666	943,627	240,266	1,450,559	806,615
General	156,300	-	-	156,300	-
Administration and miscellaneous	420,320	-	-	420,320	2,699,830
Depreciation	627,931	637,950	121,860	1,387,741	-
<b>Total operating expenses</b>	<b>4,196,353</b>	<b>1,581,577</b>	<b>362,126</b>	<b>6,140,056</b>	<b>3,506,445</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,254,143</b>	<b>1,353,206</b>	<b>(101,295)</b>	<b>2,506,054</b>	<b>-</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Interest expense	(1,036,200)	(825,964)	(47,913)	(1,910,077)	-
Grant revenue	45,750	-	-	45,750	-
Grant expense	(43,727)	-	-	(43,727)	-
Investment income	108,400	22,892	-	131,292	-
Loss on disposal of capital assets	(26,591)	-	(64,532)	(91,123)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(952,368)</b>	<b>(803,072)</b>	<b>(112,445)</b>	<b>(1,867,885)</b>	<b>-</b>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>301,775</b>	<b>550,134</b>	<b>(213,740)</b>	<b>638,169</b>	<b>-</b>
<b>TRANSFERS IN (OUT)</b>	<b>(750,000)</b>	<b>-</b>	<b>150,806</b>	<b>(599,194)</b>	<b>-</b>
<b>CONTRIBUTIONS</b>	<b>1,500,155</b>	<b>-</b>	<b>366,684</b>	<b>1,866,839</b>	<b>-</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,051,930</b>	<b>550,134</b>	<b>303,750</b>	<b>1,905,814</b>	<b>-</b>
<b>NET ASSETS, JANUARY 1</b>	<b>13,961,734</b>	<b>2,583,782</b>	<b>1,121,136</b>	<b>17,666,652</b>	<b>-</b>
Prior period adjustment	416,505	12,591,315	3,072,138	16,079,958	-
<b>NET ASSETS, JANUARY 1, RESTATED</b>	<b>14,378,239</b>	<b>15,175,097</b>	<b>4,193,274</b>	<b>33,746,610</b>	<b>-</b>
<b>NET ASSETS, DECEMBER 31</b>	<b>\$ 15,430,169</b>	<b>\$ 15,725,231</b>	<b>\$ 4,497,024</b>	<b>\$ 35,652,424</b>	<b>\$ -</b>

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2003

	Business-Type Activities				Governmental
	Water	Sewer	Parking Meter	Total Enterprise	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 5,114,234	\$ 2,528,808	\$ 261,316	\$ 7,904,358	\$ -
Receipts from interfund services	-	-	-	-	3,611,303
Receipts from miscellaneous revenues	63,375	-	-	63,375	-
Payments to suppliers	(2,618,334)	(658,862)	(157,628)	(3,434,824)	(3,016,134)
Payments to employees	(1,535,061)	(298,867)	(73,464)	(1,907,392)	(506,377)
Net cash from operating activities	1,024,214	1,571,079	30,224	2,625,517	88,792
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund transfers	(750,000)	-	150,806	(599,194)	-
Change in interfund activity	(178,531)	817,962	-	639,431	-
Grant revenue	45,750	-	-	45,750	-
Grant expense	(43,727)	-	-	(43,727)	-
Net cash from noncapital financing activities	(926,508)	817,962	150,806	42,260	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition of capital assets	(1,051,852)	(964,947)	(11,995)	(2,028,794)	-
Principal paid on long-term debt	(290,000)	(1,555,099)	(95,000)	(1,940,099)	-
Interest paid on long-term debt	(987,419)	(833,666)	(47,913)	(1,868,998)	-
Paying agents' fees	(3,200)	-	-	(3,200)	-
Net cash from capital and related financing activities	(2,332,471)	(3,353,712)	(154,908)	(5,841,091)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Sale/maturity of investments	2,050,000	1,950,000	-	4,000,000	-
Interest	276,779	84,150	-	360,929	-
Net cash from investing activities	2,326,779	2,034,150	-	4,360,929	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	92,014	1,069,479	26,122	1,187,615	88,792
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	2,988,382	568,213	422,325	3,978,920	22,830
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 3,080,396	\$ 1,637,692	\$ 448,447	\$ 5,166,535	\$ 111,622

(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, 2003

	Business-Type Activities				Governmental
	Water	Sewer	Parking Meter	Total Enterprise	Internal Service
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 1,254,143	\$ 1,353,206	\$ (101,295)	\$ 2,506,054	\$ -
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation	627,931	637,950	121,860	1,387,741	-
Changes in assets and liabilities					
Receivables	(272,887)	(405,975)	485	(678,377)	-
Inventories	7,825	-	-	7,825	-
Prepaid costs	(7,910)	(4,298)	(387)	(12,595)	-
Deposits	(20,465)	-	-	(20,465)	-
Accounts payable	(817,840)	(8,011)	5,823	(820,028)	(16,066)
Accrued payroll and compensated absences	253,417	(1,793)	3,738	255,362	-
Deferred revenue	-	-	-	-	104,858
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 1,024,214</b>	<b>\$ 1,571,079</b>	<b>\$ 30,224</b>	<b>\$ 2,625,517</b>	<b>\$ 88,792</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Unrestricted	\$ 838,846	\$ 820,051	\$ 448,447	\$ 2,107,344	\$ 111,622
Restricted	2,241,550	817,641	-	3,059,191	-
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 3,080,396</b>	<b>\$ 1,637,692</b>	<b>\$ 448,447</b>	<b>\$ 5,166,535</b>	<b>\$ 111,622</b>
<b>NONCASH TRANSACTIONS</b>					
Contribution of capital assets	\$ 1,500,155	\$ -	\$ 366,684	\$ 1,866,839	\$ -

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS

December 31, 2003

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,867,629	\$ 95,354
Investments		
U.S. Government and agency obligations	14,567,551	287,958
Mutual funds	27,224,800	-
Receivables (net, where applicable, of allowances for uncollectibles)		
Accrued interest	252,711	-
Other	1,625	-
<b>Total assets</b>	<b>46,914,316</b>	<b>383,312</b>
<b>LIABILITIES</b>		
Accounts payable	18,644	-
Deposits payable	-	383,312
Due to other funds	53,701	-
<b>Total liabilities</b>	<b>72,345</b>	<b>383,312</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 46,841,971</b>	<b>\$ -</b>

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, 2003

ADDITIONS

Contributions

Employer - General Fund	\$ 1,372,000
Plan members	<u>500,944</u>

Total contributions	<u>1,872,944</u>
---------------------	------------------

Investment income

Net appreciation in fair value of investments	4,287,868
Interest earned	<u>1,132,831</u>

Total investment income	5,420,699
Less investment expenses	<u>(81,044)</u>

Net investment income	<u>5,339,655</u>
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Total additions	<u>7,212,599</u>
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DEDUCTIONS

Pension benefits and refunds	2,821,765
Other	<u>8,886</u>

Total deductions	<u>2,830,651</u>
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NET INCREASE	4,381,948
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NET ASSETS HELD IN TRUST FOR  
PENSION BENEFITS

January 1	<u>42,460,023</u>
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December 31	<u><u>\$ 46,841,971</u></u>
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See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

December 31, 2003

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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 established 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.

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

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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 2002 General Obligation Fund is used to account for the use of bond proceeds issued to construct a portion of the new village hall and multi-deck parking structure.

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 a fiduciary 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. 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.

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

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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, 2003 for debt and equity securities. Mutual funds, investment funds, and insurance separate accounts are valued at contract value as of December 31, 2003.

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 fund" (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 balance sheet 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, 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.

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

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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.

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)

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3. DEPOSITS AND INVESTMENTS (Continued)

a. Deposits

At year end, the carrying amount of the Village's deposits totaled \$23,770,906 and the bank balances totaled \$24,450,933.

	<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.	\$24,450,933
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>
<b>TOTAL DEPOSITS</b>	<u>\$24,450,933</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	2	3	
U.S. Treasuries	\$ 14,142,007	\$ -	\$ -	\$ 14,142,007
U.S. Agencies	6,807,325	-	-	6,807,325
	<u>\$ 20,949,332</u>	<u>\$ -</u>	<u>\$ -</u>	<u>20,949,332</u>
* Illinois Funds				8,239
* Mutual Funds				<u>28,736,183</u>
TOTAL INVESTMENTS				<u>\$ 49,693,754</u>

\* (Not subject to custodial risk categorization)

The pension trust funds own approximately 70 percent of the investments in Category 1.

4. RECEIVABLES - TAXES

Property taxes for 2002 attach as an enforceable lien on January 1, 2002 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, 2003 and August 1, 2003 and are payable in two installments, on or about March 1, 2003 and September 1, 2003. The County collects such taxes and remits them periodically. Since the 2003 levy is intended to finance the 2004 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, 2003 was as follows:

	Beginning Balance, January 1, Restated*	Additions	Retirements	Ending Balance December 31
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 1,570,240	\$ -	\$ -	\$ 1,570,240
Construction in progress	-	365,045	-	365,045
Total capital assets not being depreciated	<u>1,570,240</u>	<u>365,045</u>	<u>-</u>	<u>1,935,285</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
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>(Continued)</b>				
Capital assets being depreciated				
Buildings	\$ 8,627,784	\$ 139,078	\$ -	\$ 8,766,862
Improvements other than buildings	17,617,464	4,205,383	-	21,822,847
Motor equipment	5,719,216	347,804	164,765	5,902,255
Office furniture and equipment	868,738	-	45,970	822,768
Other equipment	933,979	-	-	933,979
Total capital assets being depreciated	<u>33,767,181</u>	<u>4,692,265</u>	<u>210,735</u>	<u>38,248,711</u>
Less accumulated depreciation for				
Buildings	1,728,145	115,505	-	1,843,650
Improvements other than buildings	4,207,555	1,091,143	-	5,298,698
Motor equipment	3,666,638	535,000	164,765	4,036,873
Office furniture and equipment	387,928	79,917	45,970	421,875
Other equipment	438,115	69,615	-	507,730
Total accumulated depreciation	<u>10,428,381</u>	<u>1,891,180</u>	<u>210,735</u>	<u>12,108,826</u>
Total capital assets being depreciated, net	<u>23,338,800</u>	<u>2,801,085</u>	<u>-</u>	<u>26,139,885</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 24,909,040</u>	<u>\$ 3,166,130</u>	<u>\$ -</u>	<u>\$ 28,075,170</u>

\* The beginning balance of the capital assets has been decreased by \$48,273,885 to reclassify certain assets to business-type activities. In addition, beginning capital assets were reduced by \$17,999,412 due to a change in the capitalization threshold of the capital assets.

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 96,294
Streets and sanitation	1,383,791
Public safety - police	231,796
Public safety - fire	179,299
<b>TOTAL</b>	<u>\$ 1,891,180</u>

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

5. CAPITAL ASSETS (Continued)

	Beginning Balance, January 1*	Additions	Retirements	Ending Balance December 31
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 832,453	\$ -	\$ -	\$ 832,453
Landscaping	60,232	-	-	60,232
Construction in progress	4,742,535	1,747,078	99,314	6,390,299
Total capital assets not being depreciated	5,635,220	1,747,078	99,314	7,282,984
Capital assets being depreciated				
Water system	21,153,981	519,171	-	21,673,152
Sewer system	41,988,196	967,948	-	42,956,144
Storm water pump stations	2,271,475	-	-	2,271,475
Buildings	4,254,610	46,278	-	4,300,888
Machinery, equipment, and vehicles	6,513,506	335,793	131,409	6,717,890
Parking facilities/improvements	4,765,411	378,679	279,292	4,864,798
Total capital assets being depreciated	80,947,179	2,247,869	410,701	82,784,347
Less accumulated depreciation for				
Water system	3,965,459	283,354	-	4,248,813
Sewer system	6,247,083	587,620	-	6,834,703
Storm water pump stations	638,955	50,330	-	689,285
Buildings	2,735,427	90,060	-	2,825,487
Machinery, equipment, and vehicles	2,770,859	254,516	104,818	2,920,557
Parking facilities/improvements	666,487	121,860	214,760	573,587
Total accumulated depreciation	17,024,270	1,387,740	319,578	18,092,432
Total capital assets being depreciated, net	63,922,909	860,129	91,123	64,691,915
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<u>\$ 69,558,129</u>	<u>\$ 2,607,207</u>	<u>\$ 190,437</u>	<u>\$ 71,974,899</u>

\* The beginning balance of the capital assets has been restated by \$48,273,885 due to reclassifying the sewer fund to an enterprise fund, and to reclassify other former general capital assets to their respective enterprise funds.

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 \$1,000 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.

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

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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, 2003, NSEBC had a deficit total equity of \$493,778. The Village would be responsible for funding its proportionate share of any deficit. The Village's total payments for the year ended December 31, 2003 were \$1,702,292.

7. LONG-TERM DEBT

a. 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, 2003 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, 2003 are comprised of the following issues along with the annual requirements to amortize debt outstanding:

Governmental Activities												
	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						
Interest rates		Average of 4.999%	Average of 4.466%	Average of 4.4213%	Average of 5.376%	Average of 4.660%	Average of 4.739%					
Interest dates	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	December 1 and June 1					
Amount of original issue	\$ 480,000	\$ 2,460,000	\$ 4,050,000	\$ 2,000,000	\$ 3,000,000	\$ 3,000,000	\$ 23,400,000					
Redemptions	100,000	130,000	150,000	-	-	-	680,000					
Defeasance	-	-	-	-	-	-	-					
Bonds outstanding at December 31, 2003	\$ 380,000	\$ 2,330,000	\$ 3,900,000	\$ 2,000,000	\$ 3,000,000	\$ 3,000,000	\$ 22,720,000					
Maturing as follows:												
Year ending December 31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 50,000	\$ 18,300	\$ 100,000	\$ 102,395	\$ 100,000	\$ 166,650	\$ 50,000	\$ 100,750	\$ 25,000	\$ 132,625	\$ 680,000	\$ 1,034,823
2005	100,000	15,950	150,000	98,045	100,000	163,000	50,000	98,250	25,000	131,625	655,000	1,007,623
2006	100,000	11,200	630,000	91,520	100,000	159,250	75,000	95,750	25,000	130,625	55,000	981,423
2007	100,000	6,400	725,000	63,800	150,000	155,400	75,000	92,000	25,000	129,625	50,000	979,195
2008	30,000	1,500	725,000	31,900	300,000	149,475	100,000	88,250	25,000	128,625	275,000	977,170
2009	-	-	-	-	500,000	137,025	100,000	83,250	25,000	127,625	320,000	966,033
2010	-	-	-	-	500,000	116,025	250,000	78,250	200,000	126,600	320,000	952,913
2011	-	-	-	-	600,000	94,775	250,000	65,750	600,000	118,200	845,000	939,633
2012	-	-	-	-	600,000	68,675	250,000	53,250	600,000	92,700	1,445,000	904,565
2013	-	-	-	-	600,000	42,275	250,000	40,750	700,000	66,300	1,740,000	844,598
2014	-	-	-	-	350,000	15,575	250,000	28,250	550,000	34,800	1,990,000	769,778
2015	-	-	-	-	-	-	300,000	15,750	200,000	9,500	2,085,000	681,223
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
<b>Total</b>	<b>\$ 380,000</b>	<b>\$ 53,350</b>	<b>\$ 2,330,000</b>	<b>\$ 387,660</b>	<b>\$ 3,900,000</b>	<b>\$ 1,268,125</b>	<b>\$ 2,000,000</b>	<b>\$ 840,250</b>	<b>\$ 3,000,000</b>	<b>\$ 1,228,850</b>	<b>\$ 22,720,000</b>	<b>\$ 13,017,962</b>

