

**VILLAGE OF WILMETTE,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2006

Prepared by Department of Finance

Robert Amoruso
Director of Finance

Kathleen Gargano
Special Assistant to Administration and Finance

VILLAGE OF WILMETTE, ILLINOIS

TABLE OF CONTENTS

	PAGE
<u>INTRODUCTORY SECTION</u>	
List of Principal Officials	i
Organizational Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal	iv – xiii

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1 - 2
-------------------------------------------	--------------

MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 18
---------------------------------------------------	---------------

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements	
Statement of Net Assets.....	19 - 20
Statement of Activities	21 - 22
Fund Financial Statements	
Balance Sheet – Governmental Funds	23
Reconciliation of Total Governmental Fund Balance to	
Net Assets of Governmental Activities	24
Statement of Revenues, Expenditures, and Changes in	
Fund Balances – Governmental Funds	25
Reconciliation of the Statement of Revenues, Expenditures, and Changes	
in Fund Balances to the Statement of Activities – Governmental Funds	26
Statement of Net Assets – Proprietary Funds	27 - 28
Statement of Revenues, Expenses, and Changes in	
Net Assets – Proprietary Funds.....	29
Statement of Cash Flows – Proprietary Funds.....	30 - 31
Statement of Net Assets – Fiduciary Funds	32
Statement of Changes	
In Net Assets – Fiduciary Funds	33
Notes to the Financial Statements.....	34 - 77

VILLAGE OF WILMETTE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress

- Illinois Municipal Retirement Fund.....78
- Police Pension Fund79
- Firefighters' Pension Fund.....80

Employer Contributions

- Illinois Municipal Retirement Fund.....81
- Police Pension Fund82
- Firefighters' Pension Fund.....83

Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – General Fund.....84

OTHER SUPPLEMENTARY INFORMATION

Major Governmental Funds

- Schedule of Revenues – Budget and Actual – General Fund 85 - 87
- Schedule of Expenditures – Budget and Actual – General Fund..... 88 - 100
- Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Debt Service Fund.....101
- Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Series 2002 General
Obligation Bond Fund – Capital Projects Fund.....102
- Schedule of Expenditures – Budget and Actual – Series 2002 General
Obligation Bond Fund – Capital Projects103

Nonmajor Governmental Funds

- Combining Balance Sheet.....104
- Combining Statement of Revenues, Expenditures, and Changes in Fund Balances105

Nonmajor Special Revenue Fund

- Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Motor Fuel Tax – Special Revenue Fund106
- Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – War Memorial – Special Revenue Fund107
- Schedule of Revenues, Expenditures, and Changes in
Fund Balance – Budget and Actual – Special Service Area Number Two –
Debt Service Fund108

VILLAGE OF WILMETTE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION – Continued

Proprietary Funds

Major Proprietary Fund

Schedule of Revenues, Expenses, and Changes in Fund Balance Budget and Actual – Water Fund – Proprietary Fund	109
Schedule of Operating Expenses – Budget and Actual Water Fund – Proprietary Fund	111 - 113
Schedule of Revenues, Expenses, and Changes in Fund Balance Budget and Actual – Sewer Fund – Proprietary Fund	114
Schedule of Operating Expenses – Budget and Actual Sewer Fund – Proprietary Fund	115 - 116

Nonmajor Proprietary Fund

Schedule of Revenues, Expenses, and Changes in Fund Balance Budget and Actual – Parking Meter Fund – Proprietary Fund	117
Schedule of Operating Revenues - Budget and Actual – Parking Meter Fund – Proprietary Fund	118
Schedule of Operating Expenses - Budget and Actual – Parking Meter Fund – Proprietary Fund	119 - 120

Internal Service Funds

Combining Statement of Net Assets.....	121 - 122
Combining Statement of Revenues, Expenses, and Changes in Net Assets.....	123 - 124
Combining Statement of Cash Flows	125 - 126
Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual – Municipal Garage Fund – Internal Service Fund.....	127
Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual – Employee Insurance Fund – Internal Service Fund	128
Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual – Workers’ Compensation Fund – Internal Service Fund.....	129
Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual – Illinois Municipal Retirement Fund – Internal Service Fund	130
Schedule of Revenues, Expenses, and Changes in Fund Balance – Budget and Actual – Section 105 Sick Leave Fund – Internal Service Fund.....	131

VILLAGE OF WILMETTE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

OTHER SUPPLEMENTARY INFORMATION – Continued

Fiduciary Funds

Pension Trust Funds

Combining Statement of Net Plan Assets.....	132
Combining Statement of Changes in Net Plan Assets.....	133
Schedule of Changes in Net Plan Assets – Budget and Actual	
Police Pension – Pension Trust Fund	134
Firefighters’ Pension – Pension Trust Fund	135

Agency Fund

Schedule of Changes in Assets and Liabilities	
Special Service Area Number Two – Agency Fund	136

SUPPLEMENTAL SECTION

Long-Term Debt Requirements

General Obligation Bond Series of 1999	137
General Obligation Bond Series of 2000	138
General Obligation Bond Series of 2001	139
General Obligation Bond Series of 2002	140
General Obligation Refunding Bond Series of 2004	141
IEPA Revenue Bond Series of 1993	142
IEPA Revenue Bond Series of 1995	143
IEPA Revenue Bond Series of 1996	144
IEPA Revenue Bond Series of 1997	145

VILLAGE OF WILMETTE, ILLINOIS

TABLE OF CONTENTS

STATISTICAL SECTION (Unaudited)

Net Assets by Component – Last Three Fiscal Years.....	146
Changes in Net Assets – Last Three Fiscal Years	147 - 148
Fund Balances of Governmental Funds – Last Ten Fiscal Years	149 - 150
Governmental Revenues by Source – Last Ten Fiscal Years	151 - 152
General Governmental Expenditures by Function – Last Ten Fiscal Years.....	153 - 154
Changes in Fund Balances for Governmental Funds – Last Ten Fiscal Years.....	155 - 156
Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years.....	157
Direct and Overlapping Property Tax Rates	158
Principal Property Tax Payers – Current and Nine Years Ago.....	159
Property Tax Levies and Collections.....	160
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	161
Ratios of Bonded Debt Outstanding – Last Ten Fiscal Years	162
Schedule of Direct and Overlapping Bonded Debt.....	163
Legal Debt Margin – Last Ten Fiscal Years	164
Pledged Revenue Coverage – Last Ten Fiscal Years.....	165
Demographic and Economic Statistics – Last Ten Fiscal Years	166
Principal Employers – Current and Nine Years Ago.....	167
Full-time Equivalent City Government Employees by Function/Program – Last Ten Fiscal Years	168
Operating Indicators by Function/Program – Last Ten Fiscal Years.....	169 - 170
Capital Assets Statistics by Function/Program – Last Ten Fiscal Years	171

INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Wilmette including the list of principal officials, the organizational chart, certificate of achievement for excellence in financial reporting and the transmittal letter.

VILLAGE OF WILMETTE, ILLINOIS

Principal Officials

December 31, 2006

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Christopher S. Canning, President

Joanne Aggens - Trustee

Jim Griffith - Trustee

John Levin - Trustee

Alan Swanson - Trustee

Mari Terman - Trustee

Lali Watt - Trustee

ADMINISTRATIVE

Michael J. Earl, Village Manager

Maureen M. Barry, Assistant Village Manager

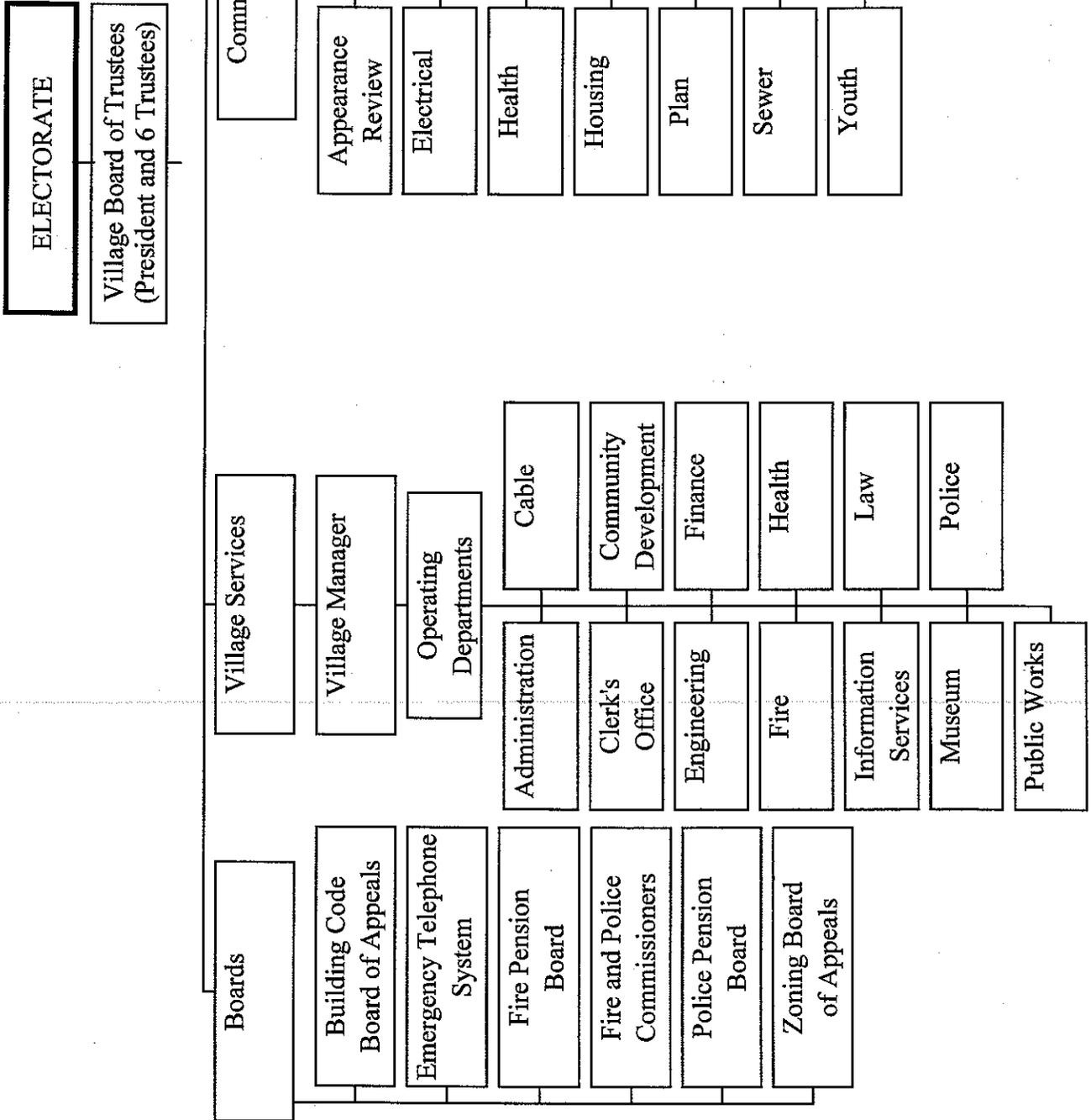
FINANCE DEPARTMENT

Robert Amoruso, Finance Director

Kathleen Gargano, Special Assistant to Administration and Finance

Blythe Trilling, Assistant Finance Director

VILLAGE OF WILMETTE ORGANIZATIONAL STRUCTURE



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, 2005

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.



President

Executive Director

June 14, 2007

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, 2006 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue an annual report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP), and that an independent firm of certified public accountants audit this report in accordance with generally accepted auditing standards. Although formally addressed to the elected officials and citizens of Wilmette, this financial report has numerous other users. Foremost among these other users are the bondholders of the Village, financial institutions, credit rating agencies, educational institutions, and other governmental entities.

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

The CAFR is presented in three sections: introductory, financial and statistical. The introductory section includes this transmittal letter, the Village's organizational chart and a list of principal officials. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The Reporting Entity and its Services

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

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

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

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

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

Accounting System and Budgetary Control

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

Management of the Village is responsible for establishing and maintaining a system of internal accounting controls. This system should ensure that: (1) the assets of the Village are protected from loss, theft or misuse; and (2) adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

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

Factors Affecting Financial Condition

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

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 rate of 3.9% and the national rate of 6.3%. This census also indicated that nearly 67% of those employed were in the "Management / Professional" category.

In January 2005 a Ford automobile dealership closed its operation and the property was sold later in the year to a group that intends to develop this space with a residential and retail mixed use building. Plans for the proposed development were recently approved and groundbreaking should begin in late 2007.

Sales tax collections indicate that local retail sales increased by 4.4% over 2005. While this increase is encouraging, the 2006 retail activity level is still below that of 2000. The Village's commercial tax base represents about 13% of the community and sales tax represents 15% of the General Fund revenue. The lack of growth in this revenue has contributed to the need to enhance and create other revenue sources in order to continue providing the high service levels which the community is accustomed.

Property values have continued to increase substantially. In spite of the Village being fully developed, the Village's 2005 equalized assessed valuation is 84% greater than in 2000. Home sales and construction permit activity both declined in 2006 following record levels in 2005. Increasing interest rates are attributed to these decreases.

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

Cash Management. As the cash management and investing goals of operating monies is substantially different than those of the Village's pension monies, the Village Board and the Village's two 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 that proper internal controls are in place to monitor disbursements. Both policies also ensure that all deposits are adequately collateralized and that investment securities are held in trust by a third party custodian.

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

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

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

The Village provides its employees with health care benefits. In 2005, the Village paid the entire insurance premium for employee coverage. Due to significant increases in health insurance premiums, employees began to pay 5% of these premiums in 2006. In addition, 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 an HMO coverage or may select PPO coverage through the North Suburban Employee Benefit Cooperative.

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

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

The Village also provides post-retirement health benefits for certain retirees and their dependents. Retirees prior to 2003 fall into a number of different categories for these benefits and are financed on a pay-as-you-go basis. This is a small group of retirees and the other post-employment benefit (OPEB) liability is not considered material

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

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

Major Initiatives

Development Initiatives

Mallinckrodt Campus - In 2002, residents approved a \$25 million Park District referendum for the purchase of the Mallinckrodt property from Loyola University. The Park District land will be maintained as open park space with walking paths throughout the 14 acres. In 2004, the Village Board and Park District Board completed negotiations for an intergovernmental agreement toward the adaptive reuse of the Mallinckrodt building facility and in 2005 a developer was selected and the building sold under the terms of this adaptive reuse agreement. Construction of 81 senior condominium units with underground parking began in 2005 and continued through 2006. Twelve of the units will be sold at below market prices in keeping with the Village's desire to provide more affordable housing in Wilmette. Occupancy of the initial units began in the spring of 2007.

Planned Unit Development Ordinance - In 2005 the Plan Commission began a review of the Planned Unit Development (PUD) ordinance. The Plan Commission concluded this review in early 2006 and the Village Board subsequently adopted the recommended changes. Among the recommended changes was the elimination of the maximum height permitted through the PUD in order to encourage use of the PUD process.

Ford Property Redevelopment - In 2005, the aforementioned Ford site was purchased by Wilmette Village Center, LLC and in 2006, this property became the subject of the village's first PUD request. The developer's PUD submittal was recommended by the Plan Commission in fall of 2006 and is expected to be considered by the Village Board in early 2007. The development is expected to be five stories with 57 condominium units and underground parking. Eight of the units will be sold at below market prices in keeping with the Village's affordable housing concerns. The development is also anticipated to meet a "certified" level of environmental standards. The first floor will provide 16,773 sq. ft. of new retail space in the Village Center.

Village Center Parking - In 2006 an ad hoc committee was formed to consider the development of a multi-level parking facility on the property between the Wilmette Public Library and the Post Office, directly behind the Ford site. This property is currently used as ground level parking and mostly owned by the Village. A consultant has been engaged and recommendations should be forthcoming in 2007.

National-Louis University sold its campus to the Baker Demonstration School, which currently operates on the site. In early 2006, variations and a 12-lot subdivision were approved to allow Baker School to sell the other 11 lots to Red Seal Development for the construction of 11 single family homes on these remaining parcels. Remodeling of the Baker School was completed in fall of 2006 and construction of the new single family homes is expected to begin in 2007. In meeting the Village's affordable housing desires, Red Seal will contribute to the Village \$10,000 toward this purpose for each of the first ten homes that are developed.

Depot Property - In 2005 the restaurant lease held by the Village expired and a commercial real estate broker, Hallmark and Johnson, was retained to search for a new tenant for the approximately 800 square foot space. In 2006 a local restaurateur expressed interest in opening a second restaurant at this site and the Village expects to complete lease negotiations in mid-2007. It is anticipated that the property will be expanded to provide for a more efficient restaurant operation and that this expansion at the rear of the property will not diminish the historic nature of this building.

Kohl Property Redevelopment - In 2006, the contract purchaser, The Shiner Group, began the process of requesting PUD approval with the Village's Plan Commission. It is expected that the development of the property will be considered by the Village Board in early 2007.

Facility Improvements

Fire Stations - In November 2002, the Village Board approved a contract with FGM, Inc. for the design, bid specification and construction administration of the planned renovations to Fire Station #26 and #27. A construction contract with Doherty Construction was approved in July of 2004 and work commenced at both stations in August 2004. Substantial improvements are being made to the living spaces, motor fleet storage and repair areas, department storage, and administrative offices. The building will also be brought into compliance with Illinois accessibility codes and provide accommodations for female firefighters. In 2006, all renovations were completed.

Police Station - In 2006, the Village Public Safety Committee began the interview process to select a consultant to develop design alternatives for improvements to the Village's Police Station.

Public Works Facility - In 2006, the Village Municipal Services Committee reviewed a consultant's design alternatives for improvements to the Public Works Village Yard facility. These improvement alternatives can be made in multiple phases and it is expected that the detail drawings for the first phase will be completed in 2007.

Information Services - Enterprise Resource Planning System (ERP) - In 2006 the Information Services Department continued the final phase of implementation of the ERP that began in 2002. This phase is the permit tracking module for use by the Community Development and Engineering Departments to track construction activities. This is expected to be finalized in 2007.

Regional Dispatch - The Village continued to pursue the feasibility and desirability of regional emergency dispatch alternatives for Fire and Police Emergency Communications. In February 2005 the Village entered into an agreement with the Village of Glenview to have Wilmette's fire and emergency medical service (EMS) calls processed by the Glenview FireComm. The first year of this agreement was a trial period to provide Wilmette with an opportunity to experience and evaluate a regional approach to fire and EMS communications. The Village became a permanent member of FireComm in 2006. Discussions for regional Police Emergency Communications are ongoing with the Village's of Northbrook and Winnetka.

Capital Improvements - An aggressive capital improvement schedule continued in 2006 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 2006 capital projects activity:

Street Resurfacing Program - In 2006 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 2006, \$3.1 million in street resurfacing projects were completed in various areas of town. Of this amount, \$770,000 was funded by the State-shared motor fuel tax.

Water Plant Security Improvements - In 2003, the Water Plant received a \$115,000 federal grant to conduct a Vulnerability Assessment (V/A) of the water system. The purpose of this assessment was to identify potential security weaknesses in the current system of delivering water to our customers. The grant covered the entire service area of the water system - including Wilmette, Glenview, and portions of Prospect Heights. The V/A study identified the Wilmette Water Plant as a mission critical facility in the water system. In implementing the V/A study's recommendations, the Village has installed new perimeter fencing, an intruder detection system and additional internal security. In 2006, the Village worked with Cook County to install camera monitors for this facility.

Water Plant Filtration Improvements - In 2006 work continued to improve and upgrade the 1933 and 1971 filtration beds. This \$1.4 million project was about 40% complete at December 31, 2006 and should be finished in 2007. This work is financed from the Water Fund portion of the 2004 bond issue.

Water Main and Sewer improvements - In conjunction with the aforementioned street resurfacing, \$146,000 in water main improvements and \$1,300,000 in sewer improvements were completed in 2006. These were financed from the Water and Sewer Funds' portions of the 2002 and 2004 bond issues. The Village Board continues to support programs aimed at improving the capacity and reliability of the Village's sewer system - either through continued maintenance, new relief sewers or rehabilitation of existing sewers.

Automatic Meter Readers - The Village continued the sixth 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 integrates with these automations to more quickly produce water bills. This project is currently on schedule to be completed in 2011 - three years ahead of original projections.

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, 2005. 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 awarded the Distinguished Budget Presentation Award by the GFOA for its 2006 budget document. This was the seventh 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 2007 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 Lauterbach and Amen, LLP for their professionalism and expertise in their assistance in the preparation of this report.

Respectfully submitted,



Robert N. Amoruso
Finance Director

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

April 23, 2007

The Honorable Village President
Members of the Board of Trustees and Village Manager
Village of Wilmette, Illinois

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Village of Wilmette, Illinois as of and for the year ended December 31, 2006, which collectively comprise the Village of Wilmette's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village of Wilmette, Illinois' management. Our responsibility is to express opinions on these basic 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 basic 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 governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Wilmette, Illinois as of December 31, 2006, and the respective changes in financial position and the cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund schedules, as well as the information listed as supplemental and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Wilmette, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

Village of Wilmette, Illinois

April 23, 2007

Page 2

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are 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 primarily 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 thereon.

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.

A handwritten signature in cursive script that reads "Lauterbach & Amen LLP".

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF WILMETTE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2006

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, 2006. It is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

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

Financial Highlights

- The Village's assets exceeded its liabilities by \$54,147 at December 31, 2006. Of this amount, \$7,678 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets increased \$1,666 (3.2%) during the fiscal year ended December 31, 2006. All of this growth is the result of the Village's commitment to its infrastructure as the investment in capital assets net of related debt increased \$1,992. Net assets restricted for highways and streets decreased \$250 and remaining net assets decreased \$76 (0.1%).
- Governmental net assets increased \$1,027. Of this increase, the Village's investment in capital assets, net of related debt increased \$618 and all other net assets increased \$409. Business-type net assets increased \$639 consisting of a \$1,374 increase in net capital assets a \$735 decrease in all other net assets. The increases in net capital assets are as expected due to the continuation of an aggressive capital improvements program that began in 1999. The increases in other governmental net assets were primarily the result of revenue growth in property, sales and income taxes and interest earnings. The decrease in other business-type net assets is due to decreased water sales.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$6,391 or 26% of General Fund expenditures. This \$635 increase represents 11% growth over the prior year.
- Total unrestricted net assets decreased \$85 (1%). This modest change is a function of the governmental unrestricted net asset growth of \$650 netted with the business-type decrease of \$735. These changes are reflective of the revenue fluctuations noted above.

- The Village's total debt decreased \$3,093 (3.9%) at December 31, 2006. Following substantial bond issues in 2002 and 2004, no new debt was issued in 2005 and only \$398 in 2006. New debt planned for 2007 should amount to about \$13,000 to continue improving the Village's road and sewer infrastructure and building facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

The Government-Wide Financial Statements (see pages 19-22) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government.

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

The Statement of Activities (see pages 21-22) presents information showing how the Village's net assets changed during the most recent fiscal year and is focused on both the gross and net cost of various activities (including governmental and business-type) which are supported by the Village's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless to the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. earned but unused vacation leave).

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

Fund Financial Statements

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

Governmental Funds. The Governmental Funds presentation (see pages 23-26) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of government funds is narrower than that of the Government-Wide Financial Statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected. The flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the Government-Wide Statements).

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

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

Proprietary Funds. The Village maintains two different types of proprietary funds. **Enterprise Funds** are used to report the same functions presented in Business-Type Activities in the Government-Wide Financial Statements. **Internal Service Funds** are an accounting device used to accumulate and allocate costs internally among the village's various functions. The Village uses internal service funds to account for vehicle repair and maintenance and to account for employee fringe benefit expenses (e.g. employer expense for health insurance and pension plan 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 27-31) 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 32-33). 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 34-78 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 34-78 of this report.

Infrastructure Assets

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Wilmette, assets exceed liabilities by \$54,147 as of December 31, 2006.

The following table reflects the condensed Statement of Net Assets: For more detailed information see the Statement of Net Assets (page 19-20).