VILLAGE OF WILMETTE, ILLINOIS

Notes to Financial Statements (Continued)

(7) Long-term Debt (Continued)

a. Bonds Payable (Continued)

Bonds payable at December 31, 2003 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 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%	3.580%	3.360%	2.815%	3.150%
Interest dates	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	\$ 9,477,412	\$ 9,874,474	\$ 4,783,543	\$ 9,008,778
Redemptions	20,000	4,140,797	3,881,853	1,489,562	2,139,737
Refundings	-	-	-	-	-
Bonds outstanding at December 31, 2003	\$ 1,980,000	\$ 5,336,615	\$ 5,992,621	\$ 3,293,981	\$ 6,869,041

Maturing as follows:

Year ending December 31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 20,000	\$ 93,303	\$ 480,859	\$ 186,785	\$ 197,314	\$ 223,261	\$ 91,165	\$ 213,271
2005	20,000	92,503	498,227	169,416	180,891	229,590	84,836	200,658
2006	20,000	91,703	516,224	151,420	163,910	236,098	78,328	187,644
2007	25,000	90,893	534,870	132,774	146,355	242,791	71,635	174,218
2008	25,000	89,880	554,189	113,454	128,205	249,674	64,752	160,365
2009	30,000	88,868	574,207	93,437	109,440	256,751	57,675	146,073
2010	30,000	87,638	594,948	72,696	90,039	264,030	50,396	131,326
2011	30,000	86,393	616,437	51,207	69,980	271,515	42,911	116,112
2012	30,000	85,148	638,703	28,941	49,242	279,211	35,215	100,414
2013	35,000	83,903	327,951	5,871	27,802	287,127	27,299	84,218
2014	35,000	82,398	-	-	5,634	295,266	19,160	67,508
2015	40,000	80,840	-	-	-	303,636	10,790	50,268
2016	200,000	79,020	-	-	-	155,031	2,182	32,480
2017	240,000	69,720	-	-	-	-	-	14,127
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	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 1,980,000</b>	<b>\$ 1,378,610</b>	<b>\$ 5,336,615</b>	<b>\$ 1,006,001</b>	<b>\$ 1,168,812</b>	<b>\$ 3,293,981</b>	<b>\$ 636,344</b>	<b>\$ 1,678,682</b>

(Continued)

VILLAGE OF WILMETTE, ILLINOIS

Notes to Financial Statements (Continued)

(7) Long-term Debt (Continued)

a. Bonds Payable (Continued)

Bonds payable at December 31, 2003 are comprised of the following issues along with the annual requirements to amortize debt outstanding:

		Business-Type Activities (Continued)					
		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	Parking Meter Fund portion 1997 general obligation improvements bonds dated April 1, 1997
		Average of 4.876% Dec. 1 and June 1	Average of 4.4213% December 1 and June 1	Average of 5.376% December 1 and June 1	Average of 4.660% December 1 and June 1	Average of 4.739% December 1 and June 1	Average of 4.999% Dec. 1 and June 1
Interest rates							
Interest dates		\$ 2,500,000	\$ 5,950,000	\$ 6,900,000	\$ 2,000,000	\$ 5,000,000	\$ 1,376,500
Amount of original issue		1,835,000	-	365,000	-	-	496,500
Redemptions		-	-	-	-	-	-
Refundings		-	-	-	-	-	-
Bonds outstanding at December 31, 2003		\$ 665,000	\$ 5,950,000	\$ 6,535,000	\$ 2,000,000	\$ 5,000,000	\$ 880,000

Maturing as follows:

Year ending December 31	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2004	\$ 90,000	\$ 31,255	\$ -	\$ 262,465	\$ 200,000	\$ 347,594	\$ 50,000	\$ 93,500	\$ 100,000	\$ 238,375		
2005	60,000	27,025	-	262,465	240,000	337,594	50,000	91,500	105,000	238,375		
2006	60,000	24,205	-	262,465	270,000	325,594	50,000	89,500	110,000	238,375		
2007	85,000	21,385	-	262,465	275,000	312,094	50,000	87,500	115,000	236,350		
2008	105,000	17,390	-	262,465	275,000	298,344	100,000	85,500	120,000	232,300		
2009	135,000	12,455	110,000	262,465	150,000	284,594	100,000	81,500	125,000	228,250		
2010	130,000	6,110	400,000	257,845	-	277,094	200,000	77,400	130,000	224,150		
2011	-	-	690,000	240,845	-	277,094	-	69,000	75,000	220,000		
2012	-	-	1,090,000	210,830	-	277,094	-	69,000	-	215,850		
2013	-	-	1,135,000	162,870	-	277,094	-	69,000	-	211,700		
2014	-	-	1,185,000	112,363	-	277,094	-	69,000	-	207,400		
2015	-	-	1,240,000	59,630	-	277,094	-	69,000	-	202,950		
2016	-	-	100,000	4,450	650,000	277,094	200,000	69,000	-	198,400		
2017	-	-	-	-	800,000	242,969	300,000	59,400	-	193,750		
2018	-	-	-	-	850,000	199,969	300,000	44,700	-	186,700		
2019	-	-	-	-	875,000	154,281	300,000	30,000	-	172,450		
2020	-	-	-	-	950,000	107,250	300,000	15,000	-	153,050		
2021	-	-	-	-	1,000,000	55,000	-	-	1,000,000	133,450		
2022	-	-	-	-	-	-	-	-	1,100,000	84,450		
2023	-	-	-	-	-	-	-	-	600,000	30,000		
<b>Total</b>	<b>\$ 665,000</b>	<b>\$ 139,825</b>	<b>\$ 5,950,000</b>	<b>\$ 2,623,623</b>	<b>\$ 6,535,000</b>	<b>\$ 4,604,938</b>	<b>\$ 2,000,000</b>	<b>\$ 1,169,500</b>	<b>\$ 5,000,000</b>	<b>\$ 3,846,325</b>	<b>\$ 880,000</b>	<b>\$ 198,621</b>

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, 2003 is as follows:

	1993	1997	1998	1999	2000	2001	2002	Environmental Protection Agency loan*	Employee compensated absences	Install- ment contracts payable	Total
Balance at											
December 31, 2002	\$ 755,000	\$ 1,405,000	\$ 2,380,000	\$ 9,950,000	\$ 8,735,000	\$ 5,000,000	\$ 30,400,000	\$ 23,027,357	\$ 795,000	\$ 227,650	\$ 82,675,007
Add (deduct):											
New installment contracts	-	-	-	-	-	-	-	-	-	65,586	65,586
Increase in compensated absences	-	-	-	-	-	-	-	-	2,309,153	-	2,309,153
Current maturities	(90,000)	(145,000)	(50,000)	(100,000)	(200,000)	-	(700,000)	(1,535,099)	-	(12,004)	(2,832,103)
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
Amount to be retired by:											
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,809,000	\$ 281,232	\$ 3,090,232
General Debt Service Fund	-	380,000	2,330,000	3,900,000	2,000,000	3,000,000	22,720,000	-	-	-	34,330,000
Parking Meter Fund	-	880,000	-	-	-	-	-	-	-	-	880,000
Sewer Fund	-	-	-	-	-	-	1,980,000	21,492,258	13,050	-	23,485,308
Water Fund	665,000	-	-	5,950,000	6,535,000	2,000,000	5,000,000	-	282,103	-	20,432,103
	\$ 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

\* The beginning balance of the Environmental Protection Agency loans was restated by \$191,023, as debt payable at December 31, 2002 was reversed and paid in fiscal year 2003.

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%	\$ 62,650	\$ -	\$ 7,004	\$ 55,646	\$ 7,243
\$165,000 Village Manager housing allowance note payable due in June 2007 plus interest at 3.4%	165,000	-	5,000	160,000	N/A
Historical Society improvements note due in October 2006 plus interest at 3.25%	-	65,586	-	65,586	N/A
	<u>\$ 227,650</u>	<u>\$ 65,586</u>	<u>\$ 12,004</u>	<u>\$ 281,232</u>	<u>\$ 7,243</u>

N/A - Not available

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, 2003, the line of credit had an outstanding balance of \$65,586.

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, Restated*	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds payable	\$ 35,210,000	\$ -	\$ 880,000	\$ 34,330,000	\$ 1,005,000
Installment contracts	227,650	65,586	12,004	281,232	7,243
Compensated absences	695,189	2,113,811	-	2,809,000	-
Total governmental activities	36,132,839	2,179,397	892,004	37,420,232	1,012,243

\*The bonds payable balance at January 1 was decreased by \$2,000,000 as the sewer fund was changed to an enterprise fund (business-type activity) as of January 1, 2003. Also, the compensated absences balance at January 1 was decreased by \$24,811 to remove sewer fund compensated absences.

	Balances January 1, Restated**	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Bonds payable	\$ 23,415,000	\$ -	\$ 405,000	\$ 23,010,000	\$ 460,000
EPA loans payable	23,027,357	-	1,535,099	21,492,258	1,586,127
Compensated absences	129,811	165,342	-	295,153	-
Total business-type activities	46,572,168	165,342	1,940,099	44,797,411	2,046,127
<b>TOTAL</b>	<b>\$ 82,705,007</b>	<b>\$ 2,344,739</b>	<b>\$ 2,832,103</b>	<b>\$ 82,217,643</b>	<b>\$ 3,058,370</b>

\*\* The bonds payable balance at January 1 was increased by \$2,000,000 as the sewer fund was changed to an enterprise fund (business-type activity) as of January 1, 2003. Also, the EPA loans payable balance at January 1 was understated by \$191,023. Finally, the compensated absences balance at January 1 was increased by \$24,811 to add the sewer fund compensated absences.

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

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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.

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

<u>Fiscal Year Ending December 31</u>	<u>Interest Rate</u>	<u>Principal</u>
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	<u>525,000</u>
TOTAL		<u>\$ 2,655,000</u>

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

<u>Fiscal Year Ending December 31</u>	<u>Interest Rate</u>	<u>Principal</u>
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	<u>225,000</u>
TOTAL		<u>\$2,025,000</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	Nonmajor Governmental	\$ 1,000,000
General	Sewer	817,962
General	Fiduciary	53,701
Water	General	<u>55,807</u>
<b>TOTAL</b>		<b><u>\$ 1,927,470</u></b>

The purpose of the significant Due From/To Other Funds is as follows:

- \$1,000,000 due to the General Fund from the Motor Fuel Tax Fund is for operating expenditures paid by the General Fund for the Motor Fuel Tax Fund. Repayment is expected within one year and in the future these will be reimbursed on a monthly basis.
- \$817,962 due to the General Fund from the Sewer Fund is also for operating expenditures paid by the General Fund for the Sewer Fund. Repayment is expected within one year and in the future these will be reimbursed on a monthly basis.

b. Interfund Transfers

Transfer From	Transfer To	Amount
Water	General	\$ 750,000
General	Nonmajor Enterprise	150,806
General	Nonmajor Governmental	<u>7,886</u>
<b>TOTAL</b>		<b><u>\$ 908,692</u></b>

The purpose of the significant Interfund Transfers is as follows:

- \$750,000 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.
- \$150,806 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)

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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:

<u>Year Ending December 31</u>	<u>Amount</u>
2004	\$ 69,120
2005	65,884
2006	40,263
2007	47,405
2008	58,237
Thereafter	377,667

These amounts have been estimated based upon the Village's commitment for 2003. 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 and has escrowed \$91,208 and designated a portion of unreserved fund balance. 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, 2003, there were four retirees in this category and the Village's expense totaled \$3,724.

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, 2003, there were ten retirees in this category and the Village's expense totaled \$12,566.
- 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 were two employees in this category for the year ended December 31, 2003.
- 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, 2003, twenty seven employees are covered in this category and the Village's expense totaled \$104,251.

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 six retiree spouses in this category for the year ended December 31, 2003.

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)

Post-Employment Health Care 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 were two employees in this category for the year ended December 31, 2003.

The business-type portion of the sick leave liability is reported as accrued compensated absences on the balance sheets 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. The Village's total payroll for the year ended December 31, 2003 was \$13,395,380. Of this amount, \$6,520,073 in payroll earnings were reported to and covered by the IMRF system.

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 2003 the rate was 1.95 percent.

IMRF issues a separate financial report, 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. The Village's payroll for employees covered by the Police Pension Plan for the year ended December 31, 2003 was \$2,972,254 out of a total payroll of \$13,395,380. At December 31, 2003, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	37
Inactive members	1
Current employees	
Vested	28
Nonvested	18
	<hr/>
TOTAL	<hr/> <hr/> 84

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.

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

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, 2003, the Village's contribution was 15.08 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. The Village's payroll for employees covered by the Firefighters' Pension Plan for the year ended December 31, 2003 was \$2,993,008 out of a total payroll of \$13,395,380. At December 31, 2003, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	41
Inactive members	1
Current employees	
Vested	26
Nonvested	18
	<hr/>
TOTAL	<u>86</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 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, 2003, the Village's contribution was 17.53 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, 2003 (most current information available) were as follows:

	Police Pension	Firefighters' Pension
Annual required contributions	\$ 623,471	\$ 747,981
Interest on net pension obligation	(14,051)	(13,734)
Adjustment to annual required contribution	9,918	9,694
Annual pension cost	619,338	743,941
Contributions made	624,000	748,000
Increase (decrease) in net pension obligation (asset)	(4,662)	(4,059)
Net pension obligation (asset) beginning of year	(187,342)	(183,114)
<b>NET PENSION OBLIGATION (ASSET) END OF YEAR</b>	<b>\$ (192,004)</b>	<b>\$ (187,173)</b>

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, 2001	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	30.5 Years, Open	30.5 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 pension costs (APC)	2001	\$ 272,326	\$ 373,051	\$ 536,584
	2002	223,799	510,760	637,344
	2003	127,141	623,471	747,981
Actual contribution	2001	\$ 272,326	\$ 378,000	\$ 541,000
	2002	223,799	511,000	638,000
	2003	127,141	624,000	748,000
Percentage of APC contributed	2001	100.00%	101.33%	100.82%
	2002	100.00	100.05	100.10
	2003	100.00	100.08	100.00
NPO (Asset)	2001	\$ -	\$ (182,890)	\$ (178,351)
	2002	-	(187,342)	(183,114)
	2003	-	(192,004)	(187,173)

13. PRIOR PERIOD ADJUSTMENTS

During the fiscal year ended December 31, 2003, the Village increased net assets in the Parking Meter Fund by \$3,072,138, in the Water Fund by \$416,505, and in the Sewer Fund by \$37,436,421 to reclassify assets, net of accumulated depreciation, from capital assets used by governmental activities to business-type activities, recorded directly in the respective enterprise funds. In addition, net assets in the Sewer Fund were decreased by \$24,845,106 to record bonds payable, EPA loans payable, accrued interest payable, and compensated absences payable directly in the fund as it was reclassified from a governmental (special revenue) fund to an enterprise fund at January 1, 2003. Finally, fund balance in the 2002 General Obligation Bond Fund was increased by \$212,059 at January 1, 2003 to reflect the actual amount of an intergovernmental payable that was paid after year end.

**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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 7,057,800	\$ 7,057,800	\$ 7,009,093
Municipal sales tax	3,400,000	3,400,000	3,375,314
State income tax	1,735,000	1,735,000	1,713,517
Real estate transfer tax	1,045,000	1,045,000	1,345,450
Utility tax	2,400,000	2,400,000	2,831,751
E-911 surcharge	375,000	375,000	378,671
Wireless 911 tax	75,000	75,000	90,198
Personal property replacement tax	166,700	166,700	149,998
Municipal auto lease tax	3,100	3,100	2,457
<b>Total taxes</b>	<b>16,257,600</b>	<b>16,257,600</b>	<b>16,896,449</b>
<b>Licenses and permits</b>			
Animal licenses	1,800	1,800	1,560
Business licenses	62,000	62,000	39,350
Vehicle licenses	776,250	776,250	781,718
Taxi licenses	12,350	12,350	11,260
Liquor licenses	36,000	36,000	44,693
Building permits	646,000	646,000	991,691
Electric permits	40,250	40,250	58,181
Plumbing permits	32,200	32,200	48,211
Other permits	16,800	16,800	37,630
Plan review fees	20,000	20,000	46,882
Filing fees	17,000	17,000	20,745
Permit penalties	5,000	5,000	12,654
<b>Total licenses and permits</b>	<b>1,665,650</b>	<b>1,665,650</b>	<b>2,094,575</b>
<b>Intergovernmental revenue</b>			
Police grants	25,000	25,000	65,425
Museum grant	22,200	22,200	-
<b>Total intergovernmental revenue</b>	<b>47,200</b>	<b>47,200</b>	<b>65,425</b>
<b>Charges for service</b>			
Refuse collection charges	1,154,000	1,154,000	1,089,158
Ambulance transport charges	256,000	256,000	207,905
Fire alarms	7,600	7,600	8,550
Burglar alarms	43,800	43,800	36,638
Elevator inspections	11,000	11,000	9,823
L.E.A.D.S./NORCOM	5,000	5,000	-

(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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES (Continued)</b>			
<b>Charges for services (Continued)</b>			
Sanitarian services	\$ 24,000	\$ 24,000	\$ 11,311
Animal control services	5,050	5,050	5,040
Damage to Village property	38,000	38,000	36,685
Maintenance of state routes	15,550	15,550	15,789
Shore Line Place services	9,500	9,500	10,292
Fairfield Court services	45,600	45,600	45,604
Sales of yard waste bags	130,000	130,000	125,546
<b>Total charges for services</b>	<b>1,745,100</b>	<b>1,745,100</b>	<b>1,602,341</b>
<b>Fines</b>			
Circuit Court	50,200	50,200	92,459
Vehicle license and parking	300,000	300,000	256,809
Animal and impounding fees	800	800	1,023
<b>Total fines</b>	<b>351,000</b>	<b>351,000</b>	<b>350,291</b>
<b>Interest earned on investments</b>	<b>107,000</b>	<b>107,000</b>	<b>60,189</b>
<b>Miscellaneous income</b>			
<b>Rental income</b>			
Wilmette Park District	45,000	45,000	43,802
Cellular antennae leases	160,000	160,000	147,125
Depot rental	7,500	7,500	5,835
3545 Lake Avenue	2,400	2,400	2,400
Sale of general capital assets	30,000	30,000	23,465
Cable TV franchise fees	225,000	225,000	241,458
Interest payments from property tax collections	20,000	20,000	5,336
Other	30,400	30,400	51,506
Sale of private activity bond volume cap	31,100	31,100	-
Contribution from Wilmette Historical Society	11,400	11,400	7,515
<b>Total miscellaneous income</b>	<b>562,800</b>	<b>562,800</b>	<b>528,442</b>
<b>Total revenues</b>	<b>20,736,350</b>	<b>20,736,350</b>	<b>21,597,712</b>

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>General government</b>			
<b>Legislative</b>			
Regular salaries	\$ 3,990	\$ 3,990	\$ 3,990
Employee benefits	290	290	300
Memberships	19,755	19,755	20,752
Professional services	10,000	10,000	20,068
Annual audit	12,175	12,175	11,192
Incidentals	5,000	5,000	4,605
Training	1,200	1,200	-
<b>Total legislative</b>	<b>52,410</b>	<b>52,410</b>	<b>60,907</b>
<b>General administration</b>			
<b>Salaries</b>			
Regular	335,475	335,475	349,185
Overtime	300	300	-
Employee benefits	73,780	73,780	73,413
Memberships	4,020	4,020	4,886
Professional services	3,400	3,400	7,240
Microfilming	200	200	433
Lease/purchase - copier	13,000	13,000	12,471
Pre-employment exams	4,600	4,600	4,514
Employee assistance program	5,150	5,150	4,721
Maintenance of office equipment	1,500	1,500	57
Office supplies	12,000	12,000	8,029
Automotive	3,500	3,500	3,233
Incidentals	2,500	2,500	2,861
Training	6,670	6,670	4,853
Personnel training	5,000	5,000	6,613
Employee recognition program	9,925	9,925	6,157
Newsletters	37,500	37,500	30,580
Publishing legal notices	2,000	2,000	4,196
Classified advertisements	6,500	6,500	11,405
<b>Total general administration</b>	<b>527,020</b>	<b>527,020</b>	<b>534,847</b>

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>General government (Continued)</b>			
<b>Information services</b>			
Salaries			
Regular	\$ 246,350	\$ 246,350	\$ 190,750
Employee benefits	62,040	62,040	44,014
Memberships	365	365	-
Professional services	3,000	3,000	5,407
Contractual hardware support	19,480	19,480	21,469
Contractual software support	144,505	144,505	73,209
Contractual internet expenditures	8,900	8,900	8,777
Computer communications	15,190	15,190	10,932
Computer parts	15,000	15,000	9,619
Computer software	8,065	8,065	7,706
Office supplies	500	500	92
Incidentals	750	750	275
Training	21,000	21,000	15,031
Office furniture and equipment	17,600	17,600	15,582
	<u>562,745</u>	<u>562,745</u>	<u>402,863</u>
<b>Finance Department</b>			
Salaries			
Regular	398,075	398,075	368,418
Overtime	4,825	4,825	3,609
Employee benefits	88,530	88,530	82,795
Memberships	1,625	1,625	1,123
Professional services	4,000	4,000	2,539
Lease/purchase - copier	29,000	29,000	24,368
Bank charges	15,000	15,000	14,431
Postage - general office	37,500	37,500	33,505
Contractual services	11,000	11,000	13,692
Maintenance of office equipment	3,000	3,000	1,426
Telephone - office service	86,000	86,000	99,514
Telephone - maintenance	10,200	10,200	9,752
Telephone - cellular service	15,000	15,000	14,575
Telephone - long distance	2,000	2,000	2,607

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>General government (Continued)</b>			
<b>Finance Department (Continued)</b>			
Office supplies	\$ 21,000	\$ 21,000	\$ 17,407
Supplies other than office	4,000	4,000	6,537
Incidentals	550	550	401
Training	4,500	4,500	1,201
Publishing legal notices	1,000	1,000	760
<b>Total Finance Department</b>	<b>736,805</b>	<b>736,805</b>	<b>698,660</b>
<b>Law Department</b>			
Regular salaries	175,900	175,900	189,444
Employee benefits	36,600	36,600	34,442
Memberships	1,400	1,400	1,671
Code revision service	1,400	1,400	3,064
Special attorney fees	100,000	100,000	128,365
On-line legal research services	7,000	7,000	10,730
Supplies - legal	3,500	3,500	3,147
Incidentals	750	750	610
Training	4,000	4,000	4,662
Litigation costs	10,000	10,000	22,236
<b>Total Law Department</b>	<b>340,550</b>	<b>340,550</b>	<b>398,371</b>
<b>Total general government</b>	<b>2,219,530</b>	<b>2,219,530</b>	<b>2,095,648</b>
<b>Public safety</b>			
<b>Fire and Police Commission</b>			
Regular salaries	15,050	15,050	15,142
Employee benefits	3,540	3,540	3,460
Memberships	780	780	915
Professional services	42,500	42,500	26,424
Classified advertisements	10,000	10,000	4,813
<b>Total Fire and Police Commission</b>	<b>71,870</b>	<b>71,870</b>	<b>50,754</b>

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>Public safety (Continued)</b>			
<b>Police</b>			
<b>General operations</b>			
<b>Salaries</b>			
Regular	\$ 2,953,850	\$ 2,953,850	\$ 2,875,189
Overtime	120,000	120,000	234,515
Employee benefits	1,099,050	1,099,050	1,157,528
Memberships	1,145	1,145	960
Accident reconstruction software	11,000	11,000	10,800
Physical exams	8,860	8,860	9,991
Contractual animal observation	1,000	1,000	1,391
Maintenance - equipment	7,850	7,850	7,953
Maintenance - radios	22,600	22,600	25,865
Undercover vehicle rental	1,000	1,000	153
Uniforms	52,650	52,650	53,508
Range supplies	13,400	13,400	8,180
Supplies other than office	10,400	10,400	12,753
Crime prevention materials	10,100	10,100	5,237
Automotive	198,600	198,600	181,485
Incidentals	6,450	6,450	6,038
Training	40,650	40,650	44,441
Crime lab contribution	37,400	37,400	36,670
NIPAS contribution	3,900	3,900	3,200
Major crimes task force	3,000	3,000	2,700
NIPSTA contribution	10,300	10,300	-
Motor equipment	136,700	136,700	149,699
Other equipment	42,550	42,550	32,769
<b>Total general operations</b>	<b>4,792,455</b>	<b>4,792,455</b>	<b>4,861,025</b>
<b>General services</b>			
<b>Salaries</b>			
Regular	990,050	990,050	985,564
Overtime	15,500	15,500	42,948
Employee benefits	200,100	200,100	264,402
Memberships	700	700	768
Professional services	13,530	13,530	14,452
Lease/purchase - copier	6,400	6,400	6,309
Maintenance - office equipment	11,000	11,000	10,002
Maintenance - E-911 system	52,100	52,100	58,695
Maintenance - NORCOM Network	-	-	24,085

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>Public safety (Continued)</b>			
<b>Police (Continued)</b>			
<b>General services (Continued)</b>			
Reaccreditation fees	\$ -	\$ -	\$ 4,030
L.E.A.D.S./P.I.M.S. Program	31,300	31,300	30,627
Professional services - police grant work	-	-	38,596
Towing - contractual	750	750	1,415
Pager rental	1,400	1,400	1,726
Computer communications	3,300	3,300	3,453
Uniforms	8,000	8,000	4,875
Office supplies	22,100	22,100	21,263
Supplies other than office	4,150	4,150	7,435
Incidentals	400	400	444
Training	6,620	6,620	7,123
Care of prisoners	1,500	1,500	1,245
<b>Total general services</b>	<b>1,368,900</b>	<b>1,368,900</b>	<b>1,529,457</b>
<b>School crossing protection</b>			
Regular salaries	120,100	120,100	133,693
Employee benefits	11,150	11,150	12,263
Uniforms	1,100	1,100	681
Supplies other than office	850	850	152
<b>Total school crossing protection</b>	<b>133,200</b>	<b>133,200</b>	<b>146,789</b>
<b>Total police</b>	<b>6,294,555</b>	<b>6,294,555</b>	<b>6,537,271</b>
<b>Emergency fire and medical services</b>			
<b>Salaries</b>			
Regular	2,858,000	2,858,000	3,062,345
Overtime	280,000	280,000	331,316
Off-duty response	24,300	24,300	40,828
Employee benefits	1,220,900	1,220,900	1,306,852
Memberships	4,250	4,250	3,307
Professional services	2,500	2,500	2,338
Lease/purchase - copier	4,960	4,960	3,041
Physical exams	12,675	12,675	11,562

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
Current (Continued)			
Public safety (Continued)			
Emergency fire and medical services (Continued)			
Maintenance - office equipment	\$ 1,000	\$ 1,000	\$ 1,200
Maintenance - equipment	11,500	11,500	10,864
Maintenance - radios	3,830	3,830	2,188
Maintenance - breathing equipment	6,085	6,085	5,863
Maintenance - telemetry equipment	2,365	2,365	996
Maintenance - special rescue equipment	8,500	8,500	8,309
Accreditation costs	1,500	1,500	1,192
Pager rental	4,870	4,870	4,102
Uniforms	22,430	22,430	24,557
Protective clothing	11,835	11,835	10,622
Supplies - automotive parts	19,400	19,400	20,978
Supplies - auto shop	1,455	1,455	1,764
Supplies - office	5,000	5,000	3,950
Supplies - other than office	14,700	14,700	14,591
Materials - public education programming	7,750	7,750	7,432
Gasoline and oil	15,890	15,890	13,217
Incidentals	750	750	598
Training	47,550	47,550	42,162
NIPSTA contribution	10,300	10,300	-
MABAS contribution	8,800	8,800	9,308
Improvements other than buildings	6,500	6,500	-
Motor equipment	116,000	116,000	-
Other equipment	25,470	25,470	24,774
<b>Total emergency fire and medical services</b>	<b>4,761,065</b>	<b>4,761,065</b>	<b>4,970,256</b>
<b>Total public safety</b>	<b>11,127,490</b>	<b>11,127,490</b>	<b>11,558,281</b>
Streets and sanitation			
Streets Department			
Salaries			
Regular	767,975	767,975	773,539
Overtime	53,600	53,600	29,800
Employee benefits	226,110	226,110	209,625
Memberships	1,365	1,365	1,230
Professional services	1,500	1,500	848
Lease/purchase - copier	5,540	5,540	5,743
Contractual services	37,035	37,035	42,362
Contractual snow removal	12,800	12,800	-

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>Streets and sanitation (Continued)</b>			
<b>Streets Department (Continued)</b>			
Maintenance - office equipment	\$ 800	\$ 800	\$ 1,281
Holiday light decorations	35,170	35,170	33,132
J.U.L.I.E. expenditures	2,500	2,500	3,611
Landscaping and maintenance of public right of way	27,080	27,080	27,694
Lease leaf packers	108,150	108,150	84,569
Leaf disposal	84,000	84,000	84,787
Pager rental	2,200	2,200	1,638
Uniforms	6,985	6,985	5,864
Supplies - office	5,000	5,000	4,195
Supplies - other than office	1,500	1,500	1,472
Materials - traffic signs	33,700	33,700	32,706
Materials - salt	73,500	73,500	61,529
Materials - street repair and landscaping	35,000	35,000	17,661
Automotive	368,260	368,260	336,247
Incidentals	1,540	1,540	981
Training	7,075	7,075	5,995
Building improvements	33,500	33,500	14,929
Motor equipment	239,100	239,100	242,095
Other equipment	2,400	2,400	1,883
<b>Total Streets Department</b>	<b>2,173,385</b>	<b>2,173,385</b>	<b>2,025,416</b>
<b>Refuse collection and disposal</b>			
Contractual refuse collection	795,240	795,240	795,496
Recycling collection	344,020	344,020	334,612
Landfill tipping fees	613,050	613,050	614,262
Contractual yard waste collection	178,885	178,885	169,368
Yard waste disposal	41,860	41,860	14,740
Supplies - sharps disposal containers	660	660	680
Yard waste supplies	2,000	2,000	-
Promotional and educational	1,000	1,000	630
Other equipment	6,200	6,200	6,329
<b>Total refuse collection and disposal</b>	<b>1,982,915</b>	<b>1,982,915</b>	<b>1,936,117</b>