Table 1: Statement of Net Assets as of December 31, 2006

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Assets						
Current Assets	\$ 24,588	\$ 25,432	\$ 9,588	\$ 11,213	\$ 34,176	\$ 36,645
Capital Assets	38,521	36,343	74,866	73,800	113,387	110,143
Other Assets	724	821	-	-	724	821
Total Assets	\$ 63,833	\$ 62,596	\$ 84,454	\$ 85,013	\$ 148,287	\$ 147,609
Liabilities						
Current Liabilities	\$ 16,476	\$ 15,220	\$ 3,976	\$ 3,110	\$ 20,452	\$ 18,330
Long-Term Liabilities	32,665	33,711	41,023	43,087	73,688	76,798
Total Liabilities	\$ 49,141	\$ 48,931	\$ 44,999	\$ 46,197	\$ 94,140	\$ 95,128
Net Assets:						
Investment in Capital Assets, Net of Related Debt	\$ 8,784	\$ 8,166	\$ 36,850	\$ 35,476	\$ 45,634	\$ 43,642
Restricted	835	1,076	-	-	835	1,076
Unrestricted	5,073	4,423	2,605	3,340	7,678	7,763
Total Net Assets	\$ 14,692	\$ 13,665	\$ 39,455	\$ 38,816	\$ 54,147	\$ 52,481

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

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

improvements. The final component of the Village's net assets, the unrestricted net assets, in the amount of \$7,678 may be used to meet the Village's ongoing obligations to citizens and creditors.

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

An extensive infrastructure improvement program has been ongoing since 1999. This has included numerous road resurfacing and reconstruction projects as well as sewer and water main improvements. Additionally, significant building improvements have occurred at the Village Hall, Water Plant, both of the Village's fire stations and its museum. Most of these improvements have been debt financed with a smaller portion funded by State grants and contributions from the Village of Glenview. In 2006, capital spending and debt principal repayments exceeded depreciation, resulting in a net gain of \$1,992 (4.6%) in the Village's investment in capital assets, net of related debt.

The increase of \$650 for unrestricted governmental net assets resulted from revenue growth in property taxes, other taxes and interest earnings. The decrease of \$735 in business-type unrestricted net assets resulted from lower water sales attributed to rainier weather conditions during much of 2006. These revenue fluctuations will be addressed in greater detail with the statement of activities.

Statement of Activities

Governmental Activities. Program revenues decreased \$129 (2%) in 2006. Operating grants, which tend to fluctuate widely, decreased by \$177 due to fewer public safety grants while charges for service increased by \$48. In 2005, one large development (the Mallinckrodt property) produced permit revenue of \$237 while revenue from this development was just \$90 in 2006 (as the project neared completion). Net of the fluctuation from this one activity, the net change of \$195 in service charges reflected a 3.8% increase over 2005.

In line with the Village's fee indexing program that has been in place since 2003, most individual fees were increased by about 5% in 2006. The reason for the overall increase being less than the indexed percentage can be attributed to a decrease in the volume of residential permits (following record activity in 2005) and that the fee for vehicle licenses remained the same in 2006 as in 2005.

General revenues increased \$714 (3.1%) in 2006. A 6% increase in the property tax levy produced additional revenue of \$653. This was in line with expectations as the 2005 tax levy incorporated a growth factor of 4% for operations plus 2% for increased debt service related to the Village's capital improvements program. Other taxes decreased \$65 from 2005. The telecommunications tax decreased \$219 (15%) from 2005. This appears to be the result of many households eliminating some of their land lines and becoming more reliant on wireless telecommunications. Other utility taxes decreased \$46 attributable to milder weather conditions in 2006. Increases in mortgage interest rates have slowed home sales reflecting a decrease of

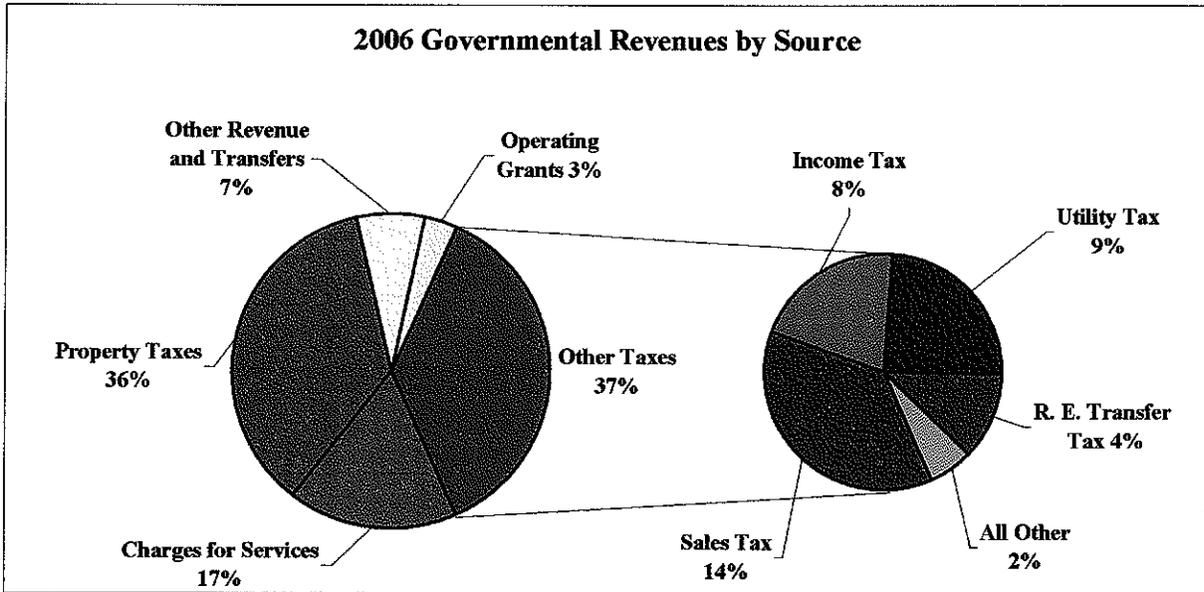
Village of Wilmette, Illinois
Management's Discussion and Analysis, (Continued)

\$186 (12%) in real estate transfer tax revenue. The State of Illinois enacted legislation in 2004 that has increased state-wide collections of its income tax. Municipalities in Illinois receive 10% of this tax (on a per capita basis). In 2006 the Village's income tax revenue increased \$200 (9.7%) due to this improved collection effort. Sales tax revenue increased \$173 (4.4%) over 2006 following two years of zero growth. Growth in other revenues is due to increased interest earnings resulting from higher short-term interest rates throughout 2006.

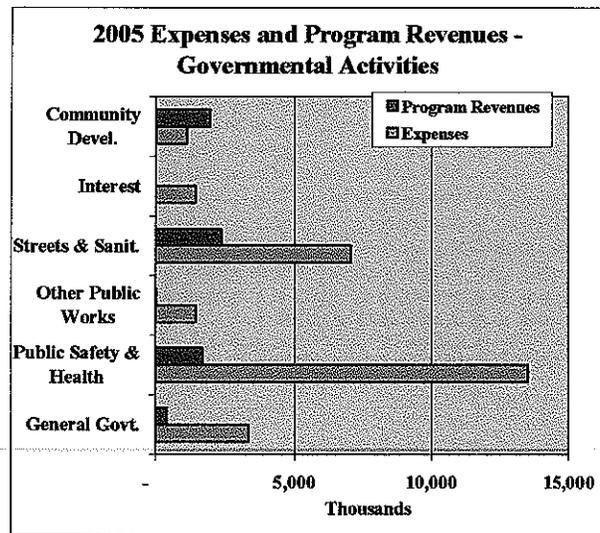
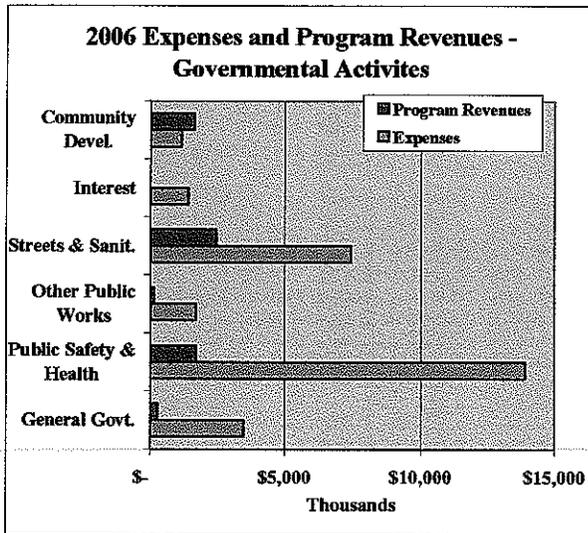
Table 2: Changes in Net Assets for the Fiscal Year Ended December 31, 2006

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2006	2005	2006	2005	2006	2005
Revenues						
Program Revenues						
Charges for Services	\$ 5,159	\$ 5,111	\$ 9,470	\$ 10,763	\$ 14,629	\$ 15,874
Operating Grants	1,000	1,177	21	101	1,021	1,278
General Revenues						
Property Taxes	10,843	10,190	-	-	10,843	10,190
Other Taxes	11,017	11,082	-	-	11,017	11,082
Other Revenue and Transfers	2,070	1,944	(216)	(189)	1,854	1,755
Total Revenues	\$ 30,089	\$ 29,504	\$ 9,275	\$ 10,675	\$ 39,364	\$ 40,179
Expenses						
General Government	\$ 3,467	\$ 3,330	\$ -	\$ -	\$ 3,467	\$ 3,330
Public Safety	13,727	13,334	-	-	13,727	13,334
Streets and Sanitation	7,445	7,063	-	-	7,445	7,063
Other Public Works	1,687	1,450	-	-	1,687	1,450
Public Health	194	160	-	-	194	160
Community Development	1,137	1,117	-	-	1,137	1,117
Interest	1,405	1,448	-	-	1,405	1,448
Water	-	-	5,770	5,635	5,770	5,635
Sewer	-	-	2,444	2,436	2,444	2,436
Parking	-	-	422	432	422	432
Total Expenses	\$ 29,062	\$ 27,902	\$ 8,636	\$ 8,503	\$ 37,698	\$ 36,405
Changes in Net Assets	1,027	1,602	639	2,172	1,666	3,774
Net Assets January 1	13,665	12,063	38,816	36,644	52,481	48,707
Net Assets December 31	<u>\$ 14,692</u>	<u>\$ 13,665</u>	<u>\$ 39,455</u>	<u>\$ 38,816</u>	<u>\$ 54,147</u>	<u>\$ 52,481</u>

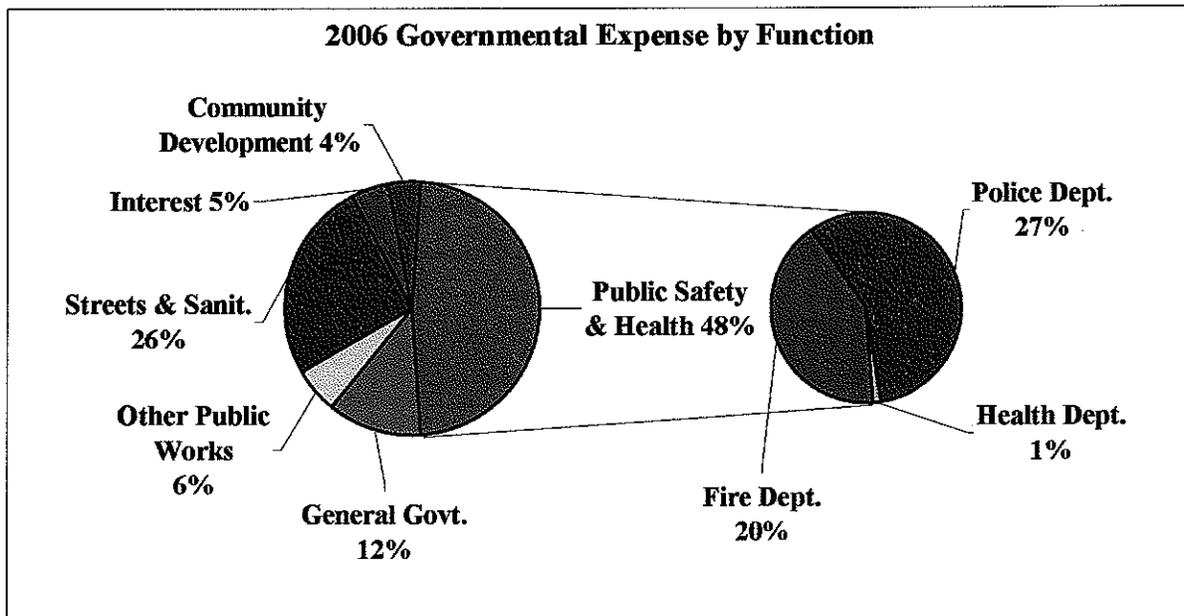
The composition of the Village's 2006 governmental revenues is similar to 2005.



For governmental activities, program revenues covered approximately 21.2% of expenses. This is slightly less than 2005 when the ratio was 23.1%. This is in line with the adjusted 3.8% growth in service charges compared to the 5% fee index noted above. In both years, only Community Development program revenues were sufficient to cover all expenses. All other categories are substantially subsidized by general revenues.



Governmental expenses. Due to the union contracts in place along with projected growth in pension contributions and health care costs, the Village expected operating expense growth of about 6.4% in 2006. Year to year comparisons of individual categories may fluctuate due to the level of capital and other expenses that may occur irregularly. Personnel costs account for nearly 70% of the General Fund expenditures and the growth in pension contributions (92% since 2002) has driven up these expenses.



Total governmental expenses increased \$1,160 (4.2%) in 2006. As noted above, this increase has been driven by the rising cost of employee health insurance and increased contributions to the Village's three pension plans. Health insurance costs increased 9.7% accounting for \$167 of the total growth while a 7% increase in pension contributions resulted in \$193 of additional expense. It should be noted that the health insurance increase was substantially less than the 15% that was budgeted. The remaining \$800 (2.9%) expense increase is considered normal.

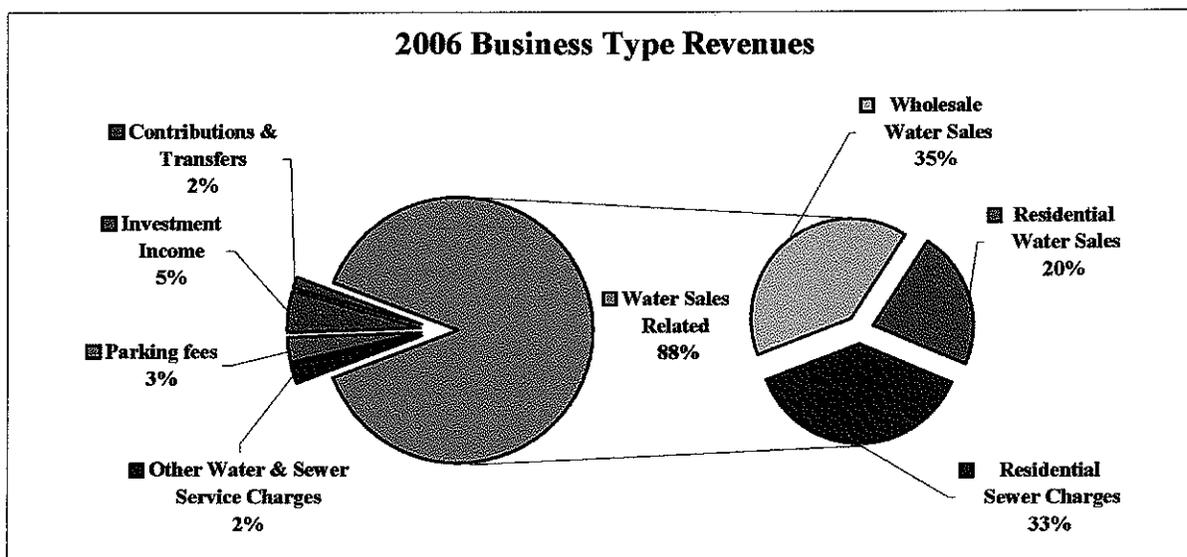
Public safety and health represent nearly half of the Village's governmental expenses. Overall, this category increased \$393 (2.95%) in 2006. Higher than normal turnover caused this increase to be somewhat lower than expectations given the personnel factors noted above.

Streets and sanitation (reflecting 26% of the Village's governmental expenses) increased \$382 (5.4%) in 2006 while other public works increased \$237 (16.3%). While the growth in streets and sanitation is in line with expectations the larger increase in other public works is attributed to increases in capital expenses for streets, curbs and sidewalks that did not meet the Village's capitalization guidelines.

General government and community development expenses increased \$157 (3.5%) which is in line with expectations. Interest expense decreased \$43 (3%) which is consistent with the overall decrease in long-term debt previously noted.

Business Type Activities. Charges for services totaling \$9,470 represent 93% of total business-type activity revenues with contributions and transfers accounting for 2% and investment earnings the remaining 5%. Water sales provide 88% of this amount.

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



Total service charge revenues and the water and sewer rates in effect for 2005 and 2006 are shown as follows:

	<u>2006</u>	<u>2005</u>	<u>% Change</u>
Wholesale Water Sales	3,578	4,173	-14.3%
Residential Water Sales	1,978	2,125	-6.9%
Residential Sewer Charges	3,372	3,941	-14.4%
Other water & Sewer revenues	236	211	11.8%
Parking fees	306	313	-2.2%
	<u>\$ 9,470</u>	<u>\$ 10,763</u>	<u>-12.0%</u>
Wholesale Water Rate	\$.839 / ccf	\$.839 / ccf	0.0%
Residential Water Rate	\$ 1.40 / ccf	\$ 1.27 / ccf	10.2%
Residential Sewer Rate	\$ 2.40 / ccf	\$ 2.37 / ccf	1.3%
Commuter Parking Rates	\$ 1.50 per day	\$ 1.50 per day	0.0%

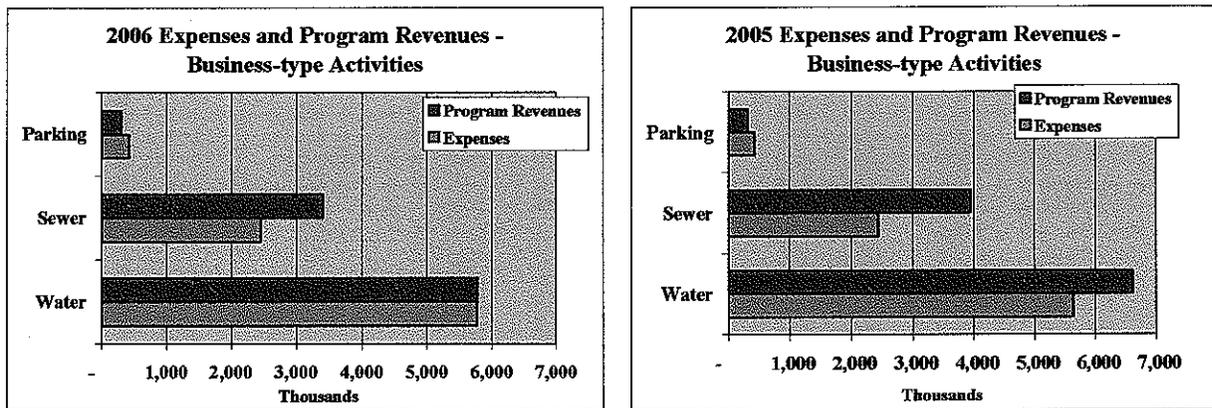
The Village's wholesale water rate is set by contract and is recalculated every other year; residential water and sewer rates are determined by the Village Board of Trustees; the commuter parking rates are also set by the Village Trustees in conjunction with the Union Pacific railroad. If activity volumes were similar from year to year, the expectation would be that revenue would grow in line with rate changes.

Weather in 2006 would be considered somewhat rainier than average while the summer of 2005 produced drought conditions that significantly boosted the volume of water sales. Thus, the sales decreases noted reflect about a 14% reduction in sales volume. Approximately 10% of this

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

decrease relates to the significantly above average sales in 2005 and the other 4% is reflective of the amount below what would be considered average. The revenues shown in the preceding table are consistent with the decrease in the volume of water pumped with residential sales being somewhat less impacted as a result of the 10% rate increase.

In other business-type activities, parking revenues are consistent with 2005 as the same rates were in effect all year. This is also true of other water and sewer service charges which are generated from remodeling permits for new water service lines and new meters.



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

Total business-type expenses increased by \$133 (1.6%) of which Water Fund depreciation expense increased by \$128. Much of this is the result of the water plant expansion project that was placed into service in 2005 (2006 was the first full year of depreciation for this with a ½ year of depreciation in the first year of service). Sewer Fund depreciation also increased \$24, reflective of the capital investing that has occurred in this area. Interest expense decreased \$76 which is consistent with the Village's lower debt levels.

All other business-type operating expenses increased \$57 over 2005. This is in line with personnel expense growth as well as expectations of lower operating expenses relative to the decreased volume of water sales.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Table 3: General Fund Budgetary Highlights - I

	Original and Final <u>Budget</u>	Actual GAAP <u>Basis</u>
Revenues	\$ 25,782	\$ 25,627
Expenditures	27,177	25,303
Excess (Deficiency) of Revenues over Expenditures	(1,395)	324
Other Financing Sources (Uses):		
Transfers in	900	900
Transfers out	(150)	(534)
Net Changes in Fund Balance	<u>\$ (645)</u>	<u>\$ 690</u>

General Fund revenues were \$155 (.6%) less than the 2006 budget. This is considered a small variance and is attributed to the net of (1) Sales taxes at \$246 more than budget; (2) income taxes at \$199 greater than budget; (3) interest earnings at \$180 more than budget; (4) service charges at \$131 over budget; (5) real estate transfer taxes at \$435 below budget; (6) utility taxes at \$187 below budget; and (7) grant revenue at \$269 below budget.

Following two years of zero growth in the retail sales tax, the 2006 budget did not call for an increase in this area. Thus, the aforementioned 4.4% actual growth from 2005 revenues produced this large variance. While this is a positive economic sign, future projections will still need to consider that retail sales in 2006 are still less than in 2000. As previously noted, the State's distributions of income tax have increased due to the State's improved collection efforts.

The budget variance in interest earnings is due to short term interest rates nearly doubling in 2006 from the time when the budget was adopted. Of the \$131 budget variance in service charges, \$78 is related to expense reimbursements that had not been presented as revenues in prior years (they were netted against the related expenses). These items had zero budgets in 2006. Most of the remaining variance is from ambulance transport fees which were \$48 over budget. This was under-budgeted due to the lag time in collections related to a new fee structure that was implemented in 2005.

The negative variance in the real estate transfer tax has two components. The 2006 budget included \$180 in one-time transfer tax revenue from the initial sales of the new condominium units at the Mallinckrodt development. Construction delays resulted in no sales closings in 2006,

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

so this revenue will be re-budgeted for 2007. The \$255 remaining negative variance in this revenue is related to the 12% decrease from 2005 that was previously noted.

The \$187 negative variance in utility taxes is the result of the substantial decrease in telecommunications tax that was commented on with the statement of activities. The \$269 negative variance in grant revenues relates to grants that were not awarded. In these instances there is generally a positive variance on the related expense budget.

The 2006 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 the appropriation. 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 2006 budget broken down by category of expense.

Table 4: General Fund Budgetary Highlights - II

	Original and Final Budget	Actual Budgetary Basis	Variance from Original and Final Budget to Actual
Personnel	\$ 18,548	\$ 18,062	\$ 486
Refuse	2,054	2,016	38
Other Recurring	4,287	4,013	273
Sidewalk, Alley & Curb Maintenance	510	490	20
Capital Outlay	518	406	112
Contingency	500	5	495
Other Nonrecurring	596	195	401
Transfers	150	534	(384)
Debt Service	9	114	(105)
	<u>\$ 27,171</u>	<u>\$ 25,837</u>	<u>\$ 1,334</u>

The budget savings for personnel expenditures (at a spending level of 97.4% of budget) is somewhat better than was expected in the budgeted cash flows due to higher employee turnover than had been experienced in previous years. The savings in the Village's refuse collection and disposal reflects a greater community commitment to recycling and composting which results in savings for disposal.

Approximately \$100 of the budget savings in the "other recurring" category is from the internal service expense allocation from the Municipal Garage Fund. This is mainly from fuel cost savings as gas prices did not increase to the extent that was expected when this budget was set. The Public Works Department also had budget savings in this category from a number of their

contractual services for maintaining the public right-of-way, holiday light decorations and in the fall leaf pick-up and disposal program. In these instances, the competitive bid process produced lower than anticipated costs of about \$66. Due to a milder winter, purchases of street salt were below budget by about \$21.