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>Streets and sanitation (Continued)</b>			
<b>Maintenance of trees</b>			
<b>Salaries</b>			
Regular	\$ 148,000	\$ 148,000	\$ 121,697
Overtime	5,700	5,700	1,688
Employee benefits	41,220	41,220	31,772
Contractual services	13,875	13,875	5,707
Tree planting program	54,625	54,625	49,748
Contractual tree pruning	176,885	176,885	183,530
Tree fertilization program	3,000	3,000	2,994
Uniforms	2,080	2,080	1,337
Materials	6,000	6,000	4,166
Automotive	38,800	38,800	35,555
Training	1,600	1,600	988
	<hr/>	<hr/>	<hr/>
Total maintenance of trees	491,785	491,785	439,182
<b>Street lighting</b>			
<b>Salaries</b>			
Regular	161,125	161,125	165,006
Overtime	9,000	9,000	4,306
Employee benefits	43,910	43,910	40,134
Contractual services	3,235	3,235	2,322
Maintenance and disposal of transformers	10,000	10,000	1,858
Uniforms	2,115	2,115	1,196
Supplies	26,750	26,750	26,450
Commonwealth Edison leased lighting	17,210	17,210	16,487
Street light power - Village system	72,600	72,600	94,724
Automotive	22,900	22,900	21,010
Training	1,440	1,440	535
Other equipment	20,000	20,000	12,593
	<hr/>	<hr/>	<hr/>
Total street lighting	390,285	390,285	386,621
	<hr/>	<hr/>	<hr/>
Total streets and sanitation	5,038,370	5,038,370	4,787,336

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>Other public works</b>			
<b>Village Engineer</b>			
<b>Salaries</b>			
Regular	\$ 347,500	\$ 347,500	\$ 347,858
Overtime	1,300	1,300	68
Employee benefits	88,560	88,560	89,907
Memberships	1,455	1,455	1,768
Professional services	30,000	30,000	39,324
Microfilming	5,000	5,000	4,960
Lease/purchase copier	2,100	2,100	1,991
Update of water/sewer atlases	10,000	10,000	11,937
Maintenance - office equipment	2,500	2,500	1,805
Maintenance - traffic signals	17,500	17,500	29,811
Pager rental	600	600	159
Supplies - office	3,250	3,250	3,838
Supplies - other than office	2,750	2,750	2,652
Automotive	13,200	13,200	12,121
Incidentals	1,600	1,600	3,146
Training	4,275	4,275	3,054
Motor equipment	3,000	3,000	383
<b>Total Village Engineer</b>	<b>534,590</b>	<b>534,590</b>	<b>554,782</b>
<b>Building and grounds</b>			
<b>Salaries</b>			
Regular	154,350	154,350	148,028
Overtime	11,725	11,725	10,212
Employee benefits	42,860	42,860	43,491
Memberships	300	300	281
Contractual services	35,300	35,300	18,633
Contractual custodial services	54,875	54,875	55,238
Heating and cooling system repairs	29,800	29,800	45,850
Uniforms	1,935	1,935	1,051
Supplies - building	28,450	28,450	26,574
Supplies - grounds	3,000	3,000	1,075
Supplies - printing	5,500	5,500	5,859
Building and furniture repairs	30,000	30,000	28,402
<b>Heating</b>			
Electric	20,600	20,600	-
Gas	40,000	40,000	50,163

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
Current (Continued)			
Other public works (Continued)			
Building and grounds (Continued)			
Automotive	\$ 8,800	\$ 8,800	\$ 8,080
Training	800	800	-
Building improvements	28,000	28,000	20,840
Total buildings and grounds	496,295	496,295	463,777
Total other public works	1,030,885	1,030,885	1,018,559
Public health			
Regular salaries	113,400	113,400	103,587
Employee benefits	37,220	37,220	36,785
Memberships	310	310	185
Lab services - contractual	800	800	55
Maintenance - office equipment	200	200	10
Supplies - laboratory	1,600	1,600	(1,395)
Supplies - office	300	300	167
Automotive	8,800	8,800	8,080
Incidentals	460	460	331
Training	1,200	1,200	891
C.P.R. program	1,200	1,200	253
Total public health	165,490	165,490	148,949
Community development			
Salaries			
Regular	626,550	626,550	618,892
Overtime	1,500	1,500	5,267
Employee benefits	150,520	150,520	148,366
Memberships	3,150	3,150	2,486
Professional services	14,350	14,350	22,706
Printing of Comprehensive Plan	6,000	6,000	6,290
Microfilming	4,000	4,000	2,698
Plan review and inspection services	6,000	6,000	6,678
Business promotion activities	18,400	18,400	17,483
Maintenance - office equipment	1,675	1,675	1,280
Supplies - office	2,500	2,500	2,226
Supplies - other than office	5,330	5,330	2,316

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
<b>Current (Continued)</b>			
<b>Community development (Continued)</b>			
Automotive	\$ 31,300	\$ 31,300	\$ 28,685
Incidentals	360	360	505
Training	7,400	7,400	2,969
Publishing legal notices	4,635	4,635	5,452
Office space rent	4,200	4,200	4,200
<b>Total community development</b>	<b>887,870</b>	<b>887,870</b>	<b>878,499</b>
<b>Insurance</b>			
Retiree health insurance	110,000	110,000	120,541
<b>General liability and property insurance</b>			
Fixed premiums	160,000	160,000	177,600
Deductible payments	30,000	30,000	21,827
<b>Total general liability and property insurance</b>	<b>190,000</b>	<b>190,000</b>	<b>199,427</b>
<b>Total insurance</b>	<b>300,000</b>	<b>300,000</b>	<b>319,968</b>
<b>Miscellaneous</b>			
<b>Contingencies</b>			
Regular	400,000	400,000	-
Atrium condo resales	100,000	100,000	(4,071)
<b>Total contingencies</b>	<b>500,000</b>	<b>500,000</b>	<b>(4,071)</b>
<b>Boards and Commissions</b>			
Incidentals	4,500	4,500	3,667
Housing Commission	83,200	83,200	79,980
Senior Resources Commission	5,500	5,500	5,121
Community Relations Commission	5,500	5,500	5,109
Fine Arts Commission	3,200	3,200	830
Historic Preservation Commission	1,535	1,535	971
Persons with Disabilities Commission	500	500	225
Community picnic	5,000	5,000	-
<b>Total Boards and Commissions</b>	<b>108,935</b>	<b>108,935</b>	<b>95,903</b>

(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, 2003

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Current (Continued)			
Miscellaneous (Continued)			
Cable programming services			
Salaries			
Regular	\$ 61,800	\$ 61,800	\$ 60,453
Other	6,000	6,000	3,896
Employee benefits	13,860	13,860	13,796
Memberships	175	175	175
Maintenance - office equipment	7,500	7,500	4,711
Supplies - office	700	700	615
Supplies - video	2,500	2,500	2,463
Incidentals	800	800	473
Training	400	400	1,179
Office space rent	9,600	9,600	9,758
Office furniture and equipment	3,770	3,770	4,274
	<u>107,105</u>	<u>107,105</u>	<u>101,793</u>
Total cable programming services			
Historical museum			
Regular salaries	58,600	58,600	62,975
Employee benefits	18,470	18,470	13,358
Debt service	9,100	9,100	9,052
Building improvements	37,000	37,000	-
	<u>123,170</u>	<u>123,170</u>	<u>85,385</u>
Total historical museum			
Youth Advisory Commission			
Regular salaries	18,300	18,300	12,253
Employee benefits	2,340	2,340	1,251
Professional services	1,300	1,300	-
Maintenance - office equipment	200	200	-
Supplies - office	200	200	68
Incidentals	850	850	348
Youth Recognition Program	550	550	431
Youth Commission Grants	25,000	25,000	25,000
	<u>48,740</u>	<u>48,740</u>	<u>39,351</u>
Youth Advisory Commission			

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
Current (Continued)			
Miscellaneous (Continued)			
Clampitt estate	\$ 146,000	\$ 146,000	\$ -
Total miscellaneous	<u>1,033,950</u>	<u>1,033,950</u>	<u>318,361</u>
Capital outlay			
Sidewalk replacement program	95,000	95,000	85,000
Curb repair program	100,000	100,000	99,758
Street and alley maintenance program	250,000	250,000	259,479
Brick street maintenance	30,000	30,000	29,115
Pavement marking program	15,000	15,000	14,908
Total capital outlay	<u>490,000</u>	<u>490,000</u>	<u>488,260</u>
Total expenditures	<u>22,293,585</u>	<u>22,293,585</u>	<u>21,613,861</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,557,235)</u>	<u>(1,557,235)</u>	<u>(16,149)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	750,000	750,000	750,000
Transfers (out)	<u>(160,000)</u>	<u>(160,000)</u>	<u>(158,692)</u>
Total other financing sources (uses)	<u>590,000</u>	<u>590,000</u>	<u>591,308</u>
<b>NET CHANGE IN FUND BALANCE (BUDGETARY BASIS)</b>	<u>\$ (967,235)</u>	<u>\$ (967,235)</u>	575,159
Net change in encumbrances			(484,571)
Encumbrances written off			75
Increase in estimated unbilled accounts receivable			3,000
Deduct installment loan principal reduction			(5,000)
Add installment contract proceeds			65,586
Add back Section 105 Plan contribution			75,543
Add back IMRF Fund prepaid expense allocation			<u>77,861</u>
<b>NET CHANGE IN FUND BALANCE (GAAP BASIS)</b>			307,653
<b>FUND BALANCE, JANUARY 1</b>			<u>4,879,954</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u>\$ 5,187,607</u>

(See independent auditor's report.)

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

December 31, 2003

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial 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)
1998	\$ 13,222,432	\$ 12,757,569	103.64%	\$ (464,863)	\$ 5,267,528	(8.83%)
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%)

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 POLICE PENSION FUND

December 31, 2003

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)
1998	\$ 21,979,020	\$ 20,799,713	105.67%	\$ (1,179,307)	\$ 2,393,450	(49.27%)
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%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 FIREFIGHTERS' PENSION FUND

December 31, 2003

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial 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)
1998	\$ 24,089,691	\$ 22,535,387	106.90%	\$ (1,554,304)	\$ 2,441,223	(63.67%)
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%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2003

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<u>Fiscal Year December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1998	\$ 511,477	\$ 511,477	100.00%
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%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 POLICE PENSION FUND

December 31, 2003

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<u>Fiscal Year December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1998	\$ 264,800	\$ 267,618	98.95%
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%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FIREFIGHTERS' PENSION FUND

December 31, 2003

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Fiscal Year <u>December 31,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
1998	\$ 332,000	\$ 334,822	99.16%
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%

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2003

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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>
Public Art	\$ 33,612
Sewer	335,864
Worker's Compensation	9,496

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

## MAJOR GOVERNMENTAL FUND

### Capital Projects

2002 General Obligation Bond Fund - to account for the expenditures of the Village's capital improvement projects for the years 2002 through 2006. These have been financed through a general obligation bond issue.

VILLAGE OF WILMETTE, ILLINOIS

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

For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
METRA Station grant	\$ 982,500	\$ 982,500	\$ 1,966,014
METRA Station - Bank One contribution	-	-	140,095
Streetscape grant	1,232,000	1,232,000	-
Sheridan Road grant	150,000	150,000	-
Soil remediation grant	30,390	30,390	-
Interest earned on investments	400,000	400,000	354,697
<b>Total revenues</b>	<b>2,794,890</b>	<b>2,794,890</b>	<b>2,460,806</b>
<b>EXPENDITURES</b>			
<b>Capital outlay</b>			
Fire Station improvements	1,251,075	1,251,075	137,578
Police Station improvements	1,500,000	1,500,000	1,500
Village Hall improvements	235,500	235,500	-
Replacement Fire Dept. ladder truck	725,000	725,000	-
E.R.P. - Phase I	107,700	107,700	75,220
Computer aided dispatch system	570,000	570,000	-
Police records management system	140,000	140,000	-
Village Center streetscape improvements	25,000	25,000	1,589
Series street light system improvements	1,000,000	1,000,000	776,655
METRA parking lot improvements	200,000	200,000	366,684
Howard Park soil remediation	20,000	20,000	44,223
Sheridan Road improvements	192,500	192,500	19,281
Sheridan Road bicycle underpass	160,000	160,000	7,615
Traffic calming	15,000	15,000	7,343
Wilmette Avenue improvements	-	-	82,191
Enhanced street resurfacing program	2,432,500	2,432,500	3,096,296
<b>Total capital outlay</b>	<b>8,574,275</b>	<b>8,574,275</b>	<b>4,616,175</b>

(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)  
 2002 GENERAL OBLIGATION BOND FUND

For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual
<b>EXPENDITURES (Continued)</b>			
Debt service			
Interest expenditures	\$ 600,000	\$ 600,000	\$ 600,000
Total debt service	600,000	600,000	600,000
Total expenditures	9,174,275	9,174,275	5,216,175
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES (BUDGETARY BASIS)</b>	<b>\$ (6,379,385)</b>	<b>\$ (6,379,385)</b>	<b>(2,755,369)</b>
Net appreciation (depreciation) in fair value of investments			(162,000)
<b>NET CHANGE IN FUND BALANCE (GAAP BASIS)</b>			<b>(2,917,369)</b>
FUND BALANCE, JANUARY 1			15,926,988
Prior period adjustment - State of Illinois account payable			212,059
FUND BALANCE, JANUARY 1, RESTATED			16,139,047
FUND BALANCE, DECEMBER 31			<b>\$ 13,221,678</b>

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### Special Revenue

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.

Public Art Fund - established in 1997 to account for donations collected to fund the construction of an art sculpture on the Village Hall property. The estimated cost of the project is \$60,000. A portion of the funding is expected to be transferred from the Clampitt Memorial Reserve in the General Fund. Fund raising should continue throughout 1998 and 1999.

### Debt Service

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

\$480,000 General Obligation Improvements, Series 1997, average 4.999%, General portion.

\$2,460,000 General Obligation Improvements, Series 1998, average 4.466%, General portion.

\$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.

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, 2003

	Special Revenue			Debt Service		Total
	Motor Fuel Tax	War Memorial	Public Art	General Debt Service	Special Service Area Number Two	
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,995,096	\$ 2,679	\$ -	\$ 36,098	\$ 1,466	\$ 2,035,339
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	-	-	-	2,175,361	-	2,175,361
Due from other governments	63,650	-	-	-	-	63,650
<b>TOTAL ASSETS</b>	<b>\$ 2,058,746</b>	<b>\$ 2,679</b>	<b>\$ -</b>	<b>\$ 2,211,459</b>	<b>\$ 1,466</b>	<b>\$ 4,274,350</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 338	\$ -	\$ 338
Due to other funds	1,000,000	-	-	-	-	1,000,000
Deferred property taxes	-	-	-	2,163,593	-	2,163,593
<b>Total liabilities</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>2,163,931</b>	<b>-</b>	<b>3,163,931</b>
<b>FUND BALANCES</b>						
Reserved for encumbrances	5,257	-	-	-	-	5,257
Reserved for highways and streets	1,053,489	-	-	-	-	1,053,489
Reserved for debt service	-	-	-	47,528	1,466	48,994
Unreserved	-	2,679	-	-	-	2,679
<b>Total fund balances</b>	<b>1,058,746</b>	<b>2,679</b>	<b>-</b>	<b>47,528</b>	<b>1,466</b>	<b>1,110,419</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,058,746</b>	<b>\$ 2,679</b>	<b>\$ -</b>	<b>\$ 2,211,459</b>	<b>\$ 1,466</b>	<b>\$ 4,274,350</b>

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, 2003

	Special Revenue			Debt Service		Total
	Motor Fuel Tax	War Memorial	Public Art	General Debt Service	Special Service Area Number Two	
<b>REVENUES</b>						
Property taxes	\$ -	\$ -	\$ -	\$ 1,866,529	\$ -	\$ 1,866,529
Motor fuel tax allotments	784,753	-	-	-	-	784,753
Donations	-	-	26,000	-	-	26,000
Investment income	21,159	27	180	-	-	21,366
<b>Total revenues</b>	<b>805,912</b>	<b>27</b>	<b>26,180</b>	<b>1,866,529</b>	<b>-</b>	<b>2,698,648</b>
<b>EXPENDITURES</b>						
Current						
Miscellaneous	-	-	50,112	-	-	50,112
Capital outlay	1,000,000	-	-	-	-	1,000,000
Debt service						
Principal retirement	-	-	-	880,000	-	880,000
Interest and fiscal charges	-	-	-	993,255	-	993,255
<b>Total expenditures</b>	<b>1,000,000</b>	<b>-</b>	<b>50,112</b>	<b>1,873,255</b>	<b>-</b>	<b>2,923,367</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(194,088)</b>	<b>27</b>	<b>(23,932)</b>	<b>(6,726)</b>	<b>-</b>	<b>(224,719)</b>
<b>OTHER FINANCING SOURCES</b>						
Transfers in	-	-	7,886	-	-	7,886
<b>NET CHANGE IN FUND BALANCES</b>	<b>(194,088)</b>	<b>27</b>	<b>(16,046)</b>	<b>(6,726)</b>	<b>-</b>	<b>(216,833)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>1,252,834</b>	<b>2,652</b>	<b>16,046</b>	<b>54,254</b>	<b>1,466</b>	<b>1,327,252</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 1,058,746</b>	<b>\$ 2,679</b>	<b>\$ -</b>	<b>\$ 47,528</b>	<b>\$ 1,466</b>	<b>\$ 1,110,419</b>

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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Intergovernmental revenue - allotments received from State of Illinois	\$ 750,000	\$ 750,000	\$ 784,753
Interest earned on investments	20,000	20,000	21,159
<b>Total revenues</b>	<b>770,000</b>	<b>770,000</b>	<b>805,912</b>
<b>EXPENDITURES</b>			
Capital outlay			
2003 Street resurfacing program	880,000	880,000	943,491
Wilmette Avenue reconstruction	120,000	120,000	56,509
<b>Total expenditures</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>1,000,000</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (230,000)</b>	<b>\$ (230,000)</b>	<b>(194,088)</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>1,252,834</b>
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 1,058,746</b>

(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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Interest earned on investments	\$ 193	\$ 193	\$ 27
<b>EXPENDITURES</b>			
Miscellaneous			
Ware Memorial expenditures	2,900	2,900	-
Total expenditures	2,900	2,900	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (2,707)</u>	<u>\$ (2,707)</u>	27
FUND BALANCE, JANUARY 1			<u>2,652</u>
FUND BALANCE, DECEMBER 31			<u>\$ 2,679</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

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

For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Donations	\$ -	\$ -	\$ 26,000
Interest earned on investments	360	360	180
Total Revenues	<u>360</u>	<u>360</u>	<u>26,180</u>
<b>EXPENDITURES</b>			
Miscellaneous			
Public art project	16,500	16,500	50,112
Total expenditures	<u>16,500</u>	<u>16,500</u>	<u>50,112</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ (16,140)</u>	<u>\$ (16,140)</u>	(23,932)
<b>OTHER FINANCING SOURCES</b>			
Transfers in			<u>7,886</u>
<b>NET CHANGE IN FUND BALANCE</b>			(16,046)
<b>FUND BALANCE, JANUARY 1</b>			<u>16,046</u>
<b>FUND BALANCE, DECEMBER 31</b>			<u><u>\$ -</u></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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 1,864,500	\$ 1,864,500	\$ 1,866,529
<b>EXPENDITURES</b>			
Debt service			
Principal retirement	880,000	880,000	880,000
Interest and fiscal charges	996,900	996,900	993,255
Total expenditures	1,876,900	1,876,900	1,873,255
NET CHANGE IN FUND BALANCE	<u>\$ (12,400)</u>	<u>\$ (12,400)</u>	(6,726)
FUND BALANCE, JANUARY 1			<u>54,254</u>
FUND BALANCE, DECEMBER 31			<u>\$ 47,528</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, 2003

	Original Budget	Final Budget	Actual
REVENUES			
None	\$ -	\$ -	\$ -
EXPENDITURES			
Debt service			
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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Water sales			
Residential	\$ 1,694,000	\$ 1,694,000	\$ 1,705,073
Village of Glenview	2,755,000	2,755,000	2,786,607
Illinois American Water Company	820,000	820,000	814,180
Interest earned on investments			
Surplus account	100,000	100,000	29,664
Capital improvements reserve account	250,000	250,000	178,491
Other	40,000	40,000	175,790
<b>Total revenues</b>	<u>5,659,000</u>	<u>5,659,000</u>	<u>5,689,805</u>
<b>EXPENSES</b>			
Water plant operations	2,093,050	2,093,050	2,006,520
Distribution	920,725	920,725	848,600
Maintenance	304,380	304,380	317,319
General	149,030	149,030	156,300
Administrative	427,030	427,030	420,320
Capital improvements	4,247,800	4,247,800	2,157,438
Debt service	1,278,400	1,278,400	1,279,433
<b>Total expenses</b>	<u>9,420,415</u>	<u>9,420,415</u>	<u>7,185,930</u>
<b>INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)</b>	<u>(3,761,415)</u>	<u>(3,761,415)</u>	<u>(1,496,125)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Vulnerability assessment grant	-	-	45,750
Vulnerability assessment expense	-	-	(43,727)
Village of Glenview contribution	2,500,000	2,500,000	1,421,412
Transfer (out)			
General Fund	(750,000)	(750,000)	(750,000)
<b>Total other financing sources (uses)</b>	<u>1,750,000</u>	<u>1,750,000</u>	<u>673,435</u>
<b>NET INCOME (LOSS) (BUDGETARY BASIS)</b>	<u>\$ (2,011,415)</u>	<u>\$ (2,011,415)</u>	<u>(822,690)</u>
Add back capital asset additions (net of disposals) included in expenses			2,525,416
Add back IMRF prepaid expense allocation			21,612
Deduct accrued sick leave liability			(170,000)
Add back Section 105 Plan contribution			9,148
Deduct investment market value adjustment			(99,755)
Deduct increase in accrued vacation payable			(37,103)
Add increase in unbilled water sales receivable			10,000
Deduct depreciation expense			(627,931)
Deduct amortization of bond discounts and refundings			(46,767)
Add back bond principal retirement			290,000
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>			<u>1,051,930</u>
<b>NET ASSETS, JANUARY 1</b>			13,961,734
Prior period adjustment - capital assets at December 31, 2002			416,505
<b>NET ASSETS, JANUARY 1, RESTATED</b>			<u>14,378,239</u>
<b>NET ASSETS, DECEMBER 31</b>			<u>\$ 15,430,169</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, 2003

	Original Budget	Final Budget	Actual
<b>WATER PLANT OPERATIONS</b>			
Salaries			
Regular	\$ 811,800	\$ 811,800	\$ 807,041
Overtime	24,000	24,000	18,660
Employee benefits	229,850	229,850	233,244
Contractual services	26,000	26,000	30,152
Contractual custodial services	10,600	10,600	9,857
Maintenance of equipment	18,000	18,000	24,045
Maintenance of intake	3,000	3,000	-
Uniforms	3,800	3,800	3,505
Supplies	25,000	25,000	25,922
Supplies - computer parts	2,000	2,000	173
Supplies - laboratory	11,000	11,000	9,091
Equipment repairs	28,000	28,000	28,085
Power	360,000	360,000	325,390
Heating gas	50,000	50,000	61,629
Chemicals	115,000	115,000	105,556
Automotive expense	15,900	15,900	14,545
Incidentals	1,000	1,000	1,010
Water Reclamation District user charges	100,000	100,000	90,275
Intake inspection	25,000	25,000	8,675
Wet-well cleaning	25,000	25,000	22,971
Building improvements	50,000	50,000	46,278
Pumping improvements	93,000	93,000	93,016
Motor equipment	38,000	38,000	30,779
Other equipment	23,500	23,500	13,153
Office furniture and equipment	3,600	3,600	3,468
<b>Total water plant operations</b>	<b>2,093,050</b>	<b>2,093,050</b>	<b>2,006,520</b>
<b>DISTRIBUTION</b>			
Salaries			
Regular	327,000	327,000	321,348
Overtime	16,100	16,100	27,856
Employee benefits	113,290	113,290	100,987
Contractual services	98,955	98,955	83,232
Maintenance - distribution system	15,000	15,000	5,900
Uniforms	4,530	4,530	3,265
Materials	66,950	66,950	57,307
Automotive expense	78,600	78,600	71,716
Incidentals	200	200	225
Training	2,500	2,500	1,346
Motor equipment	80,000	80,000	78,743
Distribution improvements	60,000	60,000	39,376

(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, 2003

	Original Budget	Final Budget	Actual
<b>DISTRIBUTION (Continued)</b>			
Replacement fire hydrants	\$ 20,000	\$ 20,000	\$ 19,884
Valve exercising program	35,000	35,000	34,980
Other equipment	2,600	2,600	2,435
<b>Total distribution</b>	<b>920,725</b>	<b>920,725</b>	<b>848,600</b>
<b>METER AND RESERVOIR MAINTENANCE</b>			
Salaries			
Regular	122,500	122,500	122,441
Overtime	1,100	1,100	-
Employee benefits	31,580	31,580	31,843
Contractual services	6,000	6,000	7,094
Maintenance - reservoir/pumping station	3,500	3,500	3,018
Maintenance - standpipe	1,100	1,100	1,439
Uniforms	1,000	1,000	792
Supplies	4,000	4,000	3,817
Supplies - reservoir	2,500	2,500	4,656
Water meters - cost of sales	18,000	18,000	50,653
Water meters - repair parts	18,000	18,000	1,609
Water meter replacement program	4,000	4,000	-
Automatic meter reading program	75,000	75,000	75,623
Automotive expense	15,400	15,400	14,141
Training	700	700	193
<b>Total meter and reservoir maintenance</b>	<b>304,380</b>	<b>304,380</b>	<b>317,319</b>
<b>GENERAL</b>			
Salaries			
Regular	54,775	54,775	57,482
Overtime	1,275	1,275	3,275
Employee benefits	17,230	17,230	19,189
Annual audit	8,000	8,000	8,000
Bank charges	10,000	10,000	14,265
Postage	17,000	17,000	16,908
Contractual meter reading	32,000	32,000	29,676
Uniforms	450	450	234
Supplies - office - administrative	4,000	4,000	5,813
Supplies - office - water plant	2,200	2,200	1,013
Incidentals	100	100	70
Training	2,000	2,000	375
<b>Total general</b>	<b>149,030</b>	<b>149,030</b>	<b>156,300</b>

(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, 2003

	Original Budget	Final Budget	Actual
<b>ADMINISTRATIVE</b>			
General corporate salaries	\$ 232,010	\$ 232,010	\$ 223,273
Employee benefits	50,520	50,520	50,847
Memberships	7,700	7,700	7,488
Contractual grounds maintenance	1,700	1,700	1,032
Telephone - regular service	43,000	43,000	41,980
Telephone maintenance	3,200	3,200	3,250
Telephone - cellular service	6,000	6,000	4,623
Telephone - long distance	1,000	1,000	1,740
Supplies - building	8,000	8,000	7,538
Building furniture and repairs	6,200	6,200	5,930
Training	5,700	5,700	5,419
General liability and property insurance	62,000	62,000	67,200
<b>Total administrative</b>	<b>427,030</b>	<b>427,030</b>	<b>420,320</b>
<b>CAPITAL IMPROVEMENTS</b>			
SCADA software upgrade	25,000	25,000	25,956
Basins #5 and #6 flocculators	305,000	305,000	234,566
Water plant security improvements	180,000	180,000	18,019
Sterling Lane water main	400,000	400,000	153,138
Lake Avenue 12" water main	500,000	500,000	3,932
Sheridan Road water main	150,000	150,000	-
Washington Avenue water main	187,800	187,800	230,343
Facility expansion improvements	2,500,000	2,500,000	1,491,484
<b>Total capital improvements</b>	<b>4,247,800</b>	<b>4,247,800</b>	<b>2,157,438</b>
<b>DEBT SERVICE</b>			
Bond principal retirement	290,000	290,000	290,000
Bond interest expense	984,400	984,400	986,233
Paying agents' fees	4,000	4,000	3,200
<b>Total debt service</b>	<b>1,278,400</b>	<b>1,278,400</b>	<b>1,279,433</b>
<b>TOTAL EXPENSES</b>	<b>\$ 9,420,415</b>	<b>\$ 9,420,415</b>	<b>\$ 7,185,930</b>

(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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Charges for services			
Sewer charges	\$ 3,188,000	\$ 3,188,000	\$ 2,951,633
Other	-	-	150
Total charges for services	3,188,000	3,188,000	2,951,783
Interest earned on investments	80,000	80,000	57,775
Total revenues	3,268,000	3,268,000	3,009,558
<b>EXPENSES</b>			
Current - streets and sanitation			
Maintenance of sewers			
Salaries			
Regular	312,800	312,800	305,842
Overtime	7,200	7,200	9,091
Employee benefits	108,970	108,970	96,400
Contractual services	116,050	116,050	99,327
Contractual sewer improvements	330,000	330,000	675,340
Flow monitoring	40,000	40,000	41,200
N.P.D.E.S. Phase II	15,000	15,000	12,478
Uniforms	4,530	4,530	3,372
Materials	34,500	34,500	34,186
Automotive	78,600	78,600	71,716
Incidentals	200	200	185
Training	1,500	1,500	1,021
Motor equipment	80,000	80,000	78,743
Total maintenance of sewers	1,129,350	1,129,350	1,428,901
Storm water pumping station			
Salaries			
Overtime	3,500	3,500	2,992
Employee benefits	450	450	560
Contractual services	1,600	1,600	-
Maintenance - equipment	3,000	3,000	3,149
Supplies	1,000	1,000	656
Supplies - outfall control	500	500	1,741
Power	7,500	7,500	7,839
Total storm water pumping station	17,550	17,550	16,937
Total streets and sanitation	1,146,900	1,146,900	1,445,838

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENSES (Continued)</b>			
Capital outlay			
Sheridan Road sewer	\$ 50,000	\$ 50,000	\$ -
Washington Avenue sewer	392,200	392,200	480,764
Total capital outlay	442,200	442,200	480,764
Debt service			
EPA loan retirement	1,541,164	1,541,164	1,541,164
G.O. bond retirement	20,000	20,000	20,000
Interest expense	827,602	827,602	825,964
Total debt service	2,388,766	2,388,766	2,387,128
Total expenses	3,977,866	3,977,866	4,313,730
NET INCOME (LOSS) (BUDGETARY BASIS)	<u>\$ (709,866)</u>	<u>\$ (709,866)</u>	(1,304,172)
Deduct investment market value adjustment			(34,883)
Add decrease in accrued vacation payable			11,761
Add increase in unbilled sewer charges receivable			(17,000)
Add back IMRF prepaid expense allocation			4,298
Add back Section 105 Plan contribution			1,969
Add back debt principal retirement			1,561,164
Add back capital asset additions (net of disposals) included in expenses			964,947
Deduct depreciation expense			<u>(637,950)</u>
CHANGE IN NET ASSETS (GAAP BASIS)			<u>550,134</u>
NET ASSETS, JANUARY 1			<u>2,583,782</u>
Prior period adjustment - accrued interest payable			16,039
Prior period adjustment - capital assets at December 31, 2002			37,436,421
Prior period adjustment - long term debt at December 31, 2002			(24,836,334)
Prior period adjustment - compensated absences at December 31, 2002			<u>(24,811)</u>
Total prior period adjustments			<u>12,591,315</u>
NET ASSETS, JANUARY 1, RESTATED			<u>15,175,097</u>
NET ASSETS, DECEMBER 31			<u>\$ 15,725,231</u>