In other departments, the Fire & Police Commission was \$40 below budget in the professional services account (where testing and evaluations of police and fire employee candidates are expensed). While employee turnover was somewhat higher than anticipated in 2006, much of the expense of replacing these employees will not occur until 2007. The last item of note in this category was a \$45 savings in general liability and property damage insurance expense. This is attributed to the Village's safety program to reduce claims.

The budget savings in the Village's annual sidewalk, alley and curb maintenance programs was the result of a deferral in the street crack sealing program to 2007 while the savings in the capital outlay category is attributed to an ambulance replacement that was also deferred to 2007. The \$495 budget savings for the contingency category is as expected since this is never included in the budgeted cash flow projections.

The savings in other non-recurring expenses consisted primarily of the net of four large items. A \$216 savings occurred when the grant to finance the purchase of new SCBA equipment in the Fire Department was not awarded. This purchase has been deferred to 2007. Contractual plan reviews and inspections for business development along Greenbay Road did not occur resulting in savings of \$110. Non-budgeted business development consulting studies and promotional expenses resulted in a negative variance of \$59. Police grant expenses were also \$159 below budget due to certain grants not being awarded. All of these have corresponding budget variances in the non-recurring revenue category.

The variance noted for transfers resulted from the revenues exceeding budget noted above. The General Fund transferred \$400 to the Capital Projects Fund that was not originally budgeted. This is consistent with the Village's budget policies that provide for such transfers in order to reduce the need for future debt issuance. The variance noted for debt service is related to principal repayments made by the Wilmette Historical Society (described below) that are not budgeted.

CAPITAL ASSETS

The Village's capital assets for its Government and Business-Type Activities at December 31, 2006 total \$113,386. This includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a net increase of \$3,242 (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 52-55.

The Governmental Activities net capital assets increased from last year by \$2,177. This is primarily the result of expenditures for street improvements and building improvements from the 2002 general obligation bond issue. Business-Type Activities net capital assets increased by \$1,065. This is mostly from water and sewer main improvements that are taking place in

conjunction with the aforementioned street improvements and are being financed from the 2002 and 2004 bond issues.

DEBT OUTSTANDING

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

Table 5: Bonded and Similar Indebtedness

	Outstanding at December 31, 2005	Issued In 2006	Retired in 2006	Outstanding at December 31, 2006
General Obligation Bonds	59,620	-	(1,685)	57,935
E.P.A. Loans	18,267	398	(1,693)	16,972
Installment Contracts	467	-	(113)	354
Totals	78,354	398	(3,491)	75,261
Governmental Activities	32,912	-	(1,168)	31,744
Business-Type Activities	45,442	398	(2,323)	43,517
Totals	78,354	398	(3,491)	75,261

The \$398 in new debt in 2006 is related to a new loan from the EPA for sewer improvements being made in conjunction with the Village's street resurfacing program. At some point in 2007, the available unspent bond proceeds in the Capital Projects Fund and in the Sewer Fund will be depleted. At this time the Village is considering a \$12.5 million bond issue in 2007 to complete the enhanced road improvement program, to continue making sewer improvements in conjunction with the road improvements and to update the Public Works and Police facilities. At that time the Village will review its outstanding debt for refinancing opportunities. The general obligation bond and EPA Loan principal retired in 2006 was per the required amortization schedules for this debt.

In 2004, the Village arranged an installment contract (line of credit) to assist the Wilmette Historical Society in building an addition to the Village's Museum. The Society financed 100% of the cost of this project through their own donations and an Illinois State Grant. The installment contract was put in place to provide the Society with adequate cash flow through the construction. This building addition was completed and placed into service in 2005 at a final cost of \$996. The Society is paying for all debt service on this loan and in 2006 the Society repaid \$100 in principal, leaving a balance on this debt of \$176.

The only activity for the remaining installment contracts were the scheduled repayments throughout the year.

The Village, under its home rule authority, does not have a legal debt limit. With the 2004 Series Bond Issue, the Village's Aaa bond rating was reaffirmed by Moody's Investors Service citing the Village's well-managed financial operations, moderate debt burden and high property values. With the proposed 2007 bond issue, the Village will be rated again and it is anticipated that the Aaa rating will continue.

Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 57-69.

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 improved in 2006 for the second straight year and, because of this, there appears to be a more optimistic outlook toward the future. The Village has seen substantial growth in state-shared income taxes and it is projected that this will continue at a 5% growth rate in 2007 as well. With sales tax growing 4.4% in 2006 along with the potential redevelopment of properties along Green Bay Road there is an improved outlook on the local retail economy. It is expected that fees and taxes will be increased in line with expenditure growth in keeping with the Village's policies for indexing its revenues.

The closing of a Ford dealership in January 2005 and the vacating of the property occupied by the Kohl's Children's Museum have left a void along the Green Bay Road corridor. However, a mixed-use planned unit development has been approved for the redevelopment of the Ford site and a commercial development has been approved for the Kohl Museum site. Construction on both of these properties should begin in 2007 and be completed in 2008. The Village believes that both of these redevelopments will enhance retail activity in Wilmette and substantially increase the property tax base.

The increasing cost 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 lagging investment performance in recent years) are expected to be have the greatest impact on the Village's operating expenses in the near future.

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.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Net Assets
December 31, 2006**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Net Assets
December 31, 2006**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 5,289,731	3,170,024	8,459,755
Receivables - Net	13,174,147	1,452,517	14,626,664
Due from Other Governments	1,526,451	-	1,526,451
Internal Balances	1,300,915	(1,300,915)	-
Inventories/Prepays	87,305	64,248	151,553
Deposits	617,494	-	617,494
Restricted Assets - Cash and Investments	2,592,538	6,202,459	8,794,997
Total Current Assets	24,588,581	9,588,333	34,176,914
Noncurrent Assets			
Capital Assets			
Land	5,656,099	2,334,094	7,990,193
Depreciable Capital Assets	50,928,345	95,303,144	146,231,489
Depreciation	(18,063,897)	(22,771,470)	(40,835,367)
	38,520,547	74,865,768	113,386,315
Other Assets			
Long-term Note Receivable	320,565	-	320,565
Net Pension Asset	403,627	-	403,627
	724,192	-	724,192
Total Noncurrent Assets	39,244,739	74,865,768	114,110,507
Total Assets	63,833,320	84,454,101	148,287,421

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,289,401	1,209,391	2,498,792
Accrued Wages and Benefits	507,890	95,810	603,700
Accrued Interest Payable	112,382	167,534	279,916
Deposits Payable	663,133	1,845	664,978
Unearned Revenues	12,149,549	-	12,149,549
Compensated Absences Payable	573,262	27,260	600,522
Current Portion Long-Term Debt	1,180,000	2,474,681	3,654,681
Total Current Liabilities	16,475,617	3,976,521	20,452,138
Noncurrent Liabilities			
Compensated Absences Payable	2,293,049	109,040	2,402,089
Notes Payable	354,336	-	354,336
EPA Loans Payable	-	15,222,445	15,222,445
General Obligation Bonds Payable - Net	30,018,213	25,691,190	55,709,403
Total Noncurrent Liabilities	32,665,598	41,022,675	73,688,273
Total Liabilities	49,141,215	44,999,196	94,140,411
NET ASSETS			
Invested in Capital Assets -			
Net of Related Debt	8,929,074	36,849,485	45,778,559
Restricted			
Highways and Streets	431,201	-	431,201
Unrestricted	5,331,830	2,605,420	7,937,250
Total Net Assets	14,692,105	39,454,905	54,147,010

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Activities
Year Ended December 31, 2006

	Expenses	Program Revenues	
		Charges for Services	Operating Grants/ Contributions
Governmental Activities			
General Government	\$ 3,466,888	265,168	-
Public Safety	13,727,439	1,572,175	71,172
Streets and Sanitation	7,445,005	1,649,677	795,916
Other Public Works	1,687,224	63,356	83,432
Community Development	1,137,139	1,569,484	49,000
Public Health	193,970	39,010	-
Interest on Long-Term Debt	1,404,556	-	-
Total Governmental Activities	29,062,221	5,158,870	999,520
Business-Type Activities			
Water	5,770,344	5,757,608	21,550
Sewer	2,444,549	3,406,059	-
Parking	421,842	305,994	-
Total Business-Type Activities	8,636,735	9,469,661	21,550
	37,698,956	14,628,531	1,021,070

General Revenues
Taxes
Property Taxes
Sales Taxes
State Income Taxes
Utility Taxes
Real Estate Transfer
Other Taxes
Investment Earnings
Miscellaneous
Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(3,201,720)	-	(3,201,720)
(12,084,092)	-	(12,084,092)
(4,999,412)	-	(4,999,412)
(1,540,436)	-	(1,540,436)
481,345	-	481,345
(154,960)	-	(154,960)
(1,404,556)	-	(1,404,556)
(22,903,831)	-	(22,903,831)
-	8,814	8,814
-	961,510	961,510
-	(115,848)	(115,848)
-	854,476	854,476
(22,903,831)	854,476	(22,049,355)
10,843,388	-	10,843,388
4,113,029	-	4,113,029
2,263,978	-	2,263,978
2,647,823	-	2,647,823
1,326,561	-	1,326,561
666,020	-	666,020
686,719	549,745	1,236,464
617,410	-	617,410
765,585	(765,585)	-
23,930,513	(215,840)	23,714,673
1,026,682	638,636	1,665,318
13,665,423	38,816,269	52,481,692
14,692,105	39,454,905	54,147,010

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

VILLAGE OF WILMETTE, ILLINOIS

**Balance Sheet - Governmental Funds
December 31, 2006**

	General	Debt Service	2002 General Obligation Bond	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 4,496,129	7,401	-	363,951	4,867,481
Receivables - Net of Allowances				-	
Property Taxes	9,351,648	2,568,203	-	-	11,919,851
Other Taxes	153,235	-	-	-	153,235
Accounts	1,001,835	-	82,547	-	1,084,382
Due from Other Governments	1,459,201	-	-	67,250	1,526,451
Due from Other Funds	1,315,342	-	-	-	1,315,342
Prepays	87,305	-	-	-	87,305
Deposits	617,494	-	-	-	617,494
Restricted Assets - Cash and Investments	119,199	-	2,473,339	-	2,592,538
Long-Term Note Receivable	320,565	-	-	-	320,565
Total Assets	18,921,953	2,575,604	2,555,886	431,201	24,484,644
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	583,137	300	678,195	-	1,261,632
Accrued Wages and Benefits	507,890	-	-	-	507,890
Deposits Payable	663,133	-	-	-	663,133
Deferred Revenue	10,158,490	2,546,938	61,615	-	12,767,043
Total Liabilities	11,912,650	2,547,238	739,810	-	15,199,698
Fund Balances					
Reserved - Note Receivable	320,565	-	-	-	320,565
Reserved - Prepays	87,305	-	-	-	87,305
Reserved - Encumbrances	198,872	-	-	-	198,872
Reserved - Cable TV	11,154	-	-	-	11,154
Reserved - Debt Service	-	28,366	-	-	28,366
Unreserved - Nonmajor Special Revenue	-	-	-	431,201	431,201
Unreserved	6,391,407	-	1,816,076	-	8,207,483
Total Fund Balances	7,009,303	28,366	1,816,076	431,201	9,284,946
Total Liabilities and Fund Balances	18,921,953	2,575,604	2,555,886	431,201	24,484,644

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

VILLAGE OF WILMETTE, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Assets - Governmental Activities**

December 31, 2006

Total Governmental Fund Balances	\$ 9,284,946
 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 funds.	38,520,547
Certain revenues that are deferred in the governmental funds are available revenues in the statement of net assets.	617,494
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	403,627
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	(1,552,178)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Current Portion - General Obligation Bonds Payable	(1,180,000)
Compensated Absences Payable	(917,400)
General Obligation Bonds Payable - Net	(30,018,213)
Notes Payable	(354,336)
Accrued Interest Payable	(112,382)
 Net Assets of Governmental Activities	 <u>14,692,105</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2006

	General	Debt Service	2002 General Obligation Bond	Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes	\$ 19,427,126	2,433,673	-	-	21,860,799
Licenses, Permits and Fees	2,678,714	-	-	-	2,678,714
Intergovernmental	120,172	-	83,432	795,916	999,520
Charges for Services	2,168,121	-	-	-	2,168,121
Fines and Forfeitures	312,035	-	-	-	312,035
Investment Earnings	303,603	-	196,383	38,015	538,001
Miscellaneous	617,410	-	-	-	617,410
Total Revenues	25,627,181	2,433,673	279,815	833,931	29,174,600
Expenditures					
Current					
General Government	3,073,424	-	-	-	3,073,424
Public Safety	13,859,888	-	-	-	13,859,888
Streets and Sanitation	5,237,550	-	-	-	5,237,550
Other Public Works	1,687,224	-	-	-	1,687,224
Public Health	193,970	-	-	-	193,970
Community Development	1,137,139	-	-	-	1,137,139
Capital Outlay	-	-	3,385,439	1,083,157	4,468,596
Debt Service					
Principal Retirement	112,764	1,055,000	-	-	1,167,764
Interest and Fiscal Charges	1,288	1,384,860	-	-	1,386,148
Total Expenditures	25,303,247	2,439,860	3,385,439	1,083,157	32,211,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	323,934	(6,187)	(3,105,624)	(249,226)	(3,037,103)
Other Financing Sources (Uses)					
Transfers In	900,563	1,466	400,000	-	1,302,029
Transfers Out	(534,415)	-	-	(2,029)	(536,444)
	366,148	1,466	400,000	(2,029)	765,585
Net Change in Fund Balances	690,082	(4,721)	(2,705,624)	(251,255)	(2,271,518)
Fund Balances - Beginning	6,319,221	33,087	4,521,700	682,456	11,556,464
Fund Balances - Ending	7,009,303	28,366	1,816,076	431,201	9,284,946

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

VILLAGE OF WILMETTE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

Year Ended December 31, 2006

Net Change in Fund Balances - Total Governmental Funds	\$ (2,271,518)
 Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	4,748,491
Depreciation Expense	(2,571,279)
Certain revenues are not available in the governmental funds but are reported as revenues in the Statement of Activities.	131,618
An increase in a net pension asset is not considered to be an increase in a financial asset in the governmental funds.	8,459
Internal service funds are used by the Village to charge the costs of insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	(136,845)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Additions to Compensated Absences Payable	(31,600)
Retirement of Debt	1,167,764
Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	<u>(18,408)</u>
Changes in Net Assets of Governmental Activities	<u><u>1,026,682</u></u>

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Net Assets - Proprietary Funds
December 31, 2006

	Business-Type Activities			Totals	Governmental Activities Internal Service
	Water	Sewer	Nonmajor Parking Meter		
ASSETS					
Current Assets					
Cash and Investments	\$ 1,930,852	729,906	509,266	3,170,024	422,250
Receivables - Net of Allowances					
Accounts	732,779	719,738	-	1,452,517	13,789
Inventory	62,784	-	-	62,784	-
Prepays	1,464	-	-	1,464	-
Restricted Assets					
Cash and Investments	5,438,776	763,683	-	6,202,459	-
	<u>8,166,655</u>	<u>2,213,327</u>	<u>509,266</u>	<u>10,889,248</u>	<u>436,039</u>
Capital Assets					
Nondepreciable Capital Assets	1,581,384	93,606	659,104	2,334,094	-
Depreciable Capital Assets	41,430,461	48,921,507	4,951,176	95,303,144	-
Depreciation	(12,253,178)	(9,570,946)	(947,346)	(22,771,470)	-
	<u>30,758,667</u>	<u>39,444,167</u>	<u>4,662,934</u>	<u>74,865,768</u>	<u>-</u>
Total Assets	<u>38,925,322</u>	<u>41,657,494</u>	<u>5,172,200</u>	<u>85,755,016</u>	<u>436,039</u>

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

	Business-Type Activities			Totals	Governmental
	Water	Sewer	Nonmajor Parking Meter		Internal Service
LIABILITIES					
Current Liabilities					
Accounts Payable	778,062	421,903	9,426	1,209,391	27,769
Accrued Wages and Benefits	77,457	14,828	3,525	95,810	-
Accrued Interest Payable	81,775	84,807	952	167,534	-
Due to Other Funds	1,300,915	-	-	1,300,915	11,537
Deposits Payable	1,845	-	-	1,845	-
Compensated Absences Payable	23,760	3,500	-	27,260	-
EPA Loans Payable	-	1,749,681	-	1,749,681	-
General Obligation Bonds Payable	555,000	50,000	120,000	725,000	-
	<u>2,818,814</u>	<u>2,324,719</u>	<u>133,903</u>	<u>5,277,436</u>	<u>39,306</u>
Noncurrent Liabilities					
Compensated Absences Payable	95,040	14,000	-	109,040	1,948,911
EPA Loans Payable	-	15,222,445	-	15,222,445	-
General Obligation Bonds Payable	20,765,000	4,620,000	435,000	25,820,000	-
Unamortized Loss on Refunding	(125,510)	-	(3,300)	(128,810)	-
	<u>20,734,530</u>	<u>19,856,445</u>	<u>431,700</u>	<u>41,022,675</u>	<u>1,948,911</u>
Total Liabilities	<u>23,553,344</u>	<u>22,181,164</u>	<u>565,603</u>	<u>46,300,111</u>	<u>1,988,217</u>
NET ASSETS					
Invested in Capital Assets - Net of Related Debt					
Unrestricted	14,442,516	18,295,735	4,111,234	36,849,485	-
	<u>929,462</u>	<u>1,180,595</u>	<u>495,363</u>	<u>2,605,420</u>	<u>(1,552,178)</u>
Total Net Assets	<u>15,371,978</u>	<u>19,476,330</u>	<u>4,606,597</u>	<u>39,454,905</u>	<u>(1,552,178)</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds
Year Ended December 31, 2006

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service
	Water	Sewer	Nonmajor Parking Meter	Totals	
Operating Revenues					
Charges for Services	\$ 5,757,608	3,406,059	305,994	9,469,661	-
Interfund Services	-	-	-	-	5,039,048
Total Operating Revenues	5,757,608	3,406,059	305,994	9,469,661	5,039,048
Operating Expenses					
Administration	650,813	-	-	650,813	12,852
Operations	3,154,570	968,387	277,368	4,400,325	5,180,141
Depreciation	953,732	704,416	123,562	1,781,710	-
Total Operating Expenses	4,759,115	1,672,803	400,930	6,832,848	5,192,993
Operating Income (Loss)	998,493	1,733,256	(94,936)	2,636,813	(153,945)
Nonoperating Revenues (Expenses)					
Investment Earnings	489,827	59,918	-	549,745	17,100
Interest Expense	(1,001,561)	(771,746)	(20,087)	(1,793,394)	-
Amortization of Bond Discount	(9,668)	-	(825)	(10,493)	-
	(521,402)	(711,828)	(20,912)	(1,254,142)	17,100
Income (Loss) Before Contributions and Transfers	477,091	1,021,428	(115,848)	1,382,671	(136,845)
Contributions	21,550	-	-	21,550	-
Transfers In	-	-	134,415	134,415	-
Transfers Out	(900,000)	-	-	(900,000)	-
Change in Net Assets	(401,359)	1,021,428	18,567	638,636	(136,845)
Net Assets - Beginning	15,773,337	18,454,902	4,588,030	38,816,269	(1,415,333)
Net Assets - Ending	15,371,978	19,476,330	4,606,597	39,454,905	(1,552,178)

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2006**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2006

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 5,710,118
Receipts from Interfund Services	-
Payments to Employees	(1,787,780)
Payments to Suppliers	<u>(1,698,749)</u>
	<u>2,223,589</u>
Cash Flows from Non-Capital Financing Activities	
Transfers In	-
Transfers Out	(900,000)
Change in Interfund Activity	<u>1,300,915</u>
	<u>400,915</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(1,290,430)
Principal Paid on General Obligation Bonds	(470,000)
Interest Paid on General Obligation Bonds	<u>(1,001,561)</u>
	<u>(2,761,991)</u>
Cash Flows from Investing Activities	
Interest Received	<u>489,827</u>
Net Change in Cash and Cash Equivalents	352,340
Cash and Cash Equivalents - Beginning	<u>7,017,288</u>
Cash and Cash Equivalents - Ending	<u><u>7,369,628</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.	
Operating Income (Loss)	<u>998,493</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	953,732
(Increase) Decrease in Current Assets	(47,490)
Increase (Decrease) in Current Liabilities	<u>318,854</u>
Net Cash Provided by Operating Activities	<u><u>2,223,589</u></u>

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

Business-Type Activities - Enterprise Funds			Governmental
	Nonmajor		Activities
Sewer	Parking Meter	Totals	Internal Service
3,471,014	305,994	9,487,126	-
-	-	-	5,025,594
(372,618)	(95,313)	(2,255,711)	(593,067)
(191,408)	(188,781)	(2,078,938)	(4,354,401)
2,906,988	21,900	5,152,477	78,126
-	134,415	134,415	-
-	-	(900,000)	11,537
(591,495)	-	709,420	-
(591,495)	134,415	(56,165)	11,537
(1,534,819)	-	(2,825,249)	-
(1,340,144)	(115,000)	(1,925,144)	-
(771,746)	(20,087)	(1,793,394)	-
(3,646,709)	(135,087)	(6,543,787)	-
59,918	-	549,745	17,100
(1,271,298)	21,228	(897,730)	106,763
2,764,887	488,038	10,270,213	315,487
1,493,589	509,266	9,372,483	422,250
1,733,256	(94,936)	2,636,813	(153,945)
704,416	123,562	1,781,710	-
64,955	-	17,465	(13,454)
404,361	(6,726)	716,489	245,525
2,906,988	21,900	5,152,477	78,126

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Net Assets - Fiduciary Funds
December 31, 2006**

	Pension Trust	Agency
Assets		
Cash and Cash Equivalents	\$ 2,904,806	506,408
Investments		
U.S. Government and Agency Securities	15,301,692	-
Mutual Funds	36,439,514	-
Receivables		
Accrued Interest	227,169	-
Total Assets	<u>54,873,181</u>	<u>506,408</u>
Liabilities		
Accounts Payable	16,909	-
Due to Other Funds	2,890	-
Deposits Payable	-	506,408
Total Liabilities	<u>19,799</u>	<u>506,408</u>
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial schedules.)	<u>54,853,382</u>	<u>-</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Changes in Net Assets - Fiduciary Funds
Year Ended December 31, 2006

	Pension Trust
Additions	
Contributions - Employer	\$ 1,978,000
Contributions - Plan Members	663,087
Total Contributions	<u>2,641,087</u>
Investment Income	
Investment Earnings	3,184,618
Net Change in Fair Value	1,742,773
	<u>4,927,391</u>
Less Investment Expenses	81,861
	<u>4,845,530</u>
Total Additions	<u>7,486,617</u>
Deductions	
Administration	19,211
Benefits and Refunds	3,413,793
Total Deductions	<u>3,433,004</u>
Change in Net Assets	4,053,613
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>50,799,769</u>
Ending	<u>54,853,382</u>

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

PAGE

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity.....	36
Blended Component Units	36 - 37
Basis of Presentation	
Government-Wide Statements	37 - 38
Fund Financial Statements	38 - 39
Governmental Funds.....	39
General Fund	39
Special Revenue Funds	39
Debt Service Funds	39
Capital Projects Funds	40
Proprietary Funds.....	40
Enterprise Funds.....	40
Internal Service Funds.....	40
Fiduciary Funds	40
Pension Trust Funds.....	41
Agency Funds.....	41
Measurement Focus and Basis of Accounting.....	41
Measurement Focus.....	41 - 42
Basis of Accounting	42 - 43
Assets, Liabilities, and Net Assets or Equity	
Cash and Investments.....	43
Receivables	43
Inventories	43
Restricted Assets	43
Interfund Receivables, Payables and Activity.....	44
Prepays	44
Capital Assets.....	44 - 45
Compensated Absences.....	45
Long-Term Obligations	45
Unearned/Deferred Revenue	45
Fund Equity	46

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information.....	46
Excess of Actual Expenditures/Expenses over Budget in Individual Funds.....	47
Deficit Fund Equity	47

NOTE 3 – DETAIL NOTES ON ALL FUNDS

Deposits and Investments	47 - 48
Village Credit Risk, Custodial Credit Risk, and Concentration Risk	48 - 49
Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk	50
Firefighters' Pension Fund Credit Risk, Custodial Credit Risk, and Concentration Risk	51

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

PAGE

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

Property Taxes	52
Capital Assets	
Governmental Activities	52 - 53
Business-Type Activities.....	54 - 55
Interfund Receivables, Payables and Transfers	
Interfund Balances.....	55
Interfund Transfers.....	56
Long-Term Debt	
General Obligation Bonds	56 - 58
IEPA Revenue Bonds	58 - 59
Installment Contracts/Notes Payable	59 - 60
Long-Term Liability Activity	61
Debt Service Requirements to Maturity	62 - 64
Legal Debt Margin	64
Advance Refunding	64
General Obligation Bonds of 1999	64 - 65
General Obligation Bonds of 2004	66 - 67

NOTE 4 – OTHER INFORMATION

Risk Management	68 - 69
Post-Employment Benefits	69 - 70
Medical Savings Plan.....	70 - 71
Contingent Liabilities	
Litigation.....	71
Grants.....	71
Employee Retirement System – Defined Benefit Pension Plans.....	71
Plan Descriptions, Provisions and Funding Policies	
Illinois Municipal Retirement System.....	72
Police Pension Plan	72 - 73
Firefighters’ Pension Plan	73 - 74
Summary of Significant Accounting Policies and Plan Asset Matters	
Basis of Accounting	74
Method Used to Value Investments	74
Significant Investments	75
Related Party Transactions.....	75
Annual Pension Cost and Net Pension Obligation	75 - 76
Trend Information.....	77

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Wilmette, Illinois (Village) was incorporated in 1872. The Village is a municipal corporation governed by an elected mayor and six-member Board of Trustees. The Village's major operations include police and fire protection, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water, sewer and parking meter services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Wilmette
Blended Component Unit:	Police Pension Employees Retirement System Firefighters' Pension Employee Retirement System

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

Blended Component Units - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Council or the Component unit provided services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

Blended Component Units

Police Pension Employees Retirement System

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Blended Component Units – Continued

Police Pension Employees Retirement System – Continued

The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PERS is reported as a pension trust fund.

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police and safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage and parking activities are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, community development, public safety, public works, etc). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, community development, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property, sales and use taxes, certain intergovernmental revenues, permits and charges for services, etc).

The Village allocates indirect costs to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid for through the General Fund.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses.

Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund.

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains two nonmajor special revenue funds, the Motor Fuel Tax Fund and the War Memorial Fund. The Motor Fuel Tax Fund accounts for the revenues and expenditures for the operation and maintenance of street and storm water programs and capital projects authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of State gasoline taxes. The War Memorial Fund accounts for donations collected to fund construction and maintenance of a war memorial.

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one major debt service fund, which accounts for the accumulation of monies for the payment of the following bond issues: \$4,050,000 of Series 1999 General Obligation Improvements, \$2,000,000 of Series 2000 General Obligation Improvements, \$3,000,000 of Series 2001 General Obligation Improvements, \$23,400,000 of Series 2002 General Obligation Improvements, \$9,300,000 of Series 2004 General Obligation Refunding. In addition, this fund accounts for \$100,000 of Series 1988 Central Business District Improvements.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the 2002 General Obligation Bond Fund, which is used to account for capital improvements funded by the General Obligation Bond Series 2002.

Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major proprietary funds, the Water Fund and the Sewer Fund, which accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections. The Village also maintains one nonmajor enterprise fund, the Parking Meter Fund, which accounts for all activity necessary for provision of parking in the Village, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

Internal Service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the District on a cost-reimbursement basis. The Village maintains four internal service funds, the Municipal Garage Fund, the Employee Insurance Fund, the Workers' Compensation Fund, the Illinois Municipal Retirement Fund, and the Sick Leave Fund.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity by the Village for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds – Continued

Pension Trust Funds are used to account for assets held in a trustee capacity by the Village for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

Agency Funds are used to account for assets held by the Village in a purely custodial capacity. The Village maintains one agency fund, the Fire Insurance Tax Fund, which is used to account for foreign fire insurance tax receipts held on behalf of retiring Village firefighters to be applied to their retiree health insurance premiums.

The Village's fiduciary fund is presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, this fund is not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary, pension trust and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Village’s enterprise funds are charges to customers for sales and services.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, income taxes, utility taxes and grants. Business-type activities report utility charges as their major receivables.

Inventories

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

Restricted Assets

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays

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

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets, storm sewers and bridges are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs. Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings	75 Years
Improvements Other Than Buildings	20 Years
Water System	20 – 100 Years
Sewer System	25 – 75 Years
Parking Improvements	10 – 40 Years
Machinery, Equipment and Vehicles	3 – 20 Years

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets – Continued

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the 2004 fiscal year. Infrastructure assets include roads, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period; the Village elected to implement retroactive infrastructure reporting during the 2004 fiscal year.

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as 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 debt service expenditures.

Unearned/Deferred Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

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.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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 and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

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 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.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had excess of actual expenditures/expenses over budget, exclusive of depreciation, at year end:

<u>Fund</u>	<u>Deficit</u>
Motor Fuel Tax	\$ 313,157
Section 105 Sick Leave	233,945

DEFICIT FUND EQUITY

At year-end the Section 105 Sick Leave Fund had deficit fund equity of 1,552,178.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county,

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

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

Village Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Village's deposits for governmental and business-type activities totaled \$17,249,595 and the bank balances totaled \$18,807,500.

Investments. At year-end, the Village has the following investments and maturities:

Investment Type	Fair Value	Remaining Maturities - in Years		
		Less Than 1	1-5	6-10
Illinois Funds	\$ 5,157	5,157	-	-

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

The Village's investment policy states the "portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated".

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Village Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City helps limit its exposure to credit risk by investing in securities issued by agencies of the United States Government that are implicitly guaranteed by the United States Government. The Village's investment policy limits authorized investments to the following:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities which are guaranteed by the full faith and credit of the United States of America.
- Interest bearing savings accounts, interest bearing certificates of deposit or interest bearing time deposits, or any investment constituting direct obligations of any institution as authorized by the Village Board
- Illinois Public Treasurer's Investment Pool
- Illinois Metropolitan Investment Fund

The Village's investment policy also prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as possible income to be derived. At December 31, 2006, the Village's investments in the Illinois Funds are triple A rated by Standard & Poor's.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. At December 31, 2006, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Village's investment policy further limits the custodial credit risk for deposits as follows: The Village requires that its primary depository pledge collateral for all deposits in excess of \$100,000. This collateral is to be held by the Village or by a third party in the Village's name and may not be released or modified without Village approval. The value of the collateral shall be determined by the Village or by the third party custodian. The necessary amount (ranging from 102% to 115% of excess FDIC insured deposits) of collateral is determined under the Village's custodial agreement with its depository bank.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2006, the U.S. Government Securities are categorized as insured, registered, or held by the Village or its agent in the Village's name.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's policy states "the Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. At December 31, 2006, the Village has no investment in any single issuer over 5% of total cash and investments.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Deposits. At year-end the carrying amount of the Police Pension Fund's deposits totaled \$1,160,203 and the bank balances totaled \$1,160,194.

Investments. At year-end the Police Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Remaining Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 5,056,213	395,414	2,022,404	1,410,434	1,227,961
U.S Agency Obligations	2,637,364	-	2,436,018	127,015	74,331
Mutual Funds	18,069,377	18,069,377	-	-	-
Total	25,762,954	18,464,791	4,458,422	1,537,449	1,302,292

Interest Rate Risk. The Fund's investment policy limits exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The investment policy does not limit the maximum maturity length of investments.

Credit Risk. The Fund's investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in securities of the U.S. treasuries and agencies were all rated triple A by Standard & Poor's and by Moody's Investors Services. The Fund's investment in mutual funds were also triple A rated by Standard & Poor's.

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2006, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. The Fund's investment policy does not limit custodial credit risk for investments. At December 31, 2006, the U.S. Government Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Concentration of Credit Risk. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2006, the Police Pension Fund has over 5% of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard (\$16,527,952) and the Intermediate US Govt. SL Fund (\$1,541,425).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Deposits. At year-end the carrying amount of the Firefighters' Pension Fund's deposits totaled \$1,744,603 and the bank balances totaled \$2,251,001.

Investments. At year-end the Firefighters' Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Remaining Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 5,056,213	395,414	2,122,623	1,310,215	1,227,961
U.S Agency Obligations	2,551,902	997,596	1,481,090	36,896	36,320
Mutual Funds	18,370,137	18,370,137	-	-	-
Total	25,978,252	19,763,147	3,603,713	1,347,111	1,264,281

Interest Rate Risk. The Fund's investment policy limits exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The investment policy does not limit the maximum maturity length of investments.

Credit Risk. The Fund's investment policy helps limit exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in securities of the U.S. treasuries and securities were all rated triple A by Standard & Poor's and by Moody's Investors Services. The Fund's investment in Mutual Funds were also triple A rated by Standard & Poor's.

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2006, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance.

Custodial Credit Risk – Investments. The Fund's investment policy does not limit custodial credit risk for investments. At December 31, 2006, the U.S. Government Securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

Concentration of Credit Risk. The Fund does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2006, the Firefighters' Pension Fund has over 5% of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard (\$16,828,712) and the Intermediate US Govt. SL Fund (\$1,541,425).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

PROPERTY TAXES

Property taxes for 2006 attach as an enforceable lien on January 1, 2006, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about March 1, 2006, and September 1, 2006. The County collects such taxes and remits them periodically. Since the 2006 levy is intended to finance the 2007 fiscal year, the levy has been recorded as receivable and deferred revenue.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets- Nondepreciable				
Land	\$ 1,570,240	22,138	-	1,592,378
Construction in Progress	3,741,911	321,810	-	4,063,721
	<u>5,312,151</u>	<u>343,948</u>	<u>-</u>	<u>5,656,099</u>
Other Capital Assets				
Buildings	10,397,328	340,243	-	10,737,571
Improvements Other Than Buildings	28,554,775	3,739,711	-	32,294,486
Motor Equipment	5,969,597	303,438	131,445	6,141,590
Office Furniture and Equipment	822,768	21,151	91,366	752,553
Other Equipment	1,002,145	-	-	1,002,145
	<u>46,746,613</u>	<u>4,404,543</u>	<u>222,811</u>	<u>50,928,345</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

	Beginning Balances	Increases	Decreases	Ending Balances
Less Accumulated Depreciation				
Buildings	\$ 2,352,075	431,067	-	2,783,142
Improvements Other Than Buildings	7,669,548	1,480,660	-	9,150,208
Motor Equipment	4,516,328	487,524	-	5,003,852
Office Furniture and Equipment	559,945	103,851	131,445	532,351
Other Equipment	617,533	68,177	91,366	594,344
	<u>15,715,429</u>	<u>2,571,279</u>	<u>222,811</u>	<u>18,063,897</u>
 Total Other Capital Assets	 <u>31,031,184</u>	 <u>1,833,264</u>	 <u>-</u>	 <u>32,864,448</u>
 Total Capital Assets	 <u>36,343,335</u>	 <u>2,177,212</u>	 <u>-</u>	 <u>38,520,547</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 273,941
Streets and Sanitation	1,956,884
Public Safety - Police	196,610
Public Safety - Fire	<u>143,844</u>
	<u>2,571,279</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Capital Assets - Nondepreciable				
Land	\$ 832,453	-	-	832,453
Landscaping	60,232	-	-	60,232
Construction in Progress	523,166	937,743	19,500	1,441,409
	<u>1,415,851</u>	<u>937,743</u>	<u>19,500</u>	<u>2,334,094</u>
Other Capital Assets				
Water System Improvements	22,711,961	132,694	-	22,844,655
Sewer System Improvements	45,149,031	1,290,566	-	46,439,597
Storm Water Pump Stations	2,271,475	52,436	-	2,323,911
Buildings	10,951,168	160,084	-	11,111,252
Machinery, Equipment, and Vehicles	7,374,584	292,776	34,806	7,632,554
Parking Facilities/Improvements	4,951,175	-	-	4,951,175
	<u>93,409,394</u>	<u>1,928,556</u>	<u>34,806</u>	<u>95,303,144</u>
Less Accumulated Depreciation				
Water System Improvements	4,893,690	443,981	-	5,337,671
Sewer System Improvements	8,177,245	653,561	-	8,830,806
Storm Water Pump Stations	689,285	50,855	-	740,140
Buildings	3,079,472	236,535	-	3,316,007
Machinery, Equipment, and Vehicles	3,361,090	273,216	34,806	3,599,500
Parking Facilities/Improvements	823,784	123,562	-	947,346
	<u>21,024,566</u>	<u>1,781,710</u>	<u>34,806</u>	<u>22,771,470</u>
Total Other Capital Assets	<u>72,384,828</u>	<u>146,846</u>	<u>-</u>	<u>72,531,674</u>
Total Capital Assets	<u>73,800,679</u>	<u>1,084,589</u>	<u>19,500</u>	<u>74,865,768</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities – Continued

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

Water	\$ 953,732
Sewer	704,416
Parking Meter	<u>123,562</u>
	<u>1,781,710</u>

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Water	\$ 1,300,915
General	Workers Compensation	11,537
General	Police Pension	1,451
General	Fire Pension	<u>1,439</u>
		<u>1,315,342</u>

The purpose of the interfund receivables/payables is for operating expenditures paid by the General Fund for the Water Fund. Repayment is expected on a monthly basis.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer Out</u>	<u>Transfer In</u>	<u>Amount</u>
General	2002 General Obligation Bond	\$ 400,000
General	Parking Meter	134,415
Nonmajor Governmental	General	563
Nonmajor Governmental	Debt Service	1,466
Water	General	<u>900,000</u>
		<u>1,436,444</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LONG-TERM DEBT

General Obligation Bonds

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$10,000,000 General Obligation Bond Series of 1999, due in annual installments of \$100,000 to \$1,240,000 plus interest at 3.20% to 4.45% through December 1, 2014.	Debt Service	\$ 100,000	-	100,000	-
	Water	5,950,000	-	-	5,950,000
\$8,900,000 General Obligation Refunding Bond Series of 2000, due in annual installments of \$345,000 to \$1,000,000 plus interest at 5.00% to 5.50% through December 1, 2021.	Debt Service	1,900,000	-	75,000	1,825,000
	Water	6,095,000	-	270,000	5,825,000
\$5,000,000 General Obligation Bond Series of 2001, due in annual installments of \$75,000 to \$125,000 plus interest at 4.00% to 5.00% through December 1, 2008.	Debt Service	75,000	-	25,000	50,000
	Water	200,000	-	50,000	150,000
\$30,400,000 General Obligation Bond Series of 2002, due in annual installments of \$125,000 to \$2,700,000 plus interest at 4.00% to 5.00% through December 1, 2023.	Debt Service	21,385,000	-	55,000	21,330,000
	Sewer	1,940,000	-	20,000	1,920,000
	Water	5,000,000	-	50,000	4,950,000

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$17,525,000 General Obligation Bond Series of 2004, due in annual installments of \$530,000 to \$1,645,000 plus interest at 3.00% to 4.00% through December 1, 2020.	Debt Service	\$ 8,985,000	-	800,000	8,185,000
	Sewer	2,775,000	-	25,000	2,750,000
	Water	4,545,000	-	100,000	4,445,000
	Parking Meter	670,000	-	115,000	555,000
		<u>59,620,000</u>	<u>-</u>	<u>1,685,000</u>	<u>57,935,000</u>

IEPA Revenue Bonds

The Village has entered into an agreement with the IEPA to provide low interest financing for Sewerage improvements. As if the date of this report the total amount owed to the IEPA is \$16,972,126 including interest during construction. A financial payment will not be established on the IEPA Revenue Bonds Series of 2006 until construction is complete and final draws on the loan have been made. The final debt will be due semi-annually over a 20 year period plus interest at 2.5 to 4.5 percent. IEPA revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bond Series of 1993, due in annual installments of \$327,951 to \$638,703 plus interest of \$3.58% through December 1, 2013.	Sewer	\$ 4,357,529	-	516,224	3,841,305
IEPA Revenue Bond Series of 1993, due in annual installments of \$335,386 to \$654,240 plus interest of \$3.58% through January 1, 2014.	Sewer	5,006,744	-	518,131	4,488,613

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Revenue Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bond Series of 1996, due in annual installments of \$155,031 to \$303,636 plus interest of 2.815% through December 1, 2016.	Sewer	\$ 2,841,130	-	236,098	2,605,032
IEPA Revenue Bond Series of 1997, due in annual installments of \$422,907 to \$596,423 plus interest of 3.150% through September 8, 2017.	Sewer	6,061,866	-	422,907	5,638,959
IEPA Revenue Bond Series of 2006, due in annual installments plus interest.	Sewer	-	398,217	-	398,217
		<u>18,267,269</u>	<u>398,217</u>	<u>1,693,360</u>	<u>16,972,126</u>

Installment Contracts/Notes Payable

Installment contracts/notes payable currently outstanding are governmental and are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Installment contract through November 2010 plus interest at 3.4%.	General	\$ 41,534	-	7,764	33,770

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Installment Contracts/Notes Payable

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$165,000 Village Manager housing allowance note payable due in June 2007 plus interest at 3.4%.	General	150,000	-	5,000	145,000
Historical Society improvements note due in October 2007 plus interest at 3.25%	General	275,566	-	100,000	175,566
		467,100	-	112,764	354,336

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, 2006, the line of credit outstanding balance is \$175,556.

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 the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS -- Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions and Transfers	Deductions and Transfers	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 2,583,618	565,386	282,693	2,866,311	573,262
General Obligation Bonds	32,445,000	-	1,055,000	31,390,000	1,180,000
Unamortized Loss on Refunding	(213,097)	-	(21,310)	(191,787)	-
Installment Contracts/ Notes Payable	467,100	-	112,764	354,336	-
	<u>35,282,621</u>	<u>565,386</u>	<u>1,429,147</u>	<u>34,418,860</u>	<u>1,753,262</u>
Business-Type Activities					
Compensated Absences	134,500	3,600	1,800	136,300	27,260
General Obligation Bonds	27,175,000	-	630,000	26,545,000	725,000
Unamortized Bond Discount	(139,303)	-	(10,493)	(128,810)	-
EPA Loans	18,267,269	398,217	1,693,360	16,972,126	1,749,681
	<u>45,437,466</u>	<u>401,817</u>	<u>2,314,667</u>	<u>43,524,616</u>	<u>2,501,941</u>

The Debt Service Fund, Water Fund, Sewer Fund, and Parking Meter Funds make payments on the general obligation bonds. Payments on the notes payable are made by the General Fund. The Sewer Fund makes payments on the EPA loans. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$1,948,911 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending December 31	Governmental Activities	
	General Obligation Bonds	
	Principal	Interest
2007	\$ 1,180,000	1,348,582
2008	1,500,000	1,310,908
2009	980,000	1,260,770
2010	1,305,000	1,224,451
2011	2,315,000	1,174,783
2012	2,895,000	1,087,565
2013	3,280,000	973,098
2014	3,120,000	837,403
2015	2,555,000	703,348
2016	2,200,000	586,355
2017	2,310,000	484,055
2018	2,160,000	375,485
2019	2,060,000	272,885
2020	1,760,000	172,975
2021	1,760,000	86,735
2022	10,000	495
Total	<u>31,390,000</u>	<u>11,899,893</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year Ending December 31	Business-Type Activities			
	General Obligation Bonds		IEPA Loans	
	Principal	Interest	Principal	Interest
2007	\$ 725,000	1,273,426	1,749,681	524,982
2008	815,000	1,244,365	1,807,886	466,776
2009	845,000	1,130,601	1,868,039	406,625
2010	1,040,000	1,098,365	1,930,207	344,457
2011	1,020,000	1,059,395	1,994,453	280,210
2012	1,280,000	1,017,485	2,060,851	213,812
2013	1,625,000	962,029	1,795,651	145,190
2014	2,070,000	892,405	1,173,695	92,302
2015	2,135,000	805,539	863,920	61,058
2016	2,325,000	715,677	733,103	34,662
2017	2,430,000	615,339	596,423	14,127
2018	1,925,000	507,509	-	-
2019	2,010,000	414,771	-	-
2020	2,120,000	316,900	-	-
2021	2,240,000	212,090	-	-
2022	1,340,000	96,330	-	-
2023	600,000	30,000	-	-
Total	26,545,000	12,392,226	16,573,909	2,584,201

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin.

“The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property... (2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum... shall not be included in the foregoing percentage amounts.”

To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

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 of 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, with current principal and interest requirements also begin accounted for in the Water Fund.

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 1999 – Continued

The following is a schedule of future requirements for the 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>
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><u>2,285,000</u></u>

The following is a schedule of future requirements for the 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>
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><u>1,670,000</u></u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2004

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

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

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2004 – Continued

The following is a schedule of future requirements for the General Obligation Bond Series of 1999 to be paid from escrow:

Fiscal Year Ending December 31	Interest Rate	Principal
2008	4.15%	\$ 300,000
2009	4.20%	500,000
2010	4.25%	500,000
2011	4.35%	600,000
2012	4.40%	600,000
2013	4.45%	600,000
2014	4.45%	<u>350,000</u>
Total		<u>3,450,000</u>

The following is a schedule of future requirements for the General Obligation Bond Series of 2001 to be paid from escrow:

Fiscal Year Ending December 31	Interest Rate	Principal
2010	4.20%	\$ 400,000
2011	4.25%	6,500,000
2012	4.40%	600,000
2013	4.50%	700,000
2014	4.60%	550,000
2015	4.75%	200,000
2016	4.80%	200,000
2017	4.90%	300,000
2018	4.90%	300,000
2019	5.00%	300,000
2020	5.00%	<u>300,000</u>
Total		<u>10,350,000</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses to employees; and natural disasters. These risks are provided for through participation in the Intergovernmental Risk Management Agency and the North Suburban Employee Benefit Cooperative. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration /litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts about that level. Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors. Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

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. 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, 2006, NSEBC had a total equity of \$183,994. The Village's total payments for the year ended December 31, 2006 were \$1,580,732.

POSTEMPLOYMENT 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, 2006, there was one retiree in this category and the Village's expense totaled \$4,236.
- 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, 2006, there were fourteen retirees in this category and the Village's expense totaled \$17,353.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 4 – OTHER INFORMATION – Continued

POSTEMPLOYMENT BENEFITS - Continued

Post-Employment Health Care Benefits - Continued

- c. Employees retiring after February 1989 who are eligible to receive an immediate pension under the Village's pension plan and have at least fifteen years of pension 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.
- 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 for up to eight years or until the employee becomes age 65, whichever occurs first. For the year ended December 31, 2006, seventeen employees are covered in this category and the Village's expense totaled \$86,426.

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. There were five retiree spouses in this category for the year ended December 31, 2006. Police officers 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. 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.

Medical Savings Plan

Effective January 1, 2003, the Village adopted Medical Savings Plans for all full-time employees. There are separate plans in place for the Police Union employees, the Fire Union employees and the non-represented employees. Participants are automatically enrolled on their retirement date provided they have twenty or more years of continuous service with the Village and have a minimum of 400 hours of accrued, unused sick leave as of the date of retirement. At retirement a portion of the accrued, unused sick leave is converted to a "bank" that the retiree can use toward health insurance premiums and other qualified medical reimbursements.

Modifications to the Police and Fire Union Plans are subject to collective bargaining. The Village may amend or modify the Plan for the non-represented employees at any time. At December 31, 2006 five retirees are receiving benefits under these Plans (one under the Police Union Plan, one under the Fire Union Plan, and three under the Non-represented Plan).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 4 – OTHER INFORMATION – Continued

POSTEMPLOYMENT BENEFITS - Continued

Medical Savings Plan - Continued

The actuarial value of the sick leave liability is recorded in the Village's Section 105 Sick Leave Internal Service Fund and the annual employer contributions (per the actuary) are expensed throughout the Village's operating programs.

As of the inception of these Plans, this is the sole retiree health insurance benefit offered to Village employees.