(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, 2003

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Central Business District			
Parking meter revenue	\$ 132,500	\$ 132,500	\$ 77,234
Debit card revenue	-	-	60,386
Permit fees	23,200	23,200	23,040
METRA station rent	2,800	2,800	2,765
Burmeister Parking Facility			
Permit fees	15,000	15,000	15,960
CTA Station			
Commuter daily drop-box revenue	69,000	69,000	64,506
Commuter permit fees	13,000	13,000	10,230
Merchant permit fees	3,000	3,000	2,600
Residential permit fees	4,000	4,000	4,110
Total revenues	262,500	262,500	260,831
<b>EXPENSES</b>			
Central Business District			
Salaries			
Regular	56,675	56,675	50,888
Overtime	1,650	1,650	-
Employee benefits	16,720	16,720	16,951
Contractual services - railroad property	17,970	17,970	32,986
Contractual snow plowing	17,365	17,365	2,614
Grounds supplies - Village property	4,370	4,370	-
Grounds supplies - railroad property	2,000	2,000	4,258
Power - METRA Station	3,100	3,100	4,035
Lighting	2,210	2,210	5,541
Parking meter parts - Village property	400	400	-
Parking meter parts - railroad property	5,550	5,550	1,635
Rent - commuter lot	17,200	17,200	32,638
Rent - Poplar Drive lots	6,700	6,700	5,415
Rent - St. Augustine lot	1,400	1,400	1,320
Rent - Masonic Temple lot	720	720	570
Total Central Business District	154,030	154,030	158,851
CTA Station			
Salaries			
Regular	25,800	25,800	26,314
Overtime	2,600	2,600	-
Employee benefits	8,040	8,040	8,086
Contractual services	5,740	5,740	313
Contractual grounds maintenance	13,400	13,400	4,156
Contractual snow plowing	8,210	8,210	1,230
Materials	2,500	2,500	1,898
Rent - CTA	29,000	29,000	26,342
Total CTA Station	95,290	95,290	68,339

(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, 2003

	Original Budget	Final Budget	Actual
<b>EXPENSES (Continued)</b>			
Burmeister Parking Facility			
Contractual services	\$ 22,000	\$ 22,000	\$ 6,265
Materials	500	500	-
Lighting	11,000	11,000	7,898
Bond principal retirement	95,000	95,000	95,000
Bond interest expense	47,913	47,913	47,913
Surveillance equipment	-	-	11,995
<b>Total Burmeister Parking Facility</b>	<b>176,413</b>	<b>176,413</b>	<b>169,071</b>
<b>Total expenses</b>	<b>425,733</b>	<b>425,733</b>	<b>396,261</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(163,233)</b>	<b>(163,233)</b>	<b>(135,430)</b>
<b>TRANSFERS IN</b>			
General Fund	160,000	160,000	150,806
<b>NET INCOME (LOSS) (BUDGETARY BASIS)</b>	<b>\$ (3,233)</b>	<b>\$ (3,233)</b>	<b>15,376</b>
Add back IMRF prepaid expense allocation			1,087
Add back bond principal retirement			95,000
Add back 2003 capital asset contribution from Capital Projects			366,684
Add back capital asset additions			11,995
Deduct capital asset disposals			(64,532)
Deduct depreciation expense			(121,860)
<b>CHANGE IN NET ASSETS (GAAP BASIS)</b>			<b>303,750</b>
<b>NET ASSETS, JANUARY 1</b>			<b>1,121,136</b>
Prior period adjustment - capital assets transferred in			3,072,138
<b>NET ASSETS, JANUARY 1, RESTATED</b>			<b>4,193,274</b>
<b>NET ASSETS, DECEMBER 31</b>			<b>\$ 4,497,024</b>

(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, 2003

	Municipal Garage	Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Totals
<b>CURRENT ASSETS</b>					
Cash and investments	\$ -	\$ 2,517	\$ 4,247	\$ 104,858	\$ 111,622
Total assets	-	2,517	4,247	104,858	111,622
<b>CURRENT LIABILITIES</b>					
Accounts payable	-	2,517	4,247	-	6,764
Deferred revenue	-	-	-	104,858	104,858
Total liabilities	-	2,517	4,247	104,858	111,622
<b>NET ASSETS</b>					
Unrestricted	-	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>\$ -</b>	<b>\$ 2,517</b>	<b>\$ 4,247</b>	<b>\$ 104,858</b>	<b>\$ 111,622</b>

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, 2003

	Municipal Garage	Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Totals
<b>OPERATING REVENUES</b>					
Charges for services	\$ 806,615	\$ 1,765,118	\$ 224,496	\$ 710,216	\$ 3,506,445
<b>OPERATING EXPENSES</b>					
Administration	-	1,765,118	224,496	710,216	2,699,830
Maintenance	806,615	-	-	-	806,615
Total operating expenses	806,615	1,765,118	224,496	710,216	3,506,445
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, 2003

	Municipal Garage	Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from interfund services	\$ 806,615	\$ 1,765,118	\$ 224,496	\$ 815,074	\$ 3,611,303
Payments to suppliers	(420,339)	(1,643,824)	(221,973)	(729,998)	(3,016,134)
Payments to employees	(386,276)	(120,101)	-	-	(506,377)
Net cash from operating activities	-	1,193	2,523	85,076	88,792
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
None	-	-	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
None	-	-	-	-	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
None	-	-	-	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	-	1,193	2,523	85,076	88,792
CASH AND CASH EQUIVALENTS, JANUARY 1	-	1,324	1,724	19,782	22,830
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ -	\$ 2,517	\$ 4,247	\$ 104,858	\$ 111,622
CASH AND INVESTMENTS	\$ -	\$ 2,517	\$ 4,247	\$ 104,858	\$ 111,622
Cash and cash equivalents	-	2,517	4,247	104,858	111,622
TOTAL CASH AND INVESTMENTS	\$ -	\$ 2,517	\$ 4,247	\$ 104,858	\$ 111,622
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Changes in assets and liabilities					
Accounts payable	-	1,193	2,523	(19,782)	(16,066)
Deferred revenue	-	-	-	104,858	104,858
NET CASH FROM OPERATING ACTIVITIES	\$ -	\$ 1,193	\$ 2,523	\$ 85,076	\$ 88,792

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, 2003

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
General Fund billings	\$ 694,160	\$ 694,160	\$ 634,496
Sewer Fund billings	78,600	78,600	71,716
Water Fund billings	109,900	109,900	100,403
	<hr/>		
Total operating revenues	882,660	882,660	806,615
	<hr/>		
<b>OPERATING EXPENSES</b>			
Regular salaries	404,850	404,850	383,222
Overtime salaries	1,100	1,100	3,054
Employee benefits	119,140	119,140	102,719
Contractual services	32,500	32,500	27,190
Maintenance - radios	1,200	1,200	369
Contractual vehicle washing	3,800	3,800	2,593
Automobile insurance and claims	53,000	53,000	48,000
Uniforms	4,015	4,015	2,884
Supplies - automotive parts	118,105	118,105	106,158
Supplies - auto shop	10,500	10,500	10,408
Supplies - vehicle striping and safety	1,700	1,700	2,272
Gasoline and oil	118,310	118,310	105,374
Mechanics' tool allowance	2,200	2,200	1,994
Incidentals	75	75	142
Training	2,700	2,700	2,156
Licenses, titles, and inspection fees	4,465	4,465	4,434
Squad car transfer rehab.	5,000	5,000	3,646
	<hr/>		
Total operating expenses	882,660	882,660	806,615
	<hr/>		
CHANGE IN NET ASSETS	\$ -	\$ -	-
	<hr/>		
NET ASSETS, JANUARY 1			-
	<hr/>		
NET ASSETS, DECEMBER 31			\$ -
	<hr/>		

(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, 2003

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
General Fund billings	\$ 1,558,110	\$ 1,558,110	\$ 1,405,169
Municipal Garage Fund billings	56,400	56,400	55,474
Parking Meter Fund billings	-	-	15,458
Sewer Fund billings	61,160	61,160	56,506
Water Fund billings	210,890	210,890	232,511
Total operating revenues	<u>1,886,560</u>	<u>1,886,560</u>	<u>1,765,118</u>
<b>OPERATING EXPENSES</b>			
Administration			
Flexible benefit program contributions	124,200	124,200	120,101
Employee health insurance			
North Suburban Employee Benefit Co-Op	1,375,900	1,375,900	1,286,215
Humana HMO	250,000	250,000	254,144
HMO-Illinois	90,000	90,000	63,377
Employee life insurance	32,600	32,600	29,754
Unemployment compensation	10,000	10,000	11,527
Total operating expenses	<u>1,882,700</u>	<u>1,882,700</u>	<u>1,765,118</u>
CHANGE IN NET ASSETS	<u>\$ 3,860</u>	<u>\$ 3,860</u>	-
NET ASSETS, JANUARY 1			-
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)  
WORKERS' COMPENSATION FUND

For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
General Fund billings	\$ 182,820	\$ 182,820	\$ 185,236
Municipal Garage Fund billings	5,740	5,740	6,620
Parking Meter Fund billings	-	-	1,410
Sewer Fund billings	5,080	5,080	5,270
Water Fund billings	21,360	21,360	25,960
Total operating revenues	215,000	215,000	224,496
<b>OPERATING EXPENSES</b>			
Administration			
Workers' compensation			
Fixed premium portion	175,000	175,000	187,200
Payment of deductibles	40,000	40,000	37,296
Total operating expenses	215,000	215,000	224,496
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)  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual
<b>OPERATING REVENUES</b>			
Charges for services			
General Fund billings	\$ 648,650	\$ 648,650	\$ 486,724
Municipal Garage Fund billings	38,540	38,540	40,641
Parking Meter Fund billings	-	-	7,361
Sewer Fund billings	35,090	35,090	29,114
Water Fund billings	148,510	148,510	146,376
	<hr/>		
Total operating revenues	870,790	870,790	710,216
<hr/>			
<b>OPERATING EXPENSES</b>			
Administration			
Employer IMRF contributions	249,540	249,540	127,299
Employer FICA contributions	447,570	447,570	423,798
Employer Medicare contributions	169,950	169,950	159,119
	<hr/>		
Total operating expenses	867,060	867,060	710,216
<hr/>			
CHANGE IN NET ASSETS	<u>\$ 3,730</u>	<u>\$ 3,730</u>	-
NET ASSETS, JANUARY 1			<hr/> -
NET ASSETS, DECEMBER 31			<u><u>\$ -</u></u>

(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, 2003

	Pension Trust			Agency
	Police Pension	Firefighters' Pension	Total	Fire Insurance Tax
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,033,817	\$ 2,833,812	\$ 4,867,629	\$ 95,354
Investments	20,664,586	21,127,765	41,792,351	287,958
Receivables (net, where applicable, of allowances for uncollectibles)				
Accrued interest	127,995	124,716	252,711	-
Other	1,625	-	1,625	-
<b>Total assets</b>	<b>22,828,023</b>	<b>24,086,293</b>	<b>46,914,316</b>	<b>383,312</b>
<b>LIABILITIES</b>				
Accounts payable	9,286	9,358	18,644	-
Due to other funds	15,128	38,573	53,701	-
Health insurance deposits	-	-	-	383,312
<b>Total liabilities</b>	<b>24,414</b>	<b>47,931</b>	<b>72,345</b>	<b>383,312</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 22,803,609</b>	<b>\$ 24,038,362</b>	<b>\$ 46,841,971</b>	<b>\$ -</b>

See accompanying notes to financial statements.

VILLAGE OF WILMETTE, ILLINOIS

COMBINING STATEMENT OF PLAN NET ASSETS  
PENSION TRUST FUNDS

December 31, 2003

	Police Pension	Firefighters' Pension	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,033,817	\$ 2,833,812	\$ 4,867,629
Investments, at fair value			
U. S. government obligations	7,293,534	7,274,017	14,567,551
U. S. government mutual funds	3,465,088	3,465,089	6,930,177
Common stock mutual funds	9,905,964	10,388,659	20,294,623
Receivables (net, where applicable, of allowances for uncollectibles)			
Accrued interest	127,995	124,716	252,711
Other	1,625	-	1,625
<b>Total assets</b>	<b>22,828,023</b>	<b>24,086,293</b>	<b>46,914,316</b>
<b>LIABILITIES</b>			
Accounts payable	9,286	9,358	18,644
Due to other funds	15,128	38,573	53,701
<b>Total liabilities</b>	<b>24,414</b>	<b>47,931</b>	<b>72,345</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<b>\$ 22,803,609</b>	<b>\$ 24,038,362</b>	<b>\$ 46,841,971</b>

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, 2003

	Police Pension	Firefighters' Pension	Total
<b>ADDITIONS</b>			
Contributions - employer			
General Fund	\$ 624,000	\$ 748,000	\$ 1,372,000
Contributions - plan members	276,862	224,082	500,944
Total contributions	900,862	972,082	1,872,944
Investment income			
Net appreciation in fair value of investments	2,098,115	2,189,753	4,287,868
Interest	557,447	575,384	1,132,831
Total investment income	2,655,562	2,765,137	5,420,699
Less investment expense	(40,340)	(40,704)	(81,044)
Net investment income	2,615,222	2,724,433	5,339,655
Total additions	3,516,084	3,696,515	7,212,599
<b>DEDUCTIONS</b>			
Benefit payments	1,292,379	1,529,386	2,821,765
Other	4,382	4,504	8,886
Total deductions	1,296,761	1,533,890	2,830,651
NET INCREASE	2,219,323	2,162,625	4,381,948
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1	20,584,286	21,875,737	42,460,023
December 31	\$ 22,803,609	\$ 24,038,362	\$ 46,841,971

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, 2003

	Original Budget	Final Budget	Actual
<b>ADDITIONS</b>			
Contributions - employer			
General Fund contribution	\$ 525,000	\$ 525,000	\$ 624,000
Contributions - plan members	260,000	260,000	276,862
<b>Total contributions</b>	<b>785,000</b>	<b>785,000</b>	<b>900,862</b>
Investment income			
Net appreciation in fair value of investments	-	-	2,098,115
Interest	1,600,000	1,600,000	557,447
<b>Total investment income</b>	<b>1,600,000</b>	<b>1,600,000</b>	<b>2,655,562</b>
Less investment expense	(34,167)	(34,167)	(40,340)
<b>Net investment income</b>	<b>1,565,833</b>	<b>1,565,833</b>	<b>2,615,222</b>
<b>Total additions</b>	<b>2,350,833</b>	<b>2,350,833</b>	<b>3,516,084</b>
<b>DEDUCTIONS</b>			
Benefit payments	1,400,000	1,400,000	1,292,379
Other			
Audit fee	2,000	2,000	2,000
Actuarial fee	833	833	833
Filing fee - state report	1,600	1,600	1,549
Other administrative expense	1,000	1,000	-
<b>Total deductions</b>	<b>1,405,433</b>	<b>1,405,433</b>	<b>1,296,761</b>
<b>NET INCREASE</b>	<b>\$ 945,400</b>	<b>\$ 945,400</b>	<b>2,219,323</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1			<u>20,584,286</u>
December 31			<u>\$ 22,803,609</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