CONTINGENT LIABILITIES

Litigation

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

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is not issued for the Police Pension Plan and Firefighters' Pension Plan. IMRF also issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The Police and Firefighters' Pension plans also issue separate reports that may be obtained by writing the Village of Wilmette, 1200 Wilmette Avenue, Wilmette, Illinois 60091. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2006

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police plan) 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 state statute.

Employees participating in the IMRF are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2006 was 8.54 percent for IMRF.

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At December 31, 2006 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	2
Current Employees	
Vested	28
Nonvested	<u>17</u>
	<u>84</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan - Continued

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered 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. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% 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 benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

Firefighters' Pension Fund

The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At December 31, 2006 the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	46
Inactive Members	2
Current Employees	
Vested	29
Nonvested	14
	<u>91</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2006

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered 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 monthly salary attached to the rank at the date of retirement.

The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years of credited service may retire at or after age 60 and receive a reduced 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 be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

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 when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2006

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

Significant Investments

There are no investments in any one organization that represent 5 percent or more of net assets available for benefits for the Police Pension Plan. Information for IMRF is not available.

Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

Annual Pension Cost and Net Pension Obligation

There was no net pension obligation for the IMRF plan. The pension liability for the Police Pension Plan and Firefighters' Pension Plan are as follows:

	Police Pension	Firefighters' Pension	Total
Annual Required Contribution	\$ 859,890	1,117,035	1,976,925
Interest on Net Pension Obligation	(15,008)	(14,629)	(29,637)
Adjustment to Annual Required Contribution	11,269	10,984	22,253
Annual Pension Cost	856,151	1,113,390	1,969,541
Actual Contribution	860,000	1,118,000	1,978,000
(Increase) Decrease in the NPA	(3,849)	(4,610)	(8,459)
NPA - Beginning of Year	(200,110)	(195,058)	(395,168)
NPA - End of Year	(203,959)	(199,668)	(403,627)

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village's annual pension cost for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	8.54%	25.91%	35.22%
Employee	4.50%	9.91%	9.46%
Annual Required Contribution	\$663,056	\$859,890	\$1,117,035
Contributions Made	\$663,056	\$860,000	\$1,118,000
Actuarial Valuation Date	12/31/2004	12/31/2005	12/31/2005
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	26	28 Years	28 Years
Asset Valuation Method	5-Year Smoothed Market	3-Year Smoothed Market	3-Year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
Projected Salary Increases	.4 to 11.6%	5.50%	5.50%
Inflation Rate Included	4.00%	4.00%	4.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2006**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2004	\$ 373,520	774,290	818,345
	2005	568,877	785,483	1,075,006
	2006	663,056	856,151	1,113,390
Actual Contributions	2004	373,520	774,300	818,350
	2005	568,877	789,400	1,078,808
	2006	663,056	860,000	1,118,000
Percentage of APC Contributed	2004	100.00%	100.00%	100.00%
	2005	100.00%	100.50%	100.35%
	2006	100.00%	100.45%	100.41%
Net Pension Asset	2004	-	(196,049)	(191,112)
	2005	-	(200,110)	(195,058)
	2006	-	(203,959)	(199,668)

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund

- Budgetary Comparison Schedules – General Fund

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2006

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2001	\$ 19,736,331	\$ 16,242,977	121.51%	\$ (3,493,354)	\$ 5,856,478	(59.65)%
2002	20,586,498	18,457,187	111.54%	(2,129,311)	6,286,492	(33.87)%
2003	20,260,965	19,072,095	106.23%	(1,188,870)	6,520,073	(18.23)%
2004	21,208,124	20,966,987	101.15%	(241,137)	6,878,824	(3.51)%
2005	23,104,301	22,974,424	100.57%	(129,877)	7,312,047	(1.78)%
2006	25,004,056	24,257,794	103.08%	(746,262)	7,764,125	(9.61)%

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress
December 31, 2006**

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2001	\$ 23,363,594	\$ 26,490,419	88.20%	\$ 3,126,825	\$ 2,324,998	134.49%
2002	23,349,649	27,857,561	83.82%	4,507,912	2,550,669	176.73%
2003	23,975,682	30,016,766	79.87%	6,041,084	2,972,254	203.25%
2004	25,256,500	30,875,862	81.80%	5,619,362	3,147,169	178.55%
2005	26,804,907	33,910,192	79.05%	7,105,285	3,318,829	214.09%
2006	28,333,401	35,758,708	79.23%	7,425,307	3,368,903	220.41%

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Funding Progress
December 31, 2006**

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2001	\$ 24,686,816	\$ 27,499,449	89.77%	\$ 2,812,633	\$ 2,611,026	107.72%
2002	24,493,712	29,166,669	83.98%	4,672,957	2,848,799	164.03%
2003	25,010,118	30,450,103	82.13%	5,439,985	2,993,008	181.76%
2004	26,087,672	35,218,576	74.07%	9,130,904	3,133,245	291.42%
2005	27,609,198	37,315,512	73.99%	9,706,314	3,171,222	306.07%
2006	28,922,152	39,835,805	72.60%	10,913,653	3,228,600	338.03%

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

December 31, 2006

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ 272,326	\$ 272,326	100.00%
2002	223,799	223,799	100.00%
2003	127,141	127,141	100.00%
2004	373,520	373,520	100.00%
2005	568,877	568,877	100.00%
2006	663,056	663,056	100.00%

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Employer Contributions
December 31, 2006**

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ 378,000	\$ 373,051	101.33%
2002	511,000	510,760	100.05%
2003	624,000	623,471	100.08%
2004	774,300	774,290	100.00%
2005	789,400	789,384	100.00%
2006	860,000	859,890	100.01%

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Employer Contributions
December 31, 2006**

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ 541,000	\$ 536,584	100.82%
2002	638,000	637,344	100.10%
2003	748,000	747,981	100.00%
2004	818,350	818,345	100.00%
2005	1,078,808	1,078,808	100.00%
2006	1,118,000	1,117,035	100.09%

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Required Supplementary Information
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 Year Ended December 31, 2006

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 19,610,150	19,427,126
Licenses, Permits and Fees	2,710,350	2,678,714
Intergovernmental	389,400	120,172
Charges for Services	2,037,250	2,168,121
Fines and Forfeitures	356,000	312,035
Investment Earnings	124,000	303,603
Miscellaneous	554,950	617,410
Total Revenues	<u>25,782,100</u>	<u>25,627,181</u>
Expenditures		
General Government	3,607,910	3,073,424
Public Safety	14,572,608	13,859,888
Streets and Sanitation	5,626,364	5,237,550
Other Public Works	1,762,854	1,687,224
Public Health	184,890	193,970
Community Development	1,257,280	1,137,139
Debt Service		
Principal Retirement	7,764	112,764
Interest Expense	1,336	1,288
Total Expenditures	<u>27,021,006</u>	<u>25,303,247</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,238,906)</u>	<u>323,934</u>
Other Financing Sources (Uses)		
Transfers In	900,000	900,563
Transfers Out	(150,000)	(534,415)
	<u>750,000</u>	<u>366,148</u>
Net Change in Fund Balance	<u>(488,906)</u>	690,082
Fund Balance - Beginning		<u>6,319,221</u>
Fund Balance - Ending		<u>7,009,303</u>

GENERAL FUND

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

SPECIAL REVENUE FUND

To account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

War Memorial Fund

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

DEBT SERVICE FUND

Debt Service Funds are created to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary and Trust Funds.

2002 General Obligation Bond Fund

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

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

The Water Fund is used to account for the provision of water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Sewer Fund

The Water Fund is used to account for the provision of the sewer system to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

Parking Meter Fund

The Parking Meter Fund is used to account for the provision of parking to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Municipal Garage Fund

The Municipal Garage Fund is used 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

The Employee Insurance Fund is used to for account 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.

INTERNAL SERVICE FUNDS - Continued

Workers' Compensation Fund

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

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used 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 a proportionate share of this expense determined by the employees in each department.

Section 105 Sick Leave Fund

The Section 105 Sick Leave Fund is used to account for employer Section 105 sick leave expense. User departments are charged a proportionate share of this expense determined by the employees in each department.

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the police force at appropriate amounts and times in the future. The fund does not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees in the firefighting service at appropriate amounts and times in the future. The fund does not account for the administrative costs of the system, which are borne by the General Fund. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

TRUST AND AGENCY FUNDS - Continued

AGENCY FUND

Fire Insurance Tax Fund

The Fire Insurance Tax Fund is used 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

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Taxes		
Property Taxes	\$ 8,433,100	8,409,715
Municipal Sales Tax	3,366,600	3,524,078
Municipal Sales Tax - Home Rule	500,000	588,951
State Income Tax	2,064,900	2,263,978
Real Estate Transfer Tax	1,761,600	1,326,561
Utility Tax	2,835,000	2,647,823
E-911 Surcharge	315,000	294,829
Wireless 911 Tax	110,000	120,465
Personal Property Replacement Tax	221,500	247,725
Municipal Auto Lease Tax	2,450	3,001
Total Taxes	19,610,150	19,427,126
Licenses, Permits and Fees		
Licenses		
Animal	1,600	1,720
Business	162,100	157,615
Vehicle	862,500	866,673
Taxi	12,350	14,785
Liquor Licenses	44,000	43,000
Permits		
Building	1,206,200	1,013,272
Demolition	-	109,707
Electric	75,600	66,730
Plumbing	54,500	49,340
Other	53,500	63,503
Fees		
Plan Review	50,500	64,968
Inspections	153,000	191,283
Filing	24,000	25,507
Permit Penalties	10,500	10,611
Total Licenses, Permits, and Fees	2,710,350	2,678,714

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Intergovernmental		
Police Grants	\$ 195,000	69,215
Business Development Grant	-	49,000
Fire Grant	194,400	1,957
Total Intergovernmental	<u>389,400</u>	<u>120,172</u>
Charges for Services		
Refuse Collection Charges	1,476,800	1,484,278
Sales of Yard Waste Bags	125,000	111,299
Ambulance Transport Charges	260,000	308,606
Fire Alarms	7,600	7,835
Burglar Alarms	30,000	18,533
Elevator Inspections	11,000	12,031
Sanitarian Services	13,000	24,875
Animal Control Services	5,050	5,040
Damage to Village Property	30,000	36,281
Maintenance of State Routes	16,600	17,819
Shore Line Place Services	13,000	13,351
Fairfield Court Services	49,200	49,202
Engineering & Consulting Reimbursements	-	25,888
Park District Personnel Reimbursements	-	36,948
Health Department Charges	-	14,135
Atrium Unit Closing Fees	-	2,000
Total Charges for Services	<u>2,037,250</u>	<u>2,168,121</u>
Fines and Forfeitures		
Court Fines	80,200	77,365
Vehicle License and Parking	275,000	233,812
Animal and Impounding Fees	800	858
Total Fines and Forfeitures	<u>356,000</u>	<u>312,035</u>
Investment Earnings		
Interest	<u>124,000</u>	<u>303,603</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Miscellaneous		
Rental Income		
Wilmette Park District	\$ 44,500	46,561
Cellular Antennae Leases	150,000	134,415
Depot Rental	1,200	-
3545 Lake Avenue	2,400	2,400
Sale of General Capital Assets	20,000	-
Cable TV Franchise Fees	275,000	309,463
Interest Payments from Property Tax Collections	20,000	31,016
Other	30,400	32,564
Contribution for Affordable Housing	-	10,000
Donations	-	3,540
Section 125 Plan Liability Write-offs	-	448
Stop-Loss Insurance Reimbursement	-	35,225
Contribution from Wilmette Historical Society	11,450	11,778
Total Miscellaneous	554,950	617,410
Total Revenues	25,782,100	25,627,181

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2006**

	Original and Final Budget	Actual
General Government		
Legislative		
Salaries - Regular	\$ 3,990	3,990
Employee Benefits	310	305
Memberships	22,825	23,610
Professional Services	10,000	51,585
Annual Audit	15,000	6,015
Incidentals	5,000	3,714
Training	1,200	490
Total Legislative	<u>58,325</u>	<u>89,709</u>
General Administration		
Salaries - Regular	370,925	367,660
Salaries - Overtime	300	126
Employee Benefits	103,270	96,248
Memberships	4,980	4,780
Professional Services	3,775	12,935
Community Notification System	14,000	8,400
Lease/Purchase - Copier	12,000	11,691
Pre-employment Exams	4,600	4,991
Employee Assistance Program	6,125	6,100
Maintenance of Office Equipment	1,500	100
Office Supplies	9,000	4,567
Automotive	4,500	3,980
Incidentals	2,500	3,940
Training	7,600	5,207
Personnel Training	5,000	6,290
Employee Recognition Program	9,000	9,257
Newsletters	32,000	35,590
Publishing Legal Notices	5,500	7,386
Classified Advertisements	9,000	19,450
Total General Administration	<u>605,575</u>	<u>608,698</u>
Information Services		
Salaries - Regular	221,625	212,918
Employee Benefits	59,820	53,826
Memberships	350	100
Professional Services	5,000	11,687

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
General Government - Continued		
Information Services - Continued		
Professional Services - E.R.P. Software	\$ -	1,350
Contractual Hardware Support	13,175	6,367
Contractual Software Support	90,930	92,223
Contractual Internet Expenditures	8,700	9,012
Computer Communications	13,750	22,102
Computer Parts	16,500	16,340
Computer Software	3,000	1,691
Office Supplies	500	140
Incidentals	500	459
Training	11,500	8,202
Office Furniture and Equipment	66,800	64,487
Total Information Services	<u>512,150</u>	<u>500,904</u>
Finance Department		
Salaries - Regular	462,125	478,199
Salaries - Overtime	6,750	2,466
Employee Benefits	145,010	139,429
Memberships	1,765	2,029
Professional Services	15,800	17,820
Lease/Purchase - Copier	28,850	29,110
Bank Charges	24,000	21,589
Postage - General Office	37,500	34,067
Contractual Services	10,000	8,436
Maintenance of Office Equipment	2,650	1,923
Telephone - Office Service	90,650	75,436
Telephone - Maintenance	10,500	8,654
Telephone - Cellular Service	23,400	20,743
Telephone - Long Distance	4,200	3,354
Office Supplies	21,000	16,492
Supplies Other than Office	7,000	8,016
Incidentals	550	652
Training	3,525	3,075
Publishing Legal Notices	1,000	1,053
Total Finance Department	<u>896,275</u>	<u>872,543</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
General Government - Continued		
Law Department		
Salaries - Regular	\$ 201,300	227,766
Employee Benefits	54,270	50,056
Memberships	1,500	1,830
Code Revision service	3,000	4,860
Special Attorney Fees	40,000	40,805
On-line Legal Research Services	9,500	8,859
Supplies - Legal	2,500	2,794
Incidentals	500	1,517
Training	5,000	4,340
Litigation Costs	7,500	3,692
Total Law Department	325,070	346,519
Boards and Commissions		
Incidentals	2,000	1,500
Housing Commission	83,200	61,907
Senior Resources Commission	500	-
Community Relations Commission	5,700	2,436
Fine Arts Commission	1,850	2,835
Historic Preservation Commission	1,500	1,300
Historic Preservation Commission - Community Event	1,000	1,000
Persons with Disabilities Commission	500	100
Persons with Disabilities Commission	27,050	27,100
Total Boards and Commissions	123,300	98,178
Historical Museum		
Salaries - Regular	78,275	78,462
Employee Benefits	18,965	20,648
Total Historical Museum	97,240	99,110

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
General Government - Continued		
Cable Programming Services		
Salaries - Regular	\$ 71,475	68,710
Salaries - Other	6,000	6,817
Employee Benefits	21,150	19,800
Memberships	175	175
Maintenance - Office Equipment	7,500	1,842
Supplies - Office	600	364
Supplies - Video	3,000	2,339
Incidentals	800	362
Training	2,000	650
Office Space Rent	10,675	10,373
Office Furniture and Equipment	-	1,566
Total Cable Programming Services	<u>123,375</u>	<u>112,998</u>
Insurance		
Retiree Health Insurance	<u>90,000</u>	<u>107,976</u>
General Liability and Property Insurance		
Fixed Premiums	236,600	201,200
Deductible Payments	40,000	30,165
Total General Liability	<u>276,600</u>	<u>231,365</u>
Total Insurance	<u>366,600</u>	<u>339,341</u>
Contingencies		
Regular	400,000	-
Atrium Condo Resales	100,000	5,424
Total Contingencies	<u>500,000</u>	<u>5,424</u>
Total General Government	<u>3,607,910</u>	<u>3,073,424</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Public Safety		
Fire and Police Commission		
Salaries - Regular	\$ 28,375	28,846
Employee Benefits	7,410	6,660
Professional Services	53,250	13,094
Total Fire and Police Commission	<u>89,035</u>	<u>48,600</u>
Police		
General Operations		
Salaries - Regular	3,514,800	3,451,528
Salaries - Overtime	134,900	242,314
Employee Benefits	1,707,400	1,569,086
Memberships	1,165	1,347
Physical Exams	12,000	8,964
Contractual Animal Observation	1,000	1,111
Maintenance - Equipment	12,950	9,842
Maintenance - Radios	32,600	31,670
Undercover Vehicle Rental	300	-
Uniforms	39,500	45,645
Range Supplies	4,500	3,367
Supplies Other than Office	10,400	15,268
Crime Prevention Materials	10,100	10,834
Automotive	253,600	223,230
Incidentals	6,200	9,407
Training	48,010	48,436
Crime Lab Contributions	39,700	39,670
NIPAS Contribution	4,500	4,505
Major Crimes Task Force	4,000	3,600
NIPSTA Contribution	10,530	9,270
Motor Equipment	155,500	136,609
Other Equipment	26,100	10,344
Total General Operations	<u>6,029,755</u>	<u>5,876,047</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
General Services		
Salaries - Regular	\$ 572,500	560,632
Salaries - Overtime	2,100	7,963
Employee Benefits	169,920	191,086
Memberships	835	810
Professional Services	17,050	26,920
Lease/Purchase - Copier	7,200	6,835
Maintenance - Office Equipment	9,550	350
Reaccreditation Fees	4,030	-
L.E.A.D.S./P.I.M.S. Program	22,500	20,400
Professional Services - Police Grant Work	170,000	11,564
Towing - Contractual	750	2,012
Pager Rental	1,000	795
Computer Communications	3,450	3,279
Uniforms	3,000	2,160
Office Supplies	22,100	13,088
Supplies Other than Office	4,150	6,269
Incidentals	200	457
Training	4,020	1,287
Care of Prisoners	1,500	1,010
Total General Services	<u>1,015,855</u>	<u>856,917</u>
Public Safety Communications		
Salaries - Regular	511,100	518,743
Salaries - Overtime	29,000	42,342
Employee Benefits	193,120	192,130
Memberships	110	133
Professional Services	650	-
FireComm Expense	100,000	95,901
Maintenance - Office Equipment	1,450	799
Maintenance - E-911 System	57,900	56,219
Maintenance - NORCOM Network	44,400	44,394
IWIN Program	9,000	10,091

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Public Safety - Continued		
Public Safety Communications - Continued		
Uniforms	\$ 4,500	3,726
Incidentals	200	36
Training	4,500	2,712
Other Equipment	35,000	-
	<u>990,930</u>	<u>967,226</u>
School Crossing Protection		
Salaries - Regular	147,000	159,242
Employee Benefits	13,980	14,415
Uniforms	750	750
Supplies Other than Office	850	1,154
Total School Crossing Protection	<u>162,580</u>	<u>175,561</u>
Total Police	<u>8,199,120</u>	<u>7,875,751</u>
Emergency Fire and Medical Services		
Salaries - Regular	3,389,600	3,449,956
Salaries - Overtime	350,000	358,015
Salaries - Off-Duty Response	26,000	17,343
Employee Benefits	1,987,700	1,787,319
Memberships	3,285	3,097
Professional Services	5,500	10,300
Lease/Purchase - Copier	4,200	4,502
Physical Exams	18,200	13,907
Maintenance - Office Equipment	1,440	1,164
Maintenance - Equipment	16,000	31,020
Maintenance - Radios	9,950	8,228
Maintenance - Breathing Equipment	6,085	9,773
Maintenance - Telemetry Equipment	500	-
Maintenance - Special Rescue Equipment	8,500	8,171
Reaccreditation Fees	4,500	11,500
Pager Rental	4,870	4,119
Uniforms	22,430	26,754
Protective Clothing	16,780	17,360
Supplies - Automotive Parts	19,400	21,480
Supplies - Auto Shop	1,500	1,920
Supplies - Office	5,000	5,348

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Public Safety - Continued		
Emergency Fire and Medical Services - Continued		
Supplies - Other than Office	\$ 14,700	16,534
Materials - Public Education Programming	7,750	7,895
Gasoline and Oil	23,980	20,276
Incidentals	750	1,018
Training	40,650	33,714
NIPSTA Contribution	10,300	9,270
MABAS Contribution	9,350	9,308
Rent - Commonwealth Edison	1,500	1,500
Motor Equipment	173,000	161,480
Other Equipment	253,500	35,733
Total Emergency Fire and Medical Services	<u>6,436,920</u>	<u>6,088,004</u>
Total Public Safety	14,725,075	14,012,355
Less NonGAAP Activity		
Plus Prior Year Encumbrances	5,049	5,049
Less Current Year Encumbrances	<u>(157,516)</u>	<u>(157,516)</u>
Total Public Safety	<u>14,572,608</u>	<u>13,859,888</u>
Streets and Sanitation		
Streets Department		
Salaries - Regular	922,150	875,203
Salaries - Overtime	67,425	37,267
Employee Benefits	344,670	300,576
Memberships	1,130	1,244
Professional Services	1,500	-
Lease/Purchase - Copier	7,140	7,251
Contractual Services	47,890	37,358
Contractual Snow Removal	10,945	4,303
Maintenance - Office Equipment	950	210
Holiday Light Decorations	39,445	29,540
J.U.L.I.E. Expenditures	3,720	4,184
Landscaping and Maintenance of Public		
Right of Way	40,150	31,126
Lease Leaf Packers	108,150	87,789
Leaf Disposal	88,455	80,006
Pager Rental	1,710	1,520

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Streets Department - Continued		
Uniforms	\$ 6,985	6,798
Supplies - Miscellaneous Tools and Equipment	2,500	1,878
Supplies - Office	5,000	2,915
Supplies - Other than Office	1,500	880
Materials - Traffic Signs	32,395	33,134
Materials - Salt	73,500	52,388
Materials - Street Repair and Landscaping	33,250	33,371
Materials - Leaf Pans & Brooms	6,500	6,410
Automotive	469,845	413,851
Incidentals	1,540	1,531
Training	9,875	5,985
Motor Equipment	101,500	100,585
Other Equipment	11,110	11,705
Total Street Department	<u>2,440,930</u>	<u>2,169,008</u>
Refuse Collection and Disposal		
Contractual Refuse Collection	834,575	838,511
Recycling Collection	343,380	346,666
Landfill Tipping Fees	638,956	619,060
Contractual Yard Waste Collection	188,435	179,682
Yard Waste Disposal	40,000	33,079
Supplies - Sharps Disposal Containers	1,090	1,228
Yard Waste Supplies	2,250	2,466
Promotional and Educational	1,000	627
Other Equipment	4,000	3,916
Total Refuse Collection and Disposal	<u>2,053,686</u>	<u>2,025,235</u>
Maintenance of Trees		
Salaries - Regular	218,650	187,426
Salaries - Overtime	6,380	14,676
Employee Benefits	75,320	63,687
Contractual Services	14,225	2,958
Tree Planting Program	54,625	50,362
Contractual Tree Pruning	196,450	191,640
Emerald Ash Borer - Tree Removals	-	14,565
Tree Fertilization	3,000	2,983

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Maintenance of Trees - Continued		
Uniforms	\$ 2,080	1,466
Materials	5,700	3,766
Automotive	49,600	43,650
Training	1,875	1,852
Total Maintenance of Trees	<u>627,905</u>	<u>579,031</u>
Street Lighting		
Salaries - Regular	189,475	189,321
Salaries - Overtime	9,000	3,229
Employee Benefits	75,830	62,682
Contractual Services	3,235	1,400
Maintenance & Disposal of Transformers	1,400	285
Uniforms	2,115	1,469
Supplies	26,000	25,472
Supplies - Light Poles and Parts	20,000	6,740
Commonwealth Edison Leased Lighting	17,550	15,282
Street Light Power - Village System	114,050	110,510
Automotive	29,300	25,800
Training	1,440	335
Street Light Pole Painting	16,700	24,480
Other Equipment	3,500	3,023
Total Street Lighting	<u>509,595</u>	<u>470,028</u>
Total Street and Sanitation	5,632,116	5,243,302
Less NonGAAP Activity		
Less Current Year Encumbrances	<u>(5,752)</u>	<u>(5,752)</u>
Total Street and Sanitation	<u>5,626,364</u>	<u>5,237,550</u>
Other Public Works		
Village Engineer		
Salaries - Regular	413,700	413,426
Salaries - Overtime	1,300	49
Employee Benefits	143,490	139,192
Memberships	1,740	1,992
Professional Services	30,000	33,725

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Other Public Works - Continued		
Village Engineer - Continued		
Microfilming	\$ 4,000	1,099
Update of Water/Sewer Atlases	4,000	4,392
Maintenance - Office Equipment	2,500	2,303
Maintenance - Traffic Signals	21,500	35,290
Sidewalk Replacement Program	120,000	142,846
Curb Repair Program	75,000	73,901
Street and Alley Maintenance Program	250,000	229,274
Brick Street Maintenance	30,000	29,997
Pavement Marking Program	15,000	13,974
Crack Sealing Program	20,000	-
Supplies - Office	3,250	2,751
Supplies - Other than Office	2,750	3,258
Automotive	16,900	14,880
Incidentals	2,100	2,520
Training	3,900	1,780
Total Village Engineer	1,161,130	1,146,649
Building and Grounds		
Salaries - Regular	173,725	165,809
Salaries - Overtime	12,650	13,670
Employee Benefits	63,710	62,409
Memberships	300	761
Contractual Services	43,200	38,339
Contractual Custodial Services	62,000	58,708
Heating and Cooling System Repairs	36,800	53,667
Uniforms	1,935	1,613
Supplies - Building	32,665	32,927
Supplies - Grounds	3,000	965
Supplies - Printing	5,500	6,692
Building and Furniture Repairs	30,000	42,522
Heating - Electric	20,600	-
Heating - Gas	40,000	38,815
Automotive	11,300	9,910

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Other Public Works - Continued		
Building and Grounds - Continued		
Training	\$ 400	349
Building Improvements	61,500	10,980
Total Building and Grounds	<u>599,285</u>	<u>538,136</u>
Less NonGAAP Activity		
Plus Prior Year Encumbrances	<u>2,439</u>	<u>2,439</u>
Total Other Public Works	<u><u>1,762,854</u></u>	<u><u>1,687,224</u></u>
Public Health		
Salaries - Regular	114,900	114,878
Employee Benefits	52,910	52,052
Memberships	520	585
Lab Services - Contractual	200	980
Maintenance - Office Equipment	200	-
Supplies - Laboratory	800	12,020
Supplies - Office	300	64
Automotive	11,300	9,910
Incidentals	460	176
Training	2,700	1,985
C.P.R. Program	600	1,320
Total Public Health	<u><u>184,890</u></u>	<u><u>193,970</u></u>
Community Development		
Community Development		
Salaries - Regular	669,675	584,440
Salaries - Overtime	17,300	15,686
Employee Benefits	233,490	193,697
Memberships	3,370	2,926
Professional Services	16,580	99,764
Microfilming	4,000	3,543
Plan Review Inspection Services	180,000	88,016
Maintenance - Office Equipment	1,675	1,579
Supplies - Office	2,500	2,326
Supplies - Other than Office	5,000	3,403
Automotive	40,000	35,220

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Community Development - Continued		
Community Development - Continued		
Incidentals	\$ 360	259
Training	5,650	3,851
Publishing Legal Notices	4,635	7,547
Total Community Development	<u>1,184,235</u>	<u>1,042,257</u>
Business Development		
Salaries - Regular	31,400	31,364
Employee Benefits	10,220	8,542
Memberships	425	10,899
Business Promotion Activities	30,000	27,786
Incidentals	1,000	896
Depot Building - Property Taxes	-	15,395
Total Business Development	<u>73,045</u>	<u>94,882</u>
Total Community Development	<u>1,257,280</u>	<u>1,137,139</u>
Debt Service		
Historical Museum Principal Retirement	7,764	7,764
Historical Museum Interest Expense	1,336	1,288
Housing Subsidy Installment Contract Principal Retirement	-	5,000
Historical Society Installment Contract Principal Retirement	-	100,000
Total Debt Service	<u>9,100</u>	<u>114,052</u>

VILLAGE OF WILMETTE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 2,438,400	2,433,673
Expenditures		
Debt Service		
Principal Retirement	1,055,000	1,055,000
Interest and Fiscal Charges	1,386,410	1,384,860
Total Expenditures	2,441,410	2,439,860
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,010)	(6,187)
Other Financing Sources		
Transfers In	-	1,466
Net Change in Fund Balance	<u>(3,010)</u>	(4,721)
Fund Balance - Beginning		<u>33,087</u>
Fund Balance - Ending		<u>28,366</u>

VILLAGE OF WILMETTE, ILLINOIS

Series 2002 General Obligation Bond - Capital Projects Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Sheridan Road Bicycle Underpass Grant	\$ 91,000	-
Sheridan Road Improvements Grant	409,300	-
Sheridan Road Land Acquisition Grant	165,500	-
Fire Station #26 Bicycle Path Grant	250,000	885
County Contribution - 15th & Lake Pedestrian Signal	160,000	82,547
Soil Remediation Grant	45,000	-
Investment Earnings	60,000	196,383
Total Revenues	<u>1,180,800</u>	<u>279,815</u>
Expenditures		
Capital Outlay	<u>4,751,375</u>	<u>3,385,439</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,570,575)	(3,105,624)
Other Financing Sources		
Transfers In	<u>-</u>	<u>400,000</u>
Net Change in Fund Balance	<u>(3,570,575)</u>	<u>(2,705,624)</u>
Fund Balance - Beginning		<u>4,521,700</u>
Fund Balance - Ending		<u><u>1,816,076</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Series 2002 General Obligation Bond - Capital Projects Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Capital Outlay		
Fire Station Improvements	\$ -	296,909
Police Station Improvements	50,000	2,175
Public Works Space Study & Design	-	1,979
Public Works Garage Flooring	53,500	-
Regional Dispatch Capital Contribution	400,000	-
Howard Park Soil Remediation	80,000	64,995
Village Yard Soil Remediation	-	1,088
15th & Lake Pedestrian Signal	160,000	85,840
Greenbay Road Traffic Signal Improvements	100,000	26,250
Traffic Calming Program	20,000	18,863
Brick Street Renovation Program	200,000	138,572
Flashing Beacons	40,000	27,713
Sheridan Road Improvements	555,000	252,525
Sheridan Road Land Acquisition	324,500	22,138
Sheridan Road Bicycle Underpass	180,000	40,860
Fire Station #26 Bicycle Path	250,000	885
Five Village Bicycle Trail	8,000	681
Enhanced Street Resurfacing Program	2,300,000	2,373,591
Total Capital Outlay	4,721,000	3,355,064
Less NonGAAP Activity		
Less Current Year Encumbrances	30,375	30,375
Total Expenditures	4,751,375	3,385,439

VILLAGE OF WILMETTE, ILLINOIS

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2006

	Special Revenue		Debt Service	
	Motor Fuel	War	Special	
	Tax	Memorial	Service Area	Totals
			Number Two	
ASSETS				
Cash and Investments	\$ 363,951	-	-	363,951
Due from Other Governments	67,250	-	-	67,250
Total Assets	431,201	-	-	431,201
FUND BALANCES				
Fund Balances				
Unreserved	431,201	-	-	431,201
Total Fund Balances	431,201	-	-	431,201

VILLAGE OF WILMETTE, ILLINOIS

Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

**Nonmajor Governmental Funds
Year Ended December 31, 2006**

	Special Revenue		Debt Service	Totals
	Motor Fuel Tax	War Memorial	Special Service Area Number Two	
Revenues				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 795,916	-	-	795,916
Investment Earnings	38,015	-	-	38,015
Total Revenues	833,931	-	-	833,931
Expenditures				
Capital Outlay	1,083,157	-	-	1,083,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	(249,226)	-	-	(249,226)
Other Financing (Uses)				
Transfers Out	-	(563)	(1,466)	(2,029)
Net Change in Fund Balances	(249,226)	(563)	(1,466)	(251,255)
Fund Balances - Beginning	680,427	563	1,466	682,456
Fund Balances - Ending	431,201	-	-	431,201

VILLAGE OF WILMETTE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 780,000	795,916
Investment Earnings	40,000	38,015
Total Revenues	<u>820,000</u>	<u>833,931</u>
Expenditures		
Capital Outlay		
Wilmette Avenue Resurfacing	-	313,157
2005 Street Resurfacing Program	770,000	770,000
Total Expenditures	<u>770,000</u>	<u>1,083,157</u>
Net Change in Fund Balance	<u>50,000</u>	(249,226)
Fund Balance - Beginning		<u>680,427</u>
Fund Balance - Ending		<u>431,201</u>

VILLAGE OF WILMETTE, ILLINOIS

War Memorial - Special Revenue Fund

**Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ -	-
Expenditures		
Miscellaneous	600	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(600)	-
Other Financing (Uses)		
Transfers Out	-	(563)
Net Change in Fund Balance	<u>(600)</u>	(563)
Fund Balance - Beginning		<u>563</u>
Fund Balance - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Special Service Area Number Two - Debt Service Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ -	-
Expenditures		
Debt Service	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing (Uses)		
Transfers Out	-	(1,466)
Net Change in Fund Balance	<u>-</u>	(1,466)
Fund Balance - Beginning		<u>1,466</u>
Fund Balance - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales		
Residential	\$ 2,015,000	1,959,512
Unbilled Water Sales	-	19,000
Village of Glenview	3,008,500	2,743,543
Illinois American Water Company	895,400	834,008
Other Water Sales	-	36,413
Other	125,000	165,132
Total Charges for Services	6,043,900	5,757,608
Operating Expenses		
Administration		
General	181,700	168,868
Administrative	508,690	481,945
Operations		
Water Plant Operations	2,309,510	1,990,003
Distribution	953,000	829,820
Meter and Reservoir Maintenance	349,130	334,747
Depreciation	-	953,732
Total Operating Expenses	4,302,030	4,759,115
Operating Income	1,741,870	998,493
Nonoperating Revenues (Expenses)		
Investment Earnings	250,000	489,827
Interest Expense	(1,005,821)	(1,001,561)
Amortization of Bond Discount	-	(9,668)
	(755,821)	(521,402)
Income Before Contributions and Transfers	986,049	477,091
Contributions	-	21,550
Transfers Out	(900,000)	(900,000)
Change in Net Assets	86,049	(401,359)
Net Assets - Beginning		15,773,337
Net Assets - Ending		15,371,978

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Administration		
General		
Salaries - Regular	\$ 63,550	64,873
Salaries - Overtime	1,425	87
Employee Benefits	27,750	27,452
Annual Audit	13,000	13,000
Bank Charges	24,000	21,310
Postage	17,000	11,836
Contractual Meter Reading	25,000	23,335
Uniforms	350	160
Supplies - Office - Administrative	6,000	3,301
Supplies - Office - Water Plant	2,200	2,089
Incidentals	100	100
Training	1,325	1,325
Total General	<u>181,700</u>	<u>168,868</u>
Administrative		
Salaries - Regular	259,210	259,337
Employee Benefits	79,330	74,462
Memberships	9,800	10,623
Contractual Grounds Maintenance	1,700	-
Telephone - Regular Service	30,000	28,564
Telephone - Maintenance	3,200	2,865
Telephone - Cellular	7,000	6,916
Telephone - Long Distance	2,750	1,122
Supplies - Building	9,500	9,303
Building Furniture and Repairs	8,500	4,539
Training	7,500	7,514
General Liability and Property Insurance	90,200	76,700
Total Administrative	<u>508,690</u>	<u>481,945</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operations		
Water Plant Operations		
Salaries - Regular	\$ 926,325	925,970
Salaries - Accrued Vacation	-	400
Salaries - Overtime	25,825	18,027
Employee Benefits	354,160	323,934
Professional Services - SCADA System Maintenance	13,000	1,886
Professional Services - Valve Maintenance	5,000	4,800
Professional Services - Evanston Interconnection	-	4,160
Contractual Services	32,000	14,998
Contractual Custodial Services	13,000	12,462
Maintenance of Equipment	24,000	26,191
Video Communications	-	2,156
Uniforms	4,700	4,224
Supplies	30,000	30,049
Supplies - Computer Parts	2,000	1,732
Supplies - Laboratory	11,000	9,203
Equipment Repairs	32,000	31,908
Power	378,000	303,349
Heating Gas	65,000	54,725
Chemicals	105,000	91,782
Automotive	20,300	17,860
Incidentals	1,200	736
Water Reclamation District User Charges	115,000	113,611
Building Improvements	150,000	368,209
Pumping Improvements	55,000	62,900
Office Furniture & Equipment	2,000	2,190
Other Equipment	5,000	6,015
	2,369,510	2,433,477
Less Nonoperating Items		
Capital Outlay	(60,000)	(443,474)
Total Water Plant Operations	2,309,510	1,990,003
Distribution		
Salaries - Regular	363,875	360,963
Salaries - Accrued Vacation	-	700

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operations - Continued		
Distribution - Continued		
Salaries - Overtime	\$ 26,710	14,723
Employee Benefits	160,390	146,409
Contractual Services	103,995	85,741
Unidirectional Main Flushing	60,000	43,209
Maintenance - Distribution System	11,000	-
Uniforms	4,530	3,945
Supplies - Miscellaneous Tools and Equipment	2,500	1,380
Materials	63,600	65,632
Automotive	100,300	88,290
Incidentals	200	185
Training	3,250	676
Fire Hydrant Painting	32,650	-
Replacement Fire Hydrants	20,000	17,967
Distribution Improvements	60,000	57,947
Motor Equipment	144,100	130,491
	<u>1,157,100</u>	<u>1,018,258</u>
Less Nonoperating Items		
Capital Outlay	(204,100)	(188,438)
Total Distribution	<u>953,000</u>	<u>829,820</u>
Meter and Reservoir Maintenance		
Salaries - Regular	141,850	142,697
Salaries - Overtime	560	-
Employee Benefits	46,920	48,453
Contractual Services	11,000	10,018
Maintenance - Reservoir/Pumping Station	3,500	4,749
Maintenance - Standpipe	-	645
Uniforms	1,200	841
Supplies	2,400	1,595
Supplies - Reservoir	3,500	3,328
Water Meters - Cost of Sales	30,000	27,076
Water Meters - Repair Parts	7,500	7,562
Water Meter Replacement Program	1,500	1,500

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operations - Continued		
Meter and Reservoir Maintenance - Continued		
Automatic Meter Reading Program	\$ 79,000	68,933
Automotive	19,700	17,350
Training	500	-
Reservoir SCADA Upgrade	14,000	14,690
	<u>363,130</u>	<u>349,437</u>
Less Nonoperating Items		
Capital Outlay	(14,000)	(14,690)
Total Meter and Reservoir Maintenance	<u>349,130</u>	<u>334,747</u>
Capital Outlay		
Water Plant SCADA Upgrade	15,000	14,170
Water Plant Security Improvements	165,000	22,594
Basins #1 and #2 Improvements	-	15,000
Filter Repairs - 1971 / 1933	1,700,000	529,199
Repair Drain Line	-	68,602
Standpipe Reconditioning	50,000	2,049
Sheridan Road Water Main	50,000	33,818
Mallinckrodt Water Main	40,000	55,057
Facility Expansion Improvement	-	6,281
	<u>2,020,000</u>	<u>746,770</u>
Less Nonoperating Items		
Capital Outlay	(2,020,000)	(746,770)
Total Capital Outlay	<u>-</u>	<u>-</u>
Debt Service		
Principal Retirement	470,000	470,000
Interest Expense	1,005,821	1,001,561
Amortization of Bond Discount	-	9,668
	<u>1,475,821</u>	<u>1,481,229</u>
Less Nonoperating Items		
Debt Service	(1,475,821)	(1,481,229)
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	-	953,732
Total Operating Expenses	<u>4,302,030</u>	<u>4,759,115</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Sewer Charges	\$ 3,800,000	3,371,986
Other	-	34,073
Total Operating Revenues	<u>3,800,000</u>	<u>3,406,059</u>
Operating Expenses		
Operations		
Maintenance of Sewers	1,034,415	937,204
Storm Water Pumping Station	23,120	27,798
Capital Projects	-	3,385
Depreciation	-	704,416
Total Operating Expenses	<u>1,057,535</u>	<u>1,672,803</u>
Operating Income	<u>2,742,465</u>	<u>1,733,256</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	70,000	59,918
Interest Expense	(916,068)	(771,746)
	<u>(846,068)</u>	<u>(711,828)</u>
Change in Net Assets	<u>1,896,397</u>	1,021,428
Net Assets - Beginning		<u>18,454,902</u>
Net Assets - Ending		<u>19,476,330</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Operations		
Maintenance of Sewers		
Salaries - Regular	\$ 367,600	356,469
Salaries - Accrued Vacation	-	700
Salaries - Overtime	7,475	8,660
Employee Benefits	153,990	140,467
Contractual Services	111,445	82,758
Contractual Sewer Improvements	200,000	173,666
Flow Monitoring	27,000	19,883
N.P.D.E.S. Phase II	6,000	6,000
Uniforms	4,530	3,825
Supplies - Miscellaneous Tools and Equipment	2,500	1,707
Materials	32,775	32,538
Automotive	100,300	88,290
Incidentals	200	65
Training	1,500	626
Motor Equipment	144,100	130,492
	<u>1,159,415</u>	<u>1,046,146</u>
Less Nonoperating Items		
Capital Outlay	(125,000)	(108,942)
Total Maintenance of Sewers	<u>1,034,415</u>	<u>937,204</u>
Storm Water Pumping Station		
Salaries - Overtime	7,470	6,789
Employee Benefits	1,350	2,008
Contractual Services	1,600	57,450
Maintenance - Equipment	3,000	6,572
Supplies	1,000	816
Supplies - Outfall Control	500	-
Power	8,200	6,599
	<u>23,120</u>	<u>80,234</u>
Less Nonoperating Items		
Capital Outlay	-	(52,436)
Total Storm Water Pumping Station	<u>23,120</u>	<u>27,798</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operations - Continued		
Capital Outlay		
Village Center Stormwater Management Study	\$ -	3,385
Washington Avenue Relief Sewer	215,000	189,935
Sheridan Road Sewer	50,000	33,817
Sewer Lining and Rehabilitation	620,000	334,271
Sewer Lining and Rehabilitation - Edens	155,130	-
Sewer Main Repairs	200,000	200,000
Sewer Improvements	590,000	566,361
	<u>1,830,130</u>	<u>1,327,769</u>
Less Nonoperating Items		
Capital Outlay	(1,830,130)	(1,324,384)
Total Capital Outlay	<u>-</u>	<u>3,385</u>
Debt Service		
Bond Issue Proceeds	(2,200,000)	-
Principal Retirement	1,738,360	1,738,360
Interest Expense	916,068	771,746
	<u>454,428</u>	<u>2,510,106</u>
Less Nonoperating Items		
Debt Service	(454,428)	(2,510,106)
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>704,416</u>
Total Operating Expenses	<u>1,057,535</u>	<u>1,672,803</u>

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Parking fees	\$ 288,405	305,994
Operating Expenses		
Operations		
Central Business District	203,970	173,714
CTA Station	108,225	93,628
Burmeister Parking Facility	15,325	10,026
Depreciation	-	123,562
Total Operating Expenses	327,520	400,930
Operating Income (Loss)	(39,115)	(94,936)
Nonoperating Revenues (Expenses)		
Investment Earnings	(20,875)	(20,087)
Amortization of Bond Discount	-	(825)
	(20,875)	(20,912)
Income (Loss) Before Transfers	(59,990)	(115,848)
Transfers In	150,000	134,415
Change in Net Assets	90,010	18,567
Net Assets - Beginning		4,588,030
Net Assets - Ending		4,606,597

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Charges for Services		
Central Business District		
Parking Meter Revenue	\$ 50,700	39,452
Debit Card Revenue	84,200	104,838
Permit Fees	22,240	21,680
METRA Station Rent	2,765	2,765
Total Central Business District	<u>159,905</u>	<u>168,735</u>
CTA Station		
Commuter Daily Drop Box	83,500	91,995
Commuter Permit Fees	17,300	18,440
Merchant Permit Fees	4,500	3,564
Residential Permit Fees	3,400	3,600
Total CTA Station	<u>108,700</u>	<u>117,599</u>
Burmeister Parking Facility		
Permit Fees	<u>19,800</u>	<u>19,660</u>
Total Operating Revenues	<u>288,405</u>	<u>305,994</u>

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operations		
Central Business District		
Salaries - Regular	\$ 66,575	61,594
Salaries - Overtime	1,890	1,819
Employee Benefits	27,420	25,390
Contractual Services - Railroad Property	27,950	20,416
Contractual Snow Plowing	17,100	5,351
Building Supplies - Railroad Property	-	281
Grounds Supplies - Village Property	4,370	-
Grounds Supplies - Railroad Property	2,000	375
Power - METRA Station	4,035	2,739
Heating Gas - Railroad Property	-	1,460
Lighting	7,490	7,163
Parking Meter Parts - Village Property	400	275
Parking Meter Parts - Railroad Property	5,550	5,378
Rent - Commuter Lot	33,500	35,737
Rent - Poplar Drive Lots	3,700	3,729
Rent - St. Augustine Lot	1,600	1,707
Rent - Masonic Temple Lot	390	300
Total Central Business District	203,970	173,714
CTA Station		
Salaries - Regular	31,475	31,178
Salaries - Overtime	2,700	722
Employee Benefits	14,520	12,528
Contractual Services	1,230	2,386
Contractual Grounds Maintenance	11,350	3,370
Contractual Snow Plowing	8,150	2,641
Materials	2,800	-
Rent - CTA	36,000	40,803
Total CTA Station	108,225	93,628

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operations - Continued		
Burmeister Parking Facility		
Contractual Services	\$ 6,300	3,322
Materials	525	-
Lighting	8,500	6,704
Total Burmeister Parking Facility	<u>15,325</u>	<u>10,026</u>
Debt Service		
Principal Retirement	115,000	115,000
Interest Expense	20,875	20,087
Interest Expense - Bond Discount Amortization	-	825
	<u>135,875</u>	<u>135,912</u>
Less Nonoperating Items		
Debt Service	<u>(135,875)</u>	<u>(135,912)</u>
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>123,562</u>
Total Operating Expenses	<u><u>327,520</u></u>	<u><u>400,930</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Net Assets

Internal Service Funds

December 31, 2006

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Net Assets

**Internal Service Funds
December 31, 2006**

	<u>Municipal Garage</u>
ASSETS	
Current Assets	
Cash and Investments	\$ -
Receivables - Net of Allowances	
Accounts	<u>-</u>
Total Assets	<u>-</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	-
Due to Other Funds	-
Compensated Absences Payable	<u>-</u>
Total Liabilities	<u>-</u>
NET ASSETS	
Unrestricted	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
684	-	24,833	396,733	422,250
-	12,192	1,597	-	13,789
684	12,192	26,430	396,733	436,039
684	655	26,430	-	27,769
-	11,537	-	-	11,537
-	-	-	1,948,911	1,948,911
684	12,192	26,430	1,948,911	1,988,217
-	-	-	(1,552,178)	(1,552,178)

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Revenues, Expenses, and Changes in Net Assets

Internal Service Funds
Year Ended December 31, 2006

	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	<u>\$ 1,019,899</u>
Operating Expenses	
Administration	-
Operations	<u>1,019,899</u>
Total Operating Expenses	<u>1,019,899</u>
Operating Income (Loss)	-
Nonoperating Revenues	
Investment Earnings	<u>-</u>
Change in Net Assets	-
Net Assets - Beginning	<u>-</u>
Net Assets - Ending	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,307,325	254,380	1,347,444	110,000	5,039,048
-	-	-	12,852	12,852
2,307,325	254,380	1,347,444	251,093	5,180,141
2,307,325	254,380	1,347,444	263,945	5,192,993
-	-	-	(153,945)	(153,945)
-	-	-	17,100	17,100
-	-	-	(136,845)	(136,845)
-	-	-	(1,415,333)	(1,415,333)
-	-	-	(1,552,178)	(1,552,178)