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

For the Year Ended December 31, 2003

	Original Budget	Final Budget	Actual
<b>ADDITIONS</b>			
Contributions - employer			
General Fund contribution	\$ 660,000	\$ 660,000	\$ 748,000
Contributions - plan members	233,600	233,600	224,082
Total contributions	<u>893,600</u>	<u>893,600</u>	<u>972,082</u>
Investment income			
Net appreciation in fair value of investments	-	-	2,189,753
Interest	1,600,000	1,600,000	575,384
Total investment income	1,600,000	1,600,000	2,765,137
Less investment expense	(34,167)	(34,167)	(40,704)
Net investment income	1,565,833	1,565,833	2,724,433
Total additions	<u>2,459,433</u>	<u>2,459,433</u>	<u>3,696,515</u>
<b>DEDUCTIONS</b>			
Benefit payments	1,700,000	1,700,000	1,529,386
Other			
Audit fee	2,000	2,000	2,000
Actuarial fee	833	833	833
Filing fee - state report	1,700	1,700	1,671
Other administrative expense	1,000	1,000	-
Total deductions	<u>1,705,533</u>	<u>1,705,533</u>	<u>1,533,890</u>
NET INCREASE	<u>\$ 753,900</u>	<u>\$ 753,900</u>	2,162,625
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
January 1			<u>21,875,737</u>
December 31			<u>\$ 24,038,362</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUND

For the Year Ended December 31, 2003

	Balance December 31, 2002	Additions	Deductions	Balance December 31, 2003
<u>Fire Insurance Tax Agency Fund</u>				
<b>ASSETS</b>				
Cash and cash equivalents and investments	\$ 355,191	\$ 51,273	\$ 23,152	\$ 383,312
<b>TOTAL ASSETS</b>	<u>\$ 355,191</u>	<u>\$ 51,273</u>	<u>\$ 23,152</u>	<u>\$ 383,312</u>
<b>LIABILITIES</b>				
Deposits payable	\$ 355,191	\$ 51,273	\$ 23,152	\$ 383,312
<b>TOTAL LIABILITIES</b>	<u>\$ 355,191</u>	<u>\$ 51,273</u>	<u>\$ 23,152</u>	<u>\$ 383,312</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, 2003

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CAPITAL ASSETS	
Land (including rights-of-way)	\$ 1,570,240
Buildings	8,766,862
Machinery, equipment, and vehicles	7,659,002
Infrastructure	21,822,847
Construction in progress	<u>365,045</u>
 TOTAL	 <u><u>\$ 40,183,996</u></u>

INVESTMENT IN CAPITAL ASSETS	
Bond issues	\$ 20,852,631
Installment contracts	125,000
Current revenues	9,538,947
Contribution from Wilmette Historical Society	490,045
War Memorial donations/Clampitt Fund transfer	67,345
Other donations	25,350
Motor fuel tax allotments	8,506,735
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><u>\$ 40,183,996</u></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, 2003

Function and Activity	Land	Buildings	Machinery, Equipment, and Vehicles	Infrastructure	Construction in Progress	Total
General government	\$ 1,347,679	\$ 2,597,853	\$ 906,529	\$ -	\$ 365,045	\$ 5,217,106
Streets and sanitation	55,008	3,844,742	3,461,805	-	-	7,361,555
Public safety - police	76,481	1,429,726	1,345,876	-	-	2,852,083
Public safety - fire	91,072	894,541	1,944,792	-	-	2,930,405
Infrastructure	-	-	-	21,822,847	-	21,822,847
	<u>\$ 1,570,240</u>	<u>\$ 8,766,862</u>	<u>\$ 7,659,002</u>	<u>\$ 21,822,847</u>	<u>\$ 365,045</u>	<u>\$ 40,183,996</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, 2003

Function and Activity	Balance at December 31, 2002, Restated	Additions	Retirements	Balance at December 31, 2003
General government	\$ 4,894,208	\$ 365,045	\$ 42,147	\$ 5,217,106
Streets and sanitation	7,230,447	231,786	100,678	7,361,555
Public safety - police	2,802,476	117,517	67,910	2,852,083
Public safety - fire	2,792,827	137,578	-	2,930,405
Infrastructure	17,617,464	4,205,383	-	21,822,847
	\$ 35,337,422	\$ 5,057,309	\$ 210,735	\$ 40,183,996

(See independent auditor's report.)

**SUPPLEMENTAL DATA**

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS

December 31, 2003

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
<b>GENERAL CORPORATE FUND</b>					
North Shore Community Bank					
Super N.O.W. accounts					
Pooled Cash - Unrestricted			\$ 2,649,397	\$ 2,649,397	\$ 2,649,397
Pooled Cash - Section 105			75,543	75,543	75,543
Infrastructure Maintenance Fee					
Escrow Account			91,208	91,208	91,208
E-911 Surcharge Account			26,529	26,529	26,529
Police grant activity account			62,975	62,975	62,975
Clampitt Estate			133,247	133,247	133,247
Cash on hand			1,850	1,850	1,850
			<u>3,040,749</u>	<u>3,040,749</u>	<u>3,040,749</u>
Illinois Public Treasurers'					
Investment Pool			5,312	5,312	5,312
			<u>5,312</u>	<u>5,312</u>	<u>5,312</u>
Total General Corporate Fund			<u>\$ 3,046,061</u>	<u>\$ 3,046,061</u>	<u>\$ 3,046,061</u>
<b>SPECIAL REVENUE FUNDS</b>					
<b>MOTOR FUEL TAX FUND</b>					
North Shore Community Bank					
Super N.O.W. account			\$ 1,994,847	\$ 1,994,847	\$ 1,994,847
Illinois Public Treasurers'					
Investment Pool			249	249	249
			<u>249</u>	<u>249</u>	<u>249</u>
Total Motor Fuel Tax Fund			<u>\$ 1,995,096</u>	<u>\$ 1,995,096</u>	<u>\$ 1,995,096</u>
<b>WAR MEMORIAL FUND</b>					
Illinois Public Treasurers'					
Investment Pool			\$ 2,679	\$ 2,679	\$ 2,679
			<u>2,679</u>	<u>2,679</u>	<u>2,679</u>
<b>DEBT SERVICE FUNDS</b>					
North Shore Community Bank					
Super N.O.W. account			\$ 37,564	\$ 37,564	\$ 37,564
			<u>37,564</u>	<u>37,564</u>	<u>37,564</u>
<b>CAPITAL PROJECTS FUND</b>					
North Shore Community Bank					
Super N.O.W. account			\$ 9,793,854	\$ 9,793,854	\$ 9,793,854
Bank One - One Group U.S.					
Treasury Securities Fund			175,985	175,985	175,985
			<u>9,969,839</u>	<u>9,969,839</u>	<u>9,969,839</u>
United States Treasury Notes	5.25%	5/15/2004	3,250,000	3,268,100	3,300,840
Total Capital Projects Fund			<u>\$ 13,219,839</u>	<u>\$ 13,237,939</u>	<u>\$ 13,270,679</u>

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2003

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
<b>WATER FUND</b>					
North Shore Community Bank					
Super N.O.W. account					
Pooled Cash - Unrestricted			\$ 829,697	\$ 829,697	\$ 829,697
Pooled Cash - Section 105			9,149	9,149	9,149
Restricted by bond ordinance			2,241,550	2,241,550	2,241,550
			<u>3,080,396</u>	<u>3,080,396</u>	<u>3,080,396</u>
United States Treasury Notes	5.25%	5/15/2004	2,750,000	2,765,300	2,792,982
Total Water Fund			<u>\$ 5,830,396</u>	<u>\$ 5,845,696</u>	<u>\$ 5,873,378</u>
<b>SEWER FUND</b>					
North Shore Community Bank					
Super N.O.W. account:					
Pooled Cash - Unrestricted			\$ 818,082	\$ 818,082	\$ 818,082
Pooled Cash - Section 105			1,969	1,969	1,969
Restricted by bond ordinance			817,641	817,641	817,641
			<u>817,641</u>	<u>817,641</u>	<u>817,641</u>
Total Sewer Fund			<u>\$ 1,637,692</u>	<u>\$ 1,637,692</u>	<u>\$ 1,637,692</u>
<b>PARKING METER FUND</b>					
North Shore Community Bank					
Super N.O.W. account					
			<u>\$ 448,447</u>	<u>\$ 448,447</u>	<u>\$ 448,447</u>
<b>INTERNAL SERVICE FUNDS</b>					
North Shore Community Bank					
Super N.O.W. account					
			<u>\$ 111,622</u>	<u>\$ 111,622</u>	<u>\$ 111,622</u>
<b>FIREFIGHTERS' PENSION FUND</b>					
Cash and cash equivalents					
North Shore Community Bank					
Super N.O.W. account					
Wachovia - Government Securities Fund			\$ 2,057,628	\$ 2,057,628	\$ 2,057,628
Bank One - One Group U.S. Treasury Securities Fund			737,521	737,521	737,521
			38,663	38,663	38,663
			<u>2,833,812</u>	<u>2,833,812</u>	<u>2,833,812</u>

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2003

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
<b>FIREFIGHTERS' PENSION FUND</b>					
<b>(Continued)</b>					
GNMA securities	7.00%		\$ 139,494	\$ 141,797	\$ 149,692
	7.50%		17,469	16,945	18,835
	8.00%		82,240	85,493	90,082
	8.50%		8,948	8,841	9,852
	9.00%		46,434	46,532	51,894
	9.50%		42,793	42,142	47,927
	10.00%		7,751	7,653	8,689
	10.50%		8,110	8,486	9,103
	10.75%		257	275	286
	11.00%		57,305	61,516	64,497
	11.50%		10,115	10,595	11,509
			<u>420,916</u>	<u>430,275</u>	<u>462,366</u>
<b>United States Treasury</b>					
<b>Notes and Bonds</b>					
	6.000%	08/15/04	200,000	209,421	206,062
	5.750%	11/15/05	400,000	424,425	429,500
	6.625%	05/15/07	550,000	546,477	622,534
	4.250%	01/15/10	550,211	611,214	671,112
	5.000%	02/15/11	200,000	215,171	214,812
	3.375%	01/15/12	303,777	312,225	349,788
	7.250%	08/15/22	800,000	851,091	1,009,752
	6.500%	11/15/26	300,000	336,035	352,968
			<u>3,303,988</u>	<u>3,506,059</u>	<u>3,856,528</u>
<b>Federal Agency securities</b>					
F.N.M.A. Notes	5.625%	05/14/04	300,000	304,687	304,968
F.N.M.A. Notes	5.250%	08/01/12	100,000	102,582	102,531
F.N.M.A. Debentures	7.250%	01/15/10	750,000	761,580	884,295
F.H.L.M.C. Debentures	7.000%	07/15/05	850,000	892,659	918,263
F.H.L.M.C. Debentures	4.875%	03/15/07	700,000	748,966	745,066
			<u>2,700,000</u>	<u>2,810,474</u>	<u>2,955,123</u>
<b>Mutual Funds</b>					
Vanguard 500 Index Mutual Fund			5,791,958	5,791,958	5,162,416
Vanguard Total Stock Market Index Mutual Fund			5,966,608	5,966,608	5,226,243
State Street Global Intermediate U.S. Government Fund			2,240,877	2,240,877	2,652,479
State Street Global Long U.S. Government Fund			655,732	655,732	812,610
			<u>655,732</u>	<u>655,732</u>	<u>812,610</u>
<b>Total Firefighters' Pension Fund</b>			<u>\$ 23,913,891</u>	<u>\$ 24,235,795</u>	<u>\$ 23,961,577</u>

(This schedule is continued on the following pages.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2003

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
<b>POLICE PENSION FUND</b>					
Cash and cash equivalents					
North Shore Community Bank					
			\$ 1,535,025	\$ 1,535,025	\$ 1,535,025
Super N.O.W. account					
Wachovia - Government Securities Fund					
			450,265	450,265	450,265
Bank One - One Group U.S. Treasury Securities Fund					
			48,527	48,527	48,527
			<u>2,033,817</u>	<u>2,033,817</u>	<u>2,033,817</u>
GNMA securities					
	7.00%		143,654	145,788	154,173
	7.50%		10,577	10,260	11,404
	8.00%		70,289	73,195	76,765
	8.50%		11,637	11,499	12,813
	9.00%		42,361	42,386	47,334
	9.50%		45,215	44,396	50,627
	10.00%		13,286	13,146	14,794
	10.50%		7,975	8,405	8,958
	11.00%		44,227	47,394	49,597
	11.50%		2,903	3,082	3,309
			<u>392,124</u>	<u>399,551</u>	<u>429,774</u>
United States Treasury Notes					
	6.000%	08/15/04	200,000	209,421	206,062
	7.500%	02/15/05	150,000	163,382	160,359
	5.750%	11/15/05	400,000	424,425	429,500
	6.625%	05/15/07	450,000	447,118	509,346
	4.250%	01/15/10	550,211	611,215	671,112
	5.000%	02/15/11	200,000	215,171	214,812
	3.375%	01/15/12	303,777	312,225	349,788
	7.250%	08/15/22	800,000	894,433	1,009,752
	6.500%	11/15/26	300,000	336,034	352,968
			<u>3,353,988</u>	<u>3,613,424</u>	<u>3,903,699</u>
Federal Agency securities					
	5.625%	05/14/04	300,000	304,708	304,968
	5.250%	08/01/12	100,000	102,582	102,531
	7.250%	01/15/10	800,000	812,352	943,248
	7.000%	07/15/05	800,000	828,405	864,248
	4.875%	03/15/07	700,000	748,966	745,066
			<u>2,700,000</u>	<u>2,797,013</u>	<u>2,960,061</u>

(This schedule is continued on the following page.)

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF DEPOSITS AND INVESTMENTS (Continued)

December 31, 2003

	Rate	Due Date	Par Value	Amortized Cost	Fair Value
<b>POLICE PENSION FUND</b>					
<b>(Continued)</b>					
<b>Mutual Funds</b>					
Vanguard 500 Index Mutual Fund			\$ 5,533,712	\$ 5,533,712	\$ 4,923,437
Vanguard Total Stock Market Index Mutual Fund			5,708,601	5,708,601	4,982,526
State Street Global Intermediate U.S. Government Fund			2,240,877	2,240,877	2,652,479
State Street Global Long U.S. Government Fund			655,732	655,732	812,610
			<u>655,732</u>	<u>655,732</u>	<u>812,610</u>
Total Police Pension Fund			<u>\$ 22,618,851</u>	<u>\$ 22,982,727</u>	<u>\$ 22,698,403</u>
<b>FIRE INSURANCE TAX FUND</b>					
<b>Bank One - One Group U.S.</b>					
Treasury Securities Fund			\$ 60,423	\$ 60,423	\$ 60,423
North Shore Community Bank Super N.O.W. account			34,931	34,931	34,931
			<u>300,000</u>	<u>258,988</u>	<u>287,958</u>
Zero coupon treasury security			<u>300,000</u>	<u>258,988</u>	<u>287,958</u>
Total Fire Insurance Tax Fund			<u>\$ 395,354</u>	<u>\$ 354,342</u>	<u>\$ 383,312</u>
Total Fiduciary Funds			<u>\$ 46,930,775</u>	<u>\$ 47,575,543</u>	<u>\$ 47,045,971</u>
<b>TOTAL DEPOSITS AND INVESTMENTS</b>			<u>\$ 73,257,492</u>	<u>\$ 73,935,660</u>	<u>\$ 73,466,510</u>

(See independent auditor's report.)