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2006

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 1,019,899
Payments to Employees	(456,042)
Payments to Suppliers	(563,857)
	<u>-</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	-
Change in Interfund Activity	-
	<u>-</u>
Cash Flows from Investing Activities	
Interest	-
	<u>-</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	-
	<u>-</u>
Cash and Cash Equivalents - Ending	<u>-</u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	-
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities	
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	-
	<u>-</u>
Net Cash Provided by Operating Activities	<u>-</u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,307,660	242,188	1,345,847	110,000	5,025,594
(137,025)	-	-	-	(593,067)
(2,174,655)	(255,332)	(1,347,705)	(12,852)	(4,354,401)
(4,020)	(13,144)	(1,858)	97,148	78,126
-	-	-	-	-
-	11,537	-	-	11,537
-	11,537	-	-	11,537
-	-	-	17,100	17,100
(4,020)	(1,607)	(1,858)	114,248	106,763
4,704	1,607	26,691	282,485	315,487
684	-	24,833	396,733	422,250
-	-	-	(153,945)	(153,945)
335	(12,192)	(1,597)	-	(13,454)
(4,355)	(952)	(261)	251,093	245,525
(4,020)	(13,144)	(1,858)	97,148	78,126

VILLAGE OF WILMETTE, ILLINOIS

Municipal Garage - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 886,345	780,430
Sewer Fund Billings	100,300	88,290
Water Fund Billings	140,300	123,500
Insurance Reimbursements	-	27,679
Total Operating Revenues	<u>1,126,945</u>	<u>1,019,899</u>
Operating Expenses		
Operations		
Maintenance		
Regular Salaries	458,275	453,970
Overtime Salaries	2,125	2,072
Employee Benefits	164,060	147,781
Contractual Services	28,710	43,102
Maintenance - Radios	1,200	759
Contractual Services - Vehicle Washing	5,025	2,374
Automobile Insurance and Claims	63,000	53,600
Uniforms	4,015	3,465
Supplies - Automotive Parts	118,500	111,204
Supplies - Auto Shop	11,690	11,560
Supplies - Vehicle Striping and Safety	2,050	1,654
Gasoline and Oil	249,255	174,239
Mechanics' Tool Allowance	2,200	2,200
Incidentals	75	79
Training	2,700	2,687
Licenses, Titles and Inspection Fees	3,565	3,711
Squad Car Transfer Rehabilitation	5,000	444
Other Equipment	5,500	4,998
Total Operating Expenses	<u>1,126,945</u>	<u>1,019,899</u>
Change in Net Assets	<u>-</u>	-
Net Assets - Beginning		<u>-</u>
Net Assets - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Employee Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 2,123,230	1,842,290
Municipal Garage Fund Billings	80,770	68,964
Parking Meter Fund Billings	24,940	22,646
Sewer Fund Billings	85,110	75,492
Water Fund Billings	334,150	297,933
Total Operating Revenues	2,648,200	2,307,325
Operating Expenses		
Operations		
Flexible Benefit Program Contributions	148,320	137,025
Employee Health Insurance		
North Suburban Employee Benefit Co-Op	1,915,680	1,580,732
Humana - HMO	100,000	106,152
HMO - Illinois	440,000	442,497
Employee Life Insurance	34,200	33,421
Unemployment Compensation	10,000	7,392
Unemployment Compensation	-	106
Total Operating Expenses	2,648,200	2,307,325
Change in Net Assets	-	-
Net Assets - Beginning		-
Net Assets - Ending		-

VILLAGE OF WILMETTE, ILLINOIS

Workers' Compensation - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 240,200	190,108
Municipal Garage Fund Billings	8,570	6,650
Parking Meter Fund Billings	1,670	1,480
Sewer Fund Billings	6,840	5,540
Water Fund Billings	37,920	26,180
Insurance Reimbursements	-	24,422
Total Operating Revenues	<u>295,200</u>	<u>254,380</u>
Operating Expenses		
Operations		
Workers' Compensation		
Fixed Premium Portion	250,200	213,400
Payment of Deductibles	45,000	40,980
Total Operating Expenses	<u>295,200</u>	<u>254,380</u>
Change in Net Assets	<u>-</u>	-
Net Assets - Beginning		<u>-</u>
Net Assets - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operating Revenues		
Interfund for Services		
General Fund Billings	\$ 951,980	920,723
Municipal Garage Fund Billings	71,290	69,614
Parking Meter Fund Billings	14,560	13,793
Sewer Fund Billings	58,250	58,381
Water Fund Billings	288,960	284,933
Total Operating Revenues	<u>1,385,040</u>	<u>1,347,444</u>
Operating Expenses		
Operations		
Employer IMRF Contributions	675,640	663,056
Employer FICA Contributions	508,090	490,559
Employer Medicare Contributions	201,310	193,829
Total Operating Expenses	<u>1,385,040</u>	<u>1,347,444</u>
Change in Net Assets	<u>-</u>	-
Net Assets - Beginning		<u>-</u>
Net Assets - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Section 105 Sick Leave - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 96,300	92,722
Municipal Garage Fund Billings	2,200	2,553
Sewer Fund Billings	2,650	3,062
Water Fund Billings	11,550	11,663
Total Operating Revenues	<u>112,700</u>	<u>110,000</u>
Operating Expenses		
Administration	30,000	12,852
Operations		
Sick Leave Accrual	-	251,093
Total Operating Expenses	<u>30,000</u>	<u>263,945</u>
Operating Income (Loss)	82,700	(153,945)
Nonoperating Revenues		
Investment Earnings	<u>12,000</u>	<u>17,100</u>
Change in Net Assets	<u>94,700</u>	(136,845)
Net Assets - Beginning		<u>(1,415,333)</u>
Net Assets - Ending		<u>(1,552,178)</u>

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Schedule of Net Plan Assets
December 31, 2006**

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash and Cash Equivalents	\$ 1,160,203	1,744,603	2,904,806
Investments			
U.S. Government and Agency Securities	7,693,577	7,608,115	15,301,692
Mutual Funds	18,069,377	18,370,137	36,439,514
Receivables			
Accrued Interest	114,633	112,536	227,169
Total Assets	27,037,790	27,835,391	54,873,181
Liabilities			
Accounts Payable	8,481	8,428	16,909
Due to Other Funds	1,451	1,439	2,890
Total Liabilities	9,932	9,867	19,799
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial schedules.)			
	27,027,858	27,825,524	54,853,382

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Schedule of Changes in Net Plan Assets
Year Ended December 31, 2006**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 860,000	1,118,000	1,978,000
Contributions - Plan Members	347,181	315,906	663,087
Total Contributions	1,207,181	1,433,906	2,641,087
Investment Income			
Investment Earnings	1,569,840	1,614,778	3,184,618
Net Change in Fair Value	856,942	885,831	1,742,773
	2,426,782	2,500,609	4,927,391
Less Investment Expenses	40,899	40,962	81,861
Net Investment Income	2,385,883	2,459,647	4,845,530
Total Additions	3,593,064	3,893,553	7,486,617
Deductions			
Administration	9,500	9,711	19,211
Benefits and Refunds	1,463,058	1,950,735	3,413,793
Total Deductions	1,472,558	1,960,446	3,433,004
Change in Net Assets	2,120,506	1,933,107	4,053,613
Net Plan Assets Held in Trust for Pension Benefits			
Beginning	24,907,352	25,892,417	50,799,769
Ending	27,027,858	27,825,524	54,853,382

VILLAGE OF WILMETTE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2006

	<u>Original and Final Budget</u>	<u>Actual</u>
Additions		
Contributions - Employer	\$ 886,000	860,000
Contributions - Plan Members	290,000	347,181
Total Contributions	<u>1,176,000</u>	<u>1,207,181</u>
Investment Income		
Investment Earnings	1,600,000	1,569,840
Net Change in Fair Value	-	856,942
	<u>1,600,000</u>	<u>2,426,782</u>
Less Investment Expenses	44,000	40,899
Net Investment Income	<u>1,556,000</u>	<u>2,385,883</u>
Total Additions	<u>2,732,000</u>	<u>3,593,064</u>
Deductions		
Administration	10,000	9,500
Benefits and Refunds	1,530,000	1,463,058
Total Deductions	<u>1,540,000</u>	<u>1,472,558</u>
Change in Net Assets	<u>1,192,000</u>	2,120,506
Net Plan Assets Held in Trust for Pension Benefits		
Beginning		<u>24,907,352</u>
Ending		<u>27,027,858</u>

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2006

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,186,000	1,118,000
Contributions - Plan Members	275,000	315,906
Total Contributions	<u>1,461,000</u>	<u>1,433,906</u>
Investment Income		
Investment Earnings	1,680,000	1,614,778
Net Change in Fair Value	-	885,831
	<u>1,680,000</u>	<u>2,500,609</u>
Less Investment Expenses	44,000	40,962
Net Investment Income	<u>1,636,000</u>	<u>2,459,647</u>
Total Additions	<u>3,097,000</u>	<u>3,893,553</u>
Deductions		
Administration	10,000	9,711
Benefits and Refunds	1,961,000	1,950,735
Total Deductions	<u>1,971,000</u>	<u>1,960,446</u>
Change in Net Assets	<u>1,126,000</u>	1,933,107
Net Plan Assets Held in Trust for Pension Benefits		
Beginning		<u>25,892,417</u>
Ending		<u>27,825,524</u>

VILLAGE OF WILMETTE, ILLINOIS

Agency Fund - Fire Insurance Tax

**Combining Schedule of Changes in Assets and Liabilities
Year Ended December 31, 2006**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 465,820	71,813	31,225	506,408
LIABILITIES				
Deposits Payable	427,135	105,348	26,075	506,408

SUPPLEMENTAL SCHEDULES

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 1999
December 31, 2006**

Date of Issue	May 1, 1999
Date of Maturity	December 1, 2014
Authorized Issue	\$10,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.20% to 4.45%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	JP Morgan Investments

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2007	\$ -	262,465	262,465
2008	-	262,465	262,465
2009	110,000	262,465	372,465
2010	400,000	257,845	657,845
2011	690,000	240,845	930,845
2012	1,090,000	210,830	1,300,830
2013	1,135,000	162,870	1,297,870
2014	1,185,000	112,363	1,297,363
2015	1,240,000	59,630	1,299,630
2016	100,000	4,450	104,450
	<u>5,950,000</u>	<u>1,836,228</u>	<u>7,786,228</u>
	<u>5,950,000</u>	Water Fund	
	<u>5,950,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bond Series of 2000

December 31, 2006

Date of Issue	October 15, 2000
Date of Maturity	December 1, 2021
Authorized Issue	\$8,900,000
Denomination of Bonds	\$5,000
Interest Rates	5.00% to 5.50%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	JP Morgan Investments

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2007	\$ 350,000	404,094	754,094
2008	375,000	386,594	761,594
2009	250,000	367,844	617,844
2010	250,000	355,344	605,344
2011	250,000	342,844	592,844
2012	250,000	330,344	580,344
2013	250,000	317,844	567,844
2014	250,000	305,344	555,344
2015	300,000	292,844	592,844
2016	650,000	277,094	927,094
2017	800,000	242,969	1,042,969
2018	850,000	199,969	1,049,969
2019	875,000	154,281	1,029,281
2020	950,000	107,250	1,057,250
2021	1,000,000	55,000	1,055,000
	<u>7,650,000</u>	<u>4,139,659</u>	<u>11,789,659</u>
	1,825,000	General Long-Term Debt	
	<u>5,825,000</u>	Water Fund	
	<u>7,650,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2001
December 31, 2006**

Date of Issue	February 1, 2001
Date of Maturity	December 1, 2008
Authorized Issue	\$5,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 5.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	JP Morgan Investments

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2007	\$ 75,000	7,000	82,000
2008	125,000	2,500	127,500
	<u>200,000</u>	<u>9,500</u>	<u>209,500</u>
	50,000	General Long-Term Debt	
	<u>150,000</u>	Water Fund	
	<u>200,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2002
December 31, 2006**

Date of Issue	February 1, 2002
Date of Maturity	December 1, 2023
Authorized Issue	\$30,400,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 5.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	JP Morgan Investments

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December			
	Principal	Interest	Totals
2007	\$ 175,000	1,306,438	1,481,438
2008	400,000	1,299,350	1,699,350
2009	450,000	1,283,151	1,733,151
2010	450,000	1,264,701	1,714,701
2011	975,000	1,246,026	2,221,026
2012	1,575,000	1,205,563	2,780,563
2013	1,875,000	1,140,201	3,015,201
2014	2,125,000	1,059,576	3,184,576
2015	2,225,000	965,013	3,190,013
2016	2,500,000	863,775	3,363,775
2017	2,700,000	747,525	3,447,525
2018	2,700,000	620,625	3,320,625
2019	2,700,000	492,375	3,192,375
2020	2,400,000	361,425	2,761,425
2021	3,000,000	243,825	3,243,825
2022	1,350,000	96,825	1,446,825
2023	600,000	30,000	630,000
	<u>28,200,000</u>	<u>14,226,394</u>	<u>42,426,394</u>
	21,330,000	General Long-Term Debt	
	1,920,000	Sewer Fund	
	<u>4,950,000</u>	Water Fund	
	<u>28,200,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bond Series of 2004
December 31, 2006**

Date of Issue	December 1, 2004
Date of Maturity	December 1, 2020
Authorized Issue	\$17,525,000
Denomination of Bonds	\$5,000
Interest Rates	3.00% to 4.00%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December			
	Principal	Interest	Totals
2007	\$ 1,305,000	559,511	1,864,511
2008	1,415,000	520,364	1,935,364
2009	1,015,000	477,911	1,492,911
2010	1,245,000	444,926	1,689,926
2011	1,420,000	404,463	1,824,463
2012	1,260,000	358,313	1,618,313
2013	1,645,000	314,212	1,959,212
2014	1,630,000	252,525	1,882,525
2015	925,000	191,400	1,116,400
2016	1,275,000	156,713	1,431,713
2017	1,240,000	108,900	1,348,900
2018	535,000	62,400	597,400
2019	495,000	41,000	536,000
2020	530,000	21,200	551,200
	<u>15,935,000</u>	<u>3,913,838</u>	<u>19,848,838</u>
	8,185,000	General Long-Term Debt	
	2,750,000	Sewer Fund	
	4,445,000	Water Fund	
	555,000	Parking Meter Fund	
	<u>15,935,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bond Series of 1993
December 31, 2006**

Date of Issue	December 10, 1993
Date of Maturity	December 10, 2013
Authorized Issue	\$9,477,412
Denomination of Bonds	Various
Interest Rates	3.580%
Interest Dates	December 10 and June 10
Principal Maturity Date	December 10
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2007	\$ 534,870	132,774	667,644
2008	554,189	113,454	667,643
2009	574,207	93,437	667,644
2010	594,948	72,696	667,644
2011	616,437	51,207	667,644
2012	638,703	28,941	667,644
2013	327,951	5,871	333,822
	<u>3,841,305</u>	<u>498,380</u>	<u>4,339,685</u>
	<u>3,841,305</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bond Series of 1995
December 31, 2006**

Date of Issue	January 1, 1995
Date of Maturity	January 1, 2014
Authorized Issue	\$9,874,474
Denomination of Bonds	Various
Interest Rates	3.580%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2007	\$ 535,686	146,355	682,041
2008	553,836	128,205	682,041
2009	572,602	109,440	682,042
2010	592,003	90,039	682,042
2011	612,061	69,980	682,041
2012	632,799	49,242	682,041
2013	654,240	27,802	682,042
2014	335,386	5,634	341,020
	<u>4,488,613</u>	<u>626,697</u>	<u>5,115,310</u>
	<u>4,488,613</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bond Series of 1996
December 31, 2006**

Date of Issue	June 7, 1996
Date of Maturity	December 7, 2016
Authorized Issue	\$4,783,543
Denomination of Bonds	Various
Interest Rates	2.815%
Interest Dates	December 7 and June 7
Principal Maturity Date	December 7
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2007	\$ 242,791	71,635	314,426
2008	249,674	64,752	314,426
2009	256,751	57,675	314,426
2010	264,030	50,396	314,426
2011	271,515	42,911	314,426
2012	279,211	35,215	314,426
2013	287,127	27,299	314,426
2014	295,266	19,160	314,426
2015	303,636	10,790	314,426
2016	155,031	2,182	157,213
	<u>2,605,032</u>	<u>382,015</u>	<u>2,987,047</u>
	<u>2,605,032</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bond Series of 1997

December 31, 2006

Date of Issue	September 8, 1997
Date of Maturity	September 8, 2017
Authorized Issue	\$9,008,778
Denomination of Bonds	Various
Interest Rates	3.150%
Interest Dates	September 8 and March 8
Principal Maturity Date	September 8
Payable at	Illinois Environmental Protection Agency

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December			
	Principal	Interest	Totals
2007	\$ 436,334	174,218	610,552
2008	450,187	160,365	610,552
2009	464,479	146,073	610,552
2010	479,226	131,326	610,552
2011	494,440	116,112	610,552
2012	510,138	100,414	610,552
2013	526,333	84,218	610,551
2014	543,043	67,508	610,551
2015	560,284	50,268	610,552
2016	578,072	32,480	610,552
2017	596,423	14,127	610,550
	<u>5,638,959</u>	<u>1,077,109</u>	<u>6,716,068</u>
	<u>5,638,959</u>	Sewer Fund	

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF WILMETTE, ILLINOIS

**Net Assets by Component - Last Three Fiscal Years
December 31, 2006 (Unaudited)**

	2003	2004	2005	2006
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 6,845,616	7,343,577	8,166,032	8,929,074
Restricted	1,107,740	1,154,049	1,076,158	834,828
Unrestricted	2,886,309	2,621,235	4,423,233	4,928,203
Total Governmental Activities Net Assets	10,839,665	11,118,861	13,665,423	14,692,105
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	33,343,412	35,127,266	35,475,772	36,849,485
Restricted	-	-	-	-
Unrestricted	2,309,012	1,517,047	3,340,497	2,605,420
Total Business-Type Activities Net Assets	35,652,424	36,644,313	38,816,269	39,454,905
Total Net Assets				
Invested in Capital Assets, Net of Related Debt	40,189,028	42,470,843	43,641,804	45,778,559
Restricted	1,107,740	1,154,049	1,076,158	834,828
Unrestricted	5,195,321	4,138,282	7,763,730	7,533,623
Total Net Assets	46,492,089	47,763,174	52,481,692	54,147,010

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Changes in Net Assets - Last Three Fiscal Years
December 31, 2006 (Unaudited)**

	2003	2004	2005	2006
Expenses				
Governmental Activities				
General Government	\$ 3,575,237	3,195,919	3,330,649	3,466,888
Public Safety	13,224,840	12,681,422	13,334,526	13,727,439
Streets and Sanitation	8,086,777	6,408,770	7,460,718	7,445,005
Other Public Works	1,012,646	1,073,884	1,051,838	1,687,224
Community Development	145,857	964,234	1,116,566	1,137,139
Public Health	869,963	154,543	160,447	193,970
Interest	1,590,316	1,570,605	1,447,678	1,404,556
Total Governmental Activities Expenses	28,505,636	26,049,377	27,902,422	29,062,221
Business-Type Activities				
Waterworks	5,276,280	5,253,705	5,634,646	5,770,344
Sewerage	2,407,541	2,146,754	2,436,380	2,444,549
Parking	410,039	417,245	432,340	421,842
Total Business-Type Activities Net Assets	8,093,860	7,817,704	8,503,366	8,636,735
Total Expenses	36,599,496	33,867,081	36,405,788	37,698,956
Program Revenues				
Governmental Activities				
Charges for Services				
General Government	139,939	234,736	247,917	265,168
Public Safety	1,402,962	1,430,121	1,533,081	1,572,175
Streets and Sanitation	1,270,178	1,301,785	1,552,340	1,649,677
Other Public Works	27,435	25,547	38,000	63,356
Community Development	1,198,382	1,173,237	1,726,586	1,569,484
Public Health	11,311	11,589	12,558	39,010
Operating Grants	850,178	881,558	1,330,251	999,520
Capital Grants	2,106,109	108,160	-	-
Total Governmental Activities Program Revenues	7,006,494	5,166,733	6,440,733	6,158,390
Business-Type Activities				
Charges for Services				
Waterworks	5,450,496	5,333,624	6,508,780	5,757,608
Sewerage	2,934,783	3,296,414	3,940,993	3,406,059
Commuter Parking	260,831	256,235	312,782	305,994
Capital Grants and Contributions	45,750	426,713	101,377	21,550
Total Business-Type Activities Program Revenues	8,691,860	9,312,986	10,863,932	9,491,211
Total Revenues	15,698,354	14,479,719	17,304,665	15,649,601

VILLAGE OF WILMETTE, ILLINOIS

**Changes in Net Assets - Last Three Fiscal Years - Continued
December 31, 2006 (Unaudited)**

	2003	2004	2005	2006
Net (Expense) Revenue				
Governmental Activities	\$ (21,499,142)	\$ (20,882,644)	(21,461,689)	(22,903,831)
Business-Type Activities	598,000	1,495,282	2,360,566	854,476
Total Net Revenue (Expense)	(20,901,142)	(19,387,362)	(19,101,123)	(22,049,355)
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes				
Property	8,875,622	9,418,575	10,190,069	10,843,388
Sales, Local Use	3,375,314	3,356,036	3,940,023	4,113,029
Utility	2,831,751	2,707,925	2,913,414	2,647,823
Income	1,713,517	1,757,291	2,063,436	2,263,978
Real Estate Transfer	1,345,450	1,447,829	1,512,987	1,326,561
Other	621,325	599,239	652,464	666,020
Investment Income	368,368	220,809	398,842	686,719
Miscellaneous	520,692	483,499	795,150	617,410
Gain (Loss) on Disposal of Capital Assets	33,750	30,500	-	-
Transfers In (Out)	599,194	661,947	597,455	765,585
Contributions	365,045	478,190	-	-
Total Governmental Activities	20,650,028	21,161,840	23,063,840	23,930,513
Business-Type Activities				
Investment Income	131,292	158,554	408,845	549,745
Gain (Loss) on Disposal of Capital Assets	(91,123)	-	-	-
Transfers In (Out)	(599,194)	(661,947)	(597,455)	(765,585)
Contributions	1,866,839	-	-	-
Total Business-Type Activities	1,307,814	(503,393)	(188,610)	(215,840)
Total	21,957,842	20,658,447	22,875,230	23,714,673
Changes in Net Assets				
Governmental Activities	(849,114)	279,196	1,602,151	1,026,682
Business-Type Activities	1,905,814	991,889	2,171,956	638,636
Total Changes in Net Assets	1,056,700	1,271,085	3,774,107	1,665,318

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

	<u>1997</u>	<u>1998</u>	<u>1999</u>
General Fund			
Reserved	\$ 428,439	516,926	425,404
Unreserved	3,377,302	3,384,445	4,217,227
 Total General Fund	<u>3,805,741</u>	<u>3,901,371</u>	<u>4,642,631</u>
All Other Governmental Funds			
Reserved	543,673	336,199	83,053
Unreserved, Reported in:			
Special Revenues Funds	1,607,573	2,249,876	2,236,638
Debt Service Funds	138,845	112,948	90,480
Capital Projects Funds	12,737	304,570	2,467,973
 Total All Other Governmental Funds	<u>2,302,828</u>	<u>3,003,593</u>	<u>4,878,144</u>

Data Source: Village Records

2000	2001	2002	2003	2004	2005	2006
591,673	625,531	900,743	500,461	771,163	563,159	617,896
4,546,813	3,590,642	3,979,211	4,687,146	4,727,523	5,756,062	6,391,407
5,138,486	4,216,173	4,879,954	5,187,607	5,498,686	6,319,221	7,009,303
11,127	30,971	1,918,991	5,257	-	-	-
1,653,575	1,463,717	1,917,625	1,056,168	1,107,427	680,990	431,201
95,003	55,802	55,720	48,994	49,334	34,553	28,366
1,947,704	658,054	15,926,988	13,221,678	8,977,970	4,521,700	1,816,076
3,707,409	2,208,544	19,819,324	14,332,097	10,134,731	5,237,243	2,275,643

VILLAGE OF WILMETTE, ILLINOIS

**General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Source	1997	1998	1999
Taxes	\$ 14,666,116	15,960,723	16,966,482
Licenses and Permits	1,562,699	1,380,545	1,594,893
Intergovernmental	2,489	2,743	3,524
Charges for Services and Fees	3,157,407	3,129,073	3,212,219
Fines and Forfeits	313,530	341,324	320,254
Investment Income	285,034	277,865	423,464
Miscellaneous	1,193,514	707,262	771,058
Total	21,180,789	21,799,535	23,291,894

Note: 1996 through 2003 includes General, Special Revenue, Capital Projects and Debt Service Funds.
2003 GASB 34 was implemented. Includes all Governmental Funds.
With the implementation of GASB 34, the Sewer Fund was reclassified as a Proprietary Fund from a
Special Revenue Fund.