VILLAGE OF WILMETTE, ILLINOIS

GOVERNMENT-WIDE REVENUES

For the Year Ended December 31, 2003

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PROGRAM REVENUES

Charges for services	\$ 12,696,317
Operating grants	850,178
Capital grants	2,151,859

GENERAL REVENUES

Taxes	17,355,073
Investment Income	499,660
Miscellaneous	520,692
Gain (loss) on sale of capital assets	(57,373)
Contributions	2,231,884

TOTAL REVENUES \$ 36,248,290

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

For the Year Ended December 31, 2003

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GOVERNMENTAL ACTIVITIES	
General government	\$ 3,575,237
Public safety	13,224,840
Streets and sanitation	8,086,777
Other public works	1,012,646
Public health	145,857
Community development	869,963
Interest	<u>1,590,316</u>
Total governmental activities	<u>28,505,636</u>
BUSINESS-TYPE ACTIVITIES	
Water	5,276,280
Sewer	2,407,541
Parking	<u>410,039</u>
Total business-type activities	<u>8,093,860</u>
TOTAL PRIMARY GOVERNMENT	<u><u>\$ 36,599,496</u></u>

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

	2003	2002	2001	2000	1999	1998	1997	1996	1995 (A)	1995
Property taxes	\$ 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 replacement tax	149,998	148,512	185,920	205,351	185,096	189,577	172,937	52,049	30,464	47,637
Municipal sales tax	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
Real estate transfer tax	1,345,450	1,165,068	1,035,792	980,769	906,564	894,126	706,817	571,911	431,822	592,923
Utility tax	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
Wireless 911 tax	90,198	81,950	75,423	-	-	-	-	-	-	-
Licenses and permits	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
Income tax	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
Other taxes	2,457	2,515	-	-	-	-	-	-	-	-
Motor fuel tax	784,753	786,651	765,803	792,786	661,768	628,818	638,849	617,650	417,573	592,241
Municipal bus operating grant	-	-	-	-	-	-	-	-	-	732,997
Other intergovernmental revenue	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	3,571,355	1,443,477	321,885	345,053	321,513	298,489	385,210	344,532	217,975	338,165
Fines	350,291	297,992	267,000	286,133	320,254	341,324	313,530	313,054	208,607	306,487
Investment income	274,252	816,990	399,686	560,906	423,464	277,865	285,034	338,257	271,015	290,075
Miscellaneous income	694,537	880,594	739,168	692,720	771,058	707,262	1,193,514	753,077	488,067	770,821
<b>TOTAL</b>	<b>\$ 26,598,166</b>	<b>\$ 28,309,345</b>	<b>\$ 24,117,032</b>	<b>\$ 23,999,535</b>	<b>\$ 23,291,894</b>	<b>\$ 21,799,535</b>	<b>\$ 21,180,789</b>	<b>\$ 19,421,333</b>	<b>\$ 11,341,693</b>	<b>\$ 18,747,027</b>

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

(A) The Government 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

	2003	2002	2001	2000	1999	1998	1997	1996	1995 (A)	1995
General government	\$ 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	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	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	1,012,646	899,030	933,645	983,121	927,023	1,098,276	785,151	785,545	488,564	658,105
Public health	145,857	148,368	163,634	162,908	156,271	151,632	116,398	110,921	69,098	106,282
Community and economic development	869,963	846,395	782,215	785,065	709,525	744,974	688,861	563,411	355,002	706,085
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	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	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
Principal interest and fiscal charges	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
<b>TOTAL</b>	<b>\$ 30,089,495</b>	<b>\$ 33,911,604</b>	<b>\$ 30,384,381</b>	<b>\$ 26,853,601</b>	<b>\$ 25,272,961</b>	<b>\$ 24,355,080</b>	<b>\$ 29,045,999</b>	<b>\$ 25,248,672</b>	<b>\$ 18,799,266</b>	<b>\$ 22,558,245</b>

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

\* The Government has combined its Police and Firefighters' Pension contributions in the public safety line item and the IMRF contribution in the general government line item.

\*\* The Government has combined its insurance expenditures and miscellaneous expenditures in the general government line item.

(A) The Government 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 Fiscal Years

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
General corporate	0.4776	0.4937	0.4462	0.4494	0.7704	0.7155	0.7002	0.7529	0.6137	0.5838
Police protection	0.0624	0.0635	0.0559	0.0611	-	-	-	-	-	-
Fire protection	0.0624	0.0635	0.0559	0.0611	-	-	-	-	-	-
Subtotal - General Fund	0.6024	0.6207	0.5580	0.5716	0.7704	0.7155	0.7002	0.7529	0.6137	0.5838
General liability insurance	0.0480	0.0373	0.0339	0.0345	0.0345	0.0231	0.0223	-	-	-
Bonds and interest	0.1056	0.1124	0.1157	0.1136	0.1123	0.1154	0.1315	0.1490	0.1339	0.155
Civil preparedness	0.0010	0.0010	0.0009	0.0009	-	-	-	-	-	-
Workers' compensation	0.0364	0.0373	0.0247	0.0191	-	-	-	-	-	-
Police pension	0.0220	0.0299	0.0279	0.0293	-	-	-	-	-	-
Firefighters' pension	0.0220	0.0299	0.0279	0.0293	-	-	-	-	-	-
Illinois Municipal Retirement Fund	0.1034	0.1123	0.0921	0.0947	-	-	-	-	-	-
TOTAL	0.9408	0.9808	0.8811	0.8930	0.9172	0.8540	0.8540	0.9019	0.7476	0.7388
ACTUAL RATE EXTENDED	0.941	0.981	0.881	0.893	0.918	0.854	0.854	0.902	0.748	0.739

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
1994	\$ 6,566,700	\$ 6,535,780	99.5%
1995	6,698,300	6,622,631	98.9%
1996	6,865,900	6,829,294	99.5%
1997	7,072,200	7,118,233	100.7%
1998	7,384,700	7,529,764	102.0%
1999	7,642,700	7,609,093	99.6%
2000	7,994,173	7,971,443	99.7%
2001	8,461,616	8,460,755	100.0%
2002	8,968,044	8,855,063	98.7%
2003	9,505,136	-*	-

\* 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
1993	\$ 677,871,141	\$ 2,849,922	64,129	\$ 680,785,192	2.1407
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

Note: 2003 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

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
General corporate	\$ 3,304,858	\$ 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
Police protection	425,000	425,000	470,000	-	-	-	-	-	-	-
Fire protection	425,000	425,000	470,000	-	-	-	-	-	-	-
Subtotal - General Fund	4,154,858	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
General liability insurance	250,000	257,500	265,200	265,866	200,000	200,000	-	-	-	-
Bonds and interest	752,642	879,635	873,256	866,019	997,843	1,176,693	1,320,716	1,515,128	1,883,284	2,174,465
Civil preparedness	7,000	7,000	7,000	-	-	-	-	-	-	-
Workers' compensation	250,000	187,500	147,000	-	-	-	-	-	-	-
Police pension	200,000	212,000	225,000	-	-	-	-	-	-	-
Firefighters' pension	200,000	212,000	225,000	-	-	-	-	-	-	-
Illinois Municipal Retirement Fund	752,200	700,000	728,000	-	-	-	-	-	-	-
TOTAL	\$ 6,566,700	\$ 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

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

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Village of Wilmette	0.941	0.981	0.881	0.893	0.918	0.854	0.854	0.902	0.748	0.739
School District #39	2.966	3.155	2.913	2.976	3.314	3.087	3.193	3.454	2.742	2.610
School District #203	1.935	2.105	1.915	1.929	1.967	1.871	1.845	1.936	1.611	1.935
Community College #535	0.248	0.255	0.233	0.208	0.216	0.205	0.203	0.213	0.186	0.179
Wilmette Park District	0.492	0.508	0.457	0.463	0.475	0.430	0.423	0.528	0.425	0.510
Wilmette Public Library	0.401	0.410	0.365	0.375	0.389	0.343	0.338	0.351	0.309	0.315
Cook County	0.993	0.993	1.023	0.989	0.946	0.911	0.877	0.824	0.778	0.690
Sanitary District	0.471	0.495	0.495	0.492	0.451	0.444	0.419	0.415	0.401	0.371
Forest Preserve District	0.072	0.073	0.072	0.074	0.074	0.072	0.070	0.069	0.067	0.061
New Trier Township	0.054	0.059	0.055	0.057	0.060	0.057	0.057	0.058	0.046	0.045
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.008	0.008	0.008	0.008	0.008	0.007	0.006
Mosquito Abatement District	0.011	0.011	0.011	0.011	0.011	0.011	0.011	0.011	0.010	0.009
<b>TOTAL</b>	<b>8.592</b>	<b>9.053</b>	<b>8.428</b>	<b>8.475</b>	<b>8.829</b>	<b>8.293</b>	<b>8.298</b>	<b>8.769</b>	<b>7.330</b>	<b>7.470</b>

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

11.0%	10.8%	10.5%	10.5%	10.4%	10.3%	10.3%	10.3%	10.3%	10.2%	9.9%
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Note: 2003 levy year information not available.

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS

RATIO OF GENERAL BONDED DEBT TO EQUALIZED  
ASSESSSED 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
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
1994	26,530	680,785,192	4,368,333	0.64%	164.66

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, 2003

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Wilmette	Amount Applicable to Wilmette
Village of Wilmette	\$ 34,330,000	100.000%	\$ 34,330,000
<b>School districts</b>			
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
<b>Other Agencies</b>			
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	\$ 4,062,981,095		\$ 128,894,374
Per capita direct and overlapping debt (27,651 Population)			\$ 4,661.47

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, 2003

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The Government 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 Government Expenditures
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 Government 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
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 Government 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		
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
1994	22	7,969,340	886	28,583,728	558,248,857	2,008,214,250

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, 2003

Taxpayer	Type of Business	2002 Equalized Assessed Valuation	Percentage of Total Equalized Assessed Valuation
Joseph Freed Associates	Edens Plaza Shopping Center	\$ 28,260,252	2.33%
Plaza del Lago, Inc.	Shopping Plaza	10,599,079	0.87%
1630 Sheridan Corporation	Residential Property	9,386,486	0.77%
L.J. Thalmann Co.	Commercial and Office Property	5,590,696	0.46%
William C. Kagan	Westlake Plaza Shopping Center	3,861,569	0.32%
Landau & Heyman	Wilmette Commons Shopping Plaza	3,414,973	0.28%
Avgeris - 3201 Old Glenview Road	Office Property	3,238,501	0.27%
Westmoreland Country Club	Country Club	2,997,385	0.25%
Manor Health Care Corp.	Nursing Home	2,917,107	0.24%
Beth Corp.	Bank	2,392,347	0.20%
Ameritech	Utility Company	2,252,402	0.19%
Jeffrey Strange	Residential Property	1,921,733	0.16%
Michigan Shores Club	Private Club	1,847,280	0.15%
Shamim Esmail	Bank Properties	1,276,424	0.11%
Wolin-Levin 1410 Sheridan Rd.	Residential Property	1,211,884	0.10%
		<b>\$ 81,168,118</b>	<b>6.68%</b>

Note: 2003 levy year information not available.

Data Source

County Clerk

VILLAGE OF WILMETTE, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

December 31, 2003

Type of Coverage	Insurer	Limits of Coverage	Policy Date	Expiration Date
General liability	Intergovernmental	\$10,000,000	1/1/2003	12/31/2003
Police professional	Risk Management	\$10,000,000	1/1/2003	12/31/2003
Employee benefits liability	Agency	\$10,000,000	1/1/2003	12/31/2003
Automobile liability:		\$10,000,000	1/1/2003	12/31/2003
Uninsured/Underinsured Motorist		\$1,000,000	1/1/2003	12/31/2003
Public officials liability		\$10,000,000	1/1/2003	12/31/2003
Workers' compensation		\$20,000,000	1/1/2003	12/31/2003
Employer's liability		\$10,000,000	1/1/2003	12/31/2003
First Party Property - all risk		\$250,000,000/ per occurrence	1/1/2003	12/31/2003
Boiler/machinery		\$50,000,000	1/1/2003	12/31/2003
Crime:				
Employee theft/dishonesty		\$5,000,000	1/1/2003	12/31/2003
Forgery or alteration		\$5,000,000	1/1/2003	12/31/2003
Credit card forgery		\$5,000,000	1/1/2003	12/31/2003
Theft, disappearance, and destruction		\$5,000,000	1/1/2003	12/31/2003
Computer fraud		\$5,000,000	1/1/2003	12/31/2003
Public officials bond				
Village President, Treasurer, and Clerk		Blanket Statutory Limits	1/1/2003	12/31/2003
Business interruption (loss of sales tax)		\$5,000,000	1/1/2003	12/31/2003

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 \$1,000 deductible, and the 2003 premium for this was \$480,000.

Data Source

Intergovernmental Risk Management Agency

VILLAGE OF WILMETTE, ILLINOIS

MISCELLANEOUS STATISTICS

December 31, 2003

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
	2003	2002	2001	2000	1999	
Annual gross retail sales	\$ 312,624,089	\$ 302,851,179	\$ 312,847,559	\$ 310,262,044	\$ 303,377,266	
Number of retail establishments	750	750	720	733	739	
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						8,715
Building permits:	2003	2002	2001	2000	1999	
New construction - residential and non-residential:						
Number of permits issued	72	43	48	37	51	
Value of construction authorized	\$ 30,294,000	\$ 16,881,000	\$ 17,980,700	\$ 14,475,500	\$ 19,892,000	
Other - additions and alterations:						
Number of permits issued	909	943	1,072	1,029	1,182	
Value of construction authorized	\$ 32,890,173	\$ 31,293,028	\$ 26,533,581	\$ 28,821,725	\$ 26,804,952	
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						45
Number of civilian employees						21

VILLAGE OF WILMETTE, ILLINOIS

MISCELLANEOUS STATISTICS (Continued)

December 31, 2003

	2003	2002	2001	2000	1999
<b>Number of law violations:</b>					
Felonies (Part I crimes)	465	521	526	575	585
Misdemeanors (Part II crimes)	2,010	1,549	1,515	1,414	1,567
Miscellaneous offenses (incidents reported)	17,246	16,494	17,282	17,365	19,442
Traffic accidents	1,054	1,092	1,055	1,148	1,111
<b>Municipal parking facilities:</b>					
<b>Paid - Long-term spaces:</b>					
Decal					254
Metered					386
Slot-box					200
<b>Free - Short-term spaces:</b>					
Handicapped parking					31
Otherwise reserved spaces					47
Other					165
<b>Waterworks and sewerage facilities:</b>					
<b>Population served:</b>					
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					34 M.G.D
Rated daily pumping capacity					34 M.G.D
Average daily pumpage - calendar year 2002					13.026 M.G.D.
Maximum daily pumpage - calendar year 2002					24.477 M.G.D.
Miles of water mains					91.3
<b>Sources:</b>					
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					