Data Source: Village Records

2000	2001	2002	2003	2004	2005	2006
17,796,767	17,985,396	18,211,850	19,547,732	20,076,053	21,272,393	21,860,799
1,526,400	1,570,827	1,606,897	2,094,575	2,172,187	2,824,120	2,678,714
3,526	3,080	2,038,342	2,171,534	200,560	1,177,017	999,520
3,133,083	3,151,875	4,456,680	1,605,341	1,640,957	1,946,356	2,168,121
286,133	267,000	297,992	350,291	363,871	340,006	312,035
560,906	399,686	816,990	368,368	220,809	390,758	538,001
692,720	739,168	880,594	554,442	513,999	684,793	617,410
23,999,535	24,117,032	28,309,345	26,692,283	25,188,436	28,635,443	29,174,600

VILLAGE OF WILMETTE, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Function	1997	1998	1999
General Government	\$ 4,024,244	2,184,618	2,223,336
Public Safety	7,617,506	8,512,787	9,043,787
Streets and Sanitation	4,517,413	5,030,217	5,405,380
Other Public Works	785,151	1,098,276	927,023
Public Health	116,398	151,632	156,271
Community Development	688,861	744,974	709,525
Capital Outlay	8,437,288	3,464,201	3,418,887
Debt Service			
Principal	1,651,904	1,856,977	1,945,881
Interest and Fiscal Charges	1,207,234	1,291,398	1,442,871
Total	29,045,999	24,335,080	25,272,961

Note: 1996 through 2003 includes General, Special Revenue, Capital Projects and Debt Service Funds.
2003 GASB 34 was implemented. Includes all Governmental Funds.
With the implementation of GASB 34, the Sewer Fund was reclassified as a Proprietary Fund from a
Special Revenue Fund.

2000	2001	2002	2003	2004	2005	2006
2,223,039	2,577,904	2,748,934	3,575,237	3,195,919	3,330,649	3,466,888
9,630,599	10,330,474	10,323,232	13,224,840	12,681,422	13,334,526	13,727,439
5,822,727	5,831,953	5,563,500	8,086,777	6,408,770	7,460,718	7,445,005
983,121	933,645	899,030	1,012,646	1,073,884	1,051,838	1,687,224
162,908	163,634	148,368	145,857	154,543	160,447	193,970
785,065	782,215	846,395	869,963	964,234	1,116,566	1,137,139
3,788,753	6,032,847	8,741,902	-	-	-	-
2,047,229	2,166,972	2,306,600	-	-	-	-
1,410,160	1,564,737	2,333,643	1,590,316	1,570,605	1,447,678	1,404,556
26,853,601	30,384,381	33,911,604	28,505,636	26,049,377	27,902,422	29,062,221

VILLAGE OF WILMETTE, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2006 (Unaudited)

	1997	1998	1999
Revenues			
Taxes	\$ 14,666,116	15,960,723	16,966,482
Licenses and Permits	1,562,699	1,380,545	1,594,893
Intergovernmental	2,489	2,743	3,524
Charges for Services and Fees	3,157,407	3,129,073	3,212,219
Fines and Forfeits	313,530	341,324	320,254
Investment Income	285,034	277,865	423,464
Miscellaneous	1,193,514	707,262	771,058
Total Revenues	21,180,789	21,799,535	23,291,894
Expenditures			
General Government	4,024,244	2,184,618	2,223,336
Public Safety	7,617,506	8,512,787	9,043,787
Streets and Sanitation	4,517,413	5,030,217	5,405,380
Other Public Works	785,151	1,098,276	927,023
Public Health	116,398	151,632	156,271
Community Development	688,861	744,974	709,525
Capital Outlay	8,437,288	3,464,201	3,418,887
Debt Service			
Principal	1,651,904	1,856,977	1,945,881
Interest and Fiscal Charges	1,207,234	1,291,398	1,442,871
Total Expenditures	29,045,999	24,335,080	25,272,961
Excess of Revenues Over (Under) Expenditures	(7,865,210)	(2,535,545)	(1,981,067)
Other Financing Sources (Uses)			
Proceeds from Bonds	480,000	2,460,000	4,050,000
Proceeds from I.E.P.A. Loan	5,990,288	406,712	-
Proceeds from Installment Contract	-	-	-
Payments to Escrow Agent	-	-	-
Transfers In	700,000	700,000	700,000
Transfers Out	(272,286)	(234,772)	(153,122)
Total Other Financing Sources (Uses)	6,898,002	3,331,940	4,596,878
Net Change in Fund Balances	(967,208)	796,395	2,615,811
Debt Service as a Percentage of Noncapital Expenditures	13.87%	15.09%	15.51%

Note: 1996 through 2002 includes General, Special Revenue, Capital Projects and Debt Service Funds.
2003 GASB 34 was implemented. Includes all Governmental Funds.
With the implementation of GASB 34, the Sewer Fund was reclassified as a Proprietary Fund from
a Special Revenue Fund

Data Source: Village Records

2000	2001	2002	2003	2004	2005	2006
17,796,767	17,985,396	18,211,850	18,762,978	19,286,895	21,272,393	21,860,799
1,526,400	1,570,827	1,606,897	2,094,575	2,172,187	2,824,120	2,678,714
3,526	3,080	2,038,342	2,816,192	989,718	1,177,017	999,520
3,133,083	3,151,875	4,456,680	1,605,341	1,640,957	1,946,356	2,168,121
286,133	267,000	297,992	350,291	363,871	340,006	312,035
560,906	399,686	816,990	274,252	260,765	390,758	538,001
692,720	739,168	880,594	694,537	513,999	684,793	617,410
23,999,535	24,117,032	28,309,345	26,598,166	25,228,392	28,635,443	29,174,600
2,223,039	2,577,904	2,748,934	2,769,169	2,934,612	2,989,626	3,073,424
9,630,599	10,330,474	10,323,232	11,527,958	12,272,889	13,184,417	13,859,888
5,822,727	5,831,953	5,563,500	5,181,212	4,857,268	5,327,047	5,237,550
983,121	933,645	899,030	1,012,646	1,043,884	1,107,204	1,687,224
162,908	163,634	148,368	145,857	154,543	160,447	193,970
785,065	782,215	846,395	869,963	964,234	1,116,566	1,137,139
3,788,753	6,032,847	8,741,902	6,104,435	5,303,393	6,734,692	4,468,596
2,047,229	2,166,972	2,306,600	885,000	1,010,000	1,261,869	1,167,764
1,410,160	1,564,737	2,333,643	1,593,255	1,581,375	1,429,943	1,386,148
26,853,601	30,384,381	33,911,604	30,089,495	30,122,198	33,311,811	32,211,703
(2,854,066)	(6,267,349)	(5,602,259)	(3,491,329)	(4,893,806)	(4,676,368)	(3,037,103)
2,000,000	3,000,000	25,156,952	-	9,300,000	-	-
-	-	-	-	-	-	-
-	-	165,000	65,586	314,979	-	-
-	-	(1,914,886)	-	(9,269,407)	-	-
700,000	700,000	700,000	757,886	800,000	1,300,000	1,302,029
(185,855)	(157,242)	(284,329)	(158,692)	(138,053)	(700,585)	(536,444)
2,514,145	3,542,758	23,822,737	664,780	1,007,519	599,415	765,585
(339,921)	(2,724,591)	18,220,478	(2,826,549)	(3,886,287)	(4,076,953)	(2,271,518)
14.99%	15.32%	18.44%	10.33%	10.44%	10.18%	9.30%

VILLAGE OF WILMETTE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Year
December 31, 2006 (Unaudited)**

Tax Levy Year	Real Property New Trier Township	Real Property Northfield Township	Railroad Property New Trier Township	Total Assessed Value	Equalization Factor	Direct Tax Rate
1996	\$ 765,412,466	\$ 3,242,366	\$ 161,812	\$ 768,816,644	2.1517	0.893
1997	767,728,846	3,220,131	146,633	771,095,610	2.1489	0.918
1998	861,183,490	3,407,486	136,626	864,727,602	2.1799	0.854
1999	891,271,087	3,509,801	132,765	894,913,653	2.2505	0.854
2000	882,765,423	3,500,518	135,787	886,401,728	2.2235	0.902
2001	1,127,562,716	4,164,954	139,261	1,131,866,931	2.3098	0.748
2002	1,210,079,062	4,432,414	158,585	1,214,670,061	2.4689	0.739
2003	1,202,287,401	4,377,864	167,938	1,206,833,203	2.4598	0.788
2004	1,492,689,803	5,056,436	184,479	1,497,930,718	2.5757	0.689
2005	1,623,962,496	5,472,282	174,078	1,629,608,856	2.732	0.671

2006 Data - Currently Not Available

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Direct and Overlapping Property Tax Rates
December 31, 2006 (Unaudited)**

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Village of Wilmette:										
General Corporate rate	0.779	0.806	0.739	0.723	0.753	0.614	0.584	0.608	0.530	0.520
Debt Service Rate	0.114	0.112	0.115	0.132	0.149	0.134	0.155	0.180	0.159	0.150
Total Direct Tax Rate	0.893	0.918	0.854	0.854	0.902	0.748	0.739	0.788	0.689	0.671
School District #39	2.976	3.314	3.087	3.193	3.454	2.742	2.610	2.707	2.238	2.151
School District #203	1.929	1.967	1.871	1.845	1.936	1.611	1.935	1.799	1.621	1.577
Community College #535	0.208	0.216	0.205	0.203	0.213	0.186	0.179	0.186	0.161	0.158
Wilmette Park District	0.463	0.475	0.430	0.423	0.528	0.425	0.510	0.526	0.440	0.413
Wilmette Public Library	0.375	0.389	0.343	0.338	0.351	0.309	0.315	0.352	0.315	0.283
Cook County	0.989	0.946	0.911	0.877	0.824	0.778	0.690	0.659	0.593	0.547
Sanitary District	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315
Forest Preserve District	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.060
New Trier Township	0.057	0.060	0.057	0.057	0.058	0.046	0.045	0.048	0.039	0.039
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.008	0.008	0.007	0.006	0.004	0.001	0.005
Mosquito Abatement District	0.011	0.011	0.011	0.011	0.011	0.010	0.009	0.009	0.008	0.008
Total Direct and Overlapping Tax Rate	8.475	8.829	8.293	8.298	8.769	7.330	7.470	7.498	6.512	6.227

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2006 (Unaudited)**

Taxpayer	2006			1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Joseph Freed & Associates	\$ 37,126,916	1	2.28%	\$ 21,604,370	1	2.80%
1630 Sheridan Corp.	14,985,015	2	0.92%	5,654,167	3	0.73%
Plaza del Lago, Inc.	12,294,000	3	0.75%	8,185,808	2	1.06%
L.J. Thalmann & Co.	7,002,954	4	0.43%	4,434,726	4	0.58%
Albertson's	5,925,605	5	0.36%	-	N/A	0.00%
William C. Kagan	4,439,472	6	0.27%	2,219,156	9	0.29%
Landau & Heyman	4,221,970	7	0.26%	2,823,528	5	0.37%
Avgeris & Assoc.	3,824,795	8	0.23%	2,746,307	6	0.36%
Manor Health Care Corp.	3,548,256	9	0.22%	2,219,352	8	0.29%
Wolin-Levin	3,496,960	10	0.21%	1,583,216	13	0.21%
Westmoreland Country Club	3,464,316	11	0.21%	2,555,700	7	0.33%
Beth Corp.	3,022,086	12	0.19%	2,193,360	10	0.28%
Michigan Shores Club	2,197,170	13	0.13%	1,554,371	14	0.20%
Wilmette Imports	2,058,729	14	0.13%	-	N/A	0.00%
Jeffrey Strange	2,038,069	15	0.13%	1,747,670	11	0.23%
Ameritech	-	N/A	0.00%	1,707,937	12	0.22%
	<u>109,646,313</u>		<u>6.73%</u>	<u>61,229,668</u>		<u>7.94%</u>

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Property Tax Levies and Collections
December 31, 2006 (Unaudited)**

Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1996	\$ 6,865,900	\$ 6,772,191	98.64%	57,269	\$ 6,829,460	99.47%
1997	7,072,200	7,009,834	99.12%	107,123	7,116,957	100.63%
1998	7,384,700	7,271,327	98.46%	253,767	7,525,094	101.90%
1999	7,642,700	7,553,626	98.83%	47,235	7,600,861	99.45%
2000	7,994,173	7,971,753	99.72%	(18,761)	7,952,992	99.48%
2001	8,461,616	8,384,855	99.09%	33,488	8,418,343	99.49%
2002	8,968,044	8,855,063	98.74%	62,608	8,917,671	99.44%
2003	9,505,136	9,039,215	95.10%	428,253	9,467,468	99.60%
2004	10,306,726	10,082,058	97.82%	198,106	10,280,164	99.74%
2005	10,925,600	10,681,712	97.77%	N/A	10,681,712	97.77%
2006	11,801,600	*		*	*	*

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

Note: Levies for all Special Service Areas have been excluded from this table.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Fiscal Year Ended Dec 31	Governmental Activities			Business-Type Activities						Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Contracts	Water General Obligation Bonds	Sewer General Obligation Bonds	Parking Meter General Obligation Bonds	Water Revenue Bonds	IEPA Revolving Loans					
1997	\$ 5,578,333	\$ 98,605	\$ 12,490,167	\$ -	\$ 1,376,500	\$ 300,000	\$ 29,359,946	\$ 49,203,551	1,279.18	\$ 1,854.64		
1998	7,448,333	93,708	14,495,167	-	1,376,500	-	28,499,681	51,913,389	1,349.63	1,956.78		
1999	10,883,333	88,467	14,201,667	-	1,275,000	-	27,168,800	53,617,267	1,393.92	2,021.01		
2000	12,233,333	82,860	14,031,667	-	1,150,000	-	25,771,571	53,269,431	957.89	1,926.49		
2001	14,510,000	76,860	15,735,000	-	1,065,000	-	24,327,934	55,714,794	1,001.87	2,014.93		
2002	35,210,000	227,650	20,440,000	2,000,000	975,000	-	22,836,334	81,688,984	1,468.94	2,954.29		
2003	34,330,000	281,232	20,150,000	1,980,000	880,000	-	21,492,258	79,113,490	1,422.62	2,861.14		
2004	33,590,000	583,969	22,175,000	4,760,000	785,000	-	19,906,130	81,800,099	1,470.93	2,958.31		
2005	32,445,000	467,100	21,790,000	4,715,000	670,000	-	18,267,269	78,354,369	1,408.97	2,833.69		
2006	31,390,000	354,336	21,320,000	4,670,000	555,000	-	16,972,126	75,261,462	1,353.36	2,721.84		

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Fiscal Year Ended Dec. 31	Gross General Obligation Bonds	Per Capita Personal Income	Total Equalized Assessed Valuation	Percentage of Equalized Assessed Valuation	Per Capita
1997	\$ 5,578,333	\$ 38,465	\$ 771,095,610	0.72%	\$ 210.27
1998	7,448,333	38,465	864,727,602	0.86%	280.75
1999	10,883,333	38,465	894,913,653	1.22%	410.23
2000	12,233,333	55,611	886,401,728	1.38%	442.42
2001	14,510,000	55,611	1,131,866,931	1.28%	524.75
2002	35,210,000	55,611	1,214,670,061	2.90%	1,273.37
2003	34,330,000	55,611	1,206,833,203	2.84%	1,241.55
2004	33,590,000	55,611	1,497,930,718	2.24%	1,214.78
2005	32,445,000	55,611	1,629,608,856	1.99%	1,173.38
2006	31,390,000	55,611	1,629,608,856	1.93%	1,135.22

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
December 31, 2006 (Unaudited)**

Governmental Unit	Gross Debt	*Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Wilmette	\$ 31,390,000	100.000 %	\$ 31,390,000
School Districts:			
Avoca School District #37	2,522,974	37.034	934,358
Kenilworth School District #38	4,195,000	2.225	93,339
Wilmette School District #39	10,885,000	95.097	10,351,308
Community College #535	-	7.668	-
New Trier Township High School District #203	20,014,000	34.585	6,921,842
Total School Districts	37,616,974		18,300,847
Other Agencies:			
Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago	3,131,565,000	1.222	38,267,724
Wilmette Park District	28,405,000	100.000	28,405,000
Glenview Park District	22,725,000	.147	33,406
Wilmette Public Library District	-	.000	-
Total Other Agencies	4,736,292,085		86,095,022
Total Overlapping Debt	4,773,909,059		104,395,869
Total Direct and Overlapping Debt	\$ 4,805,299,059		\$ 135,785,869

* Determined by the ratio of assessed value of property in the Village subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

Data Source: Cook County and Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS

**Legal Debt Margin - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

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.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Fiscal Year Ended December 31	General Obligation Bonds Serviced by Water, Sewer and Parking Revenues and Illinois Environmental Protection Agency Loans Serviced by Sewer Revenues *					
	Operating Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue (3)	Debt Service		Coverage (4)
				Principal	Interest	
1997	\$ 4,633,509	\$ 2,817,390	\$ 1,816,119	\$ 528,333	\$ 806,056	1.36
1998	4,661,231	2,965,448	1,695,783	835,000	833,028	1.02
1999	5,051,910	3,020,501	2,031,409	661,500	705,131	1.49
2000	4,741,163	3,158,607	1,582,556	390,000	847,900	1.28
2001	5,074,759	3,205,293	1,869,466	381,667	863,116	1.50
2002	5,320,019	3,214,693	2,105,326	385,000	1,042,556	1.47
2003	8,646,110	4,752,315	3,893,795	1,940,099	1,910,077	1.01
2004	8,886,273	4,402,576	4,483,697	2,046,127	1,971,160	1.12
2005	10,762,555	4,993,804	5,768,751	2,138,861	1,869,222	1.44
2006	9,469,661	5,051,138	4,418,523	2,323,360	1,793,394	1.07

*With the implementation of GASB 34 in 2003, the Sewer Fund was reclassified as a Proprietary Fund from a Special Revenue Fund. The Sewer Fund is only noted on this schedule beginning in 2003.

- (1) As defined in applicable bond indentures and governing laws.
- (2) Total expenses exclusive of depreciation and bond interest.
- (3) Gross revenues minus expenses
- (4) Net revenue available for debt service divided by total debt requirements.

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years December 31, 2006 (Unaudited)

Fiscal Year Ended December 31	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1997	26,530	\$ 1,020,476	38,465	N/A	6,896	1.70%
1998	26,530	1,020,476	38,465	N/A	6,896	1.70%
1999	26,530	1,020,476	38,465	N/A	6,896	1.70%
2000	27,651	1,537,700	55,611	42.2	8,383	2.60%
2001	27,651	1,537,700	55,611	42.2	8,383	2.60%
2002	27,651	1,537,700	55,611	42.2	8,383	2.60%
2003	27,651	1,537,700	55,611	42.2	8,383	2.60%
2004	27,651	1,537,700	55,611	42.2	8,383	2.60%
2005	27,651	1,537,700	55,611	42.2	8,383	2.60%
2006	27,651	1,537,700	55,611	42.2	8,383	2.60%

Data Source: 1990 and 2000 census data

VILLAGE OF WILMETTE, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2006 (Unaudited)**

Employer	2006			1997		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wilmette School District #39	565	1	N/A	400	1	N/A
Loyola Academy	283	2	N/A	230	3	N/A
Carson, Pirie, Scott & Co.	250	3	N/A	300	2	N/A
Jewel	246	4	N/A			
Village of Wilmette	209	5	N/A	198	4	N/A
Chalet Nursery	130	6				
ManorCare Health Services	100	7	N/A	70	8	N/A
Koenig & Strey, Inc.	100	8	N/A	100	5	N/A
Wilmette Park District	82	9	N/A			
Westmoreland Country Club	75	10	N/A	75	6	N/A
Loyola University				70	7	N/A
Regina Dominican				63	9	N/A
Bed, Bath & Beyond				60	10	N/A
	<u>2,040</u>		<u>-</u>	<u>1,566</u>		<u>-</u>

N/A - Not Available

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Administration & Law	8.90	8.90	8.25	7.00	7.20	7.20	7.20	7.20	7.20	7.20
Finance & Information										
Services	10.76	9.76	10.70	12.58	12.58	11.83	11.78	11.53	11.90	11.90
Other	2.75	2.88	2.88	3.25	3.25	2.88	2.75	2.75	2.25	2.25
Police										
Officers	43.00	43.00	43.00	43.00	43.00	45.00	45.00	45.00	46.00	46.00
Telecommunicators	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00
Other Civilians	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Fire										
Firefighters and Officers	44.00	44.00	44.00	44.00	45.00	45.00	45.00	45.00	45.00	45.00
Civilians	2.50	2.58	3.08	3.08	2.50	2.00	2.00	2.00	2.00	2.00
Health	2.20	2.20	2.20	2.20	2.20	2.00	2.00	1.75	1.75	1.75
Public Works										
Streets and Sanitation	26.58	27.58	27.42	29.42	29.42	29.42	27.10	27.10	27.60	28.10
Water and Sewer	28.50	28.13	28.13	28.13	29.00	29.00	29.00	29.00	29.50	29.50
Engineering	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
Other	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50	3.50
Community Development	9.70	11.20	11.00	11.50	11.25	11.00	11.00	11.00	11.00	11.00
Total	209.39	210.72	211.15	215.65	216.40	216.32	213.83	213.33	215.20	214.70

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Function/Program	1997	1998	1999
Police			
Felonies	641	582	585
Misdemeanors (Part II Crimes)	1,933	1,322	1,567
Miscellaneous offenses (incidents reported)	21,087	19,044	19,442
Traffic accidents	1,070	1,059	1,111
Fire			
Emergency Responses	2917	3191	3266
Fires Extinguished	49	69	62
Inspections	700	700	700
Public Works			
Street Resurfacing (Miles)	N/A	N/A	N/A
Potholes Repaired	N/A	N/A	N/A
Water			
New Connections			
Average Daily Consumption (Thousands of Gallons)	12,580	12,127	12,760
Peak Daily Consumption (Thousands of Gallons)	27,118	23,629	25,922

Data Source: Village Records

2000	2001	2002	2003	2004	2005	2006
575	526	521	465	488	486	423
1,414	1,515	1,549	2,010	2,026	1,843	1,912
17,365	17,282	16,494	17,246	17,612	16,162	15,046
1,148	1,055	1,092	1,054	1,006	1,021	964
3280	3527	3226	3108	2981	3195	3180
53	47	35	48	50	57	51
700	537	638	475	400	610	618
N/A	N/A	3.87	3.07	4.00	3.25	3.50
N/A	N/A	784	1,031	2,153	2,811	1,909
12,410	12,467	12,715	13,026	12,430	13,941	11,931
21,919	22,916	27,829	24,477	20,905	29,540	24,474

VILLAGE OF WILMETTE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2006 (Unaudited)**

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	19	19	19	19	19	19	19	19	20
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (Miles)	86.5	86.5	86.5	86.5	86.5	86.5	87.8	87.8	87.8	87.8
Streetlights	2,430	2,430	2,430	2,430	2,430	2,429	2,510	2,510	2,510	2,510
Traffic Signals:										
Village Owned	6	6	6	6	7	7	7	8	8	9
Other	18	18	18	18	18	18	18	17	17	17
Water										
Water Mains (Miles)	91	91	91	91	91	91	91	91	91	91
Fire Hydrants	953	980	962	962	974	975	975	975	975	977
System Capacity (Millions of Gallons)	34	34	38	38	38	34	34	42	44	44

Data Source: Village Records