

VILLAGE OF  
WILMETTE, ILLINOIS

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT



FOR THE FISCAL  
YEAR ENDED  
DECEMBER 31, 2011

**VILLAGE OF WILMETTE,  
ILLINOIS**

**COMPREHENSIVE  
ANNUAL FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2011**

Prepared by Department of Finance

Robert Amoruso  
Director of Finance

Kathleen Gargano  
Assistant Village Manager

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## **INTRODUCTORY SECTION**

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

**VILLAGE OF WILMETTE, ILLINOIS**

**Principal Officials  
December 31, 2011**

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**LEGISLATIVE**

**VILLAGE BOARD OF TRUSTEES**

Christopher S. Canning, President

Mike Basil - Trustee

Cameron Krueger - Trustee

Bob Bielinski - Trustee

Alan Swanson - Trustee

Julie Wolf - Trustee

Ted McKenna - Trustee

**ADMINISTRATIVE**

Timothy J. Frenzer, Village Manager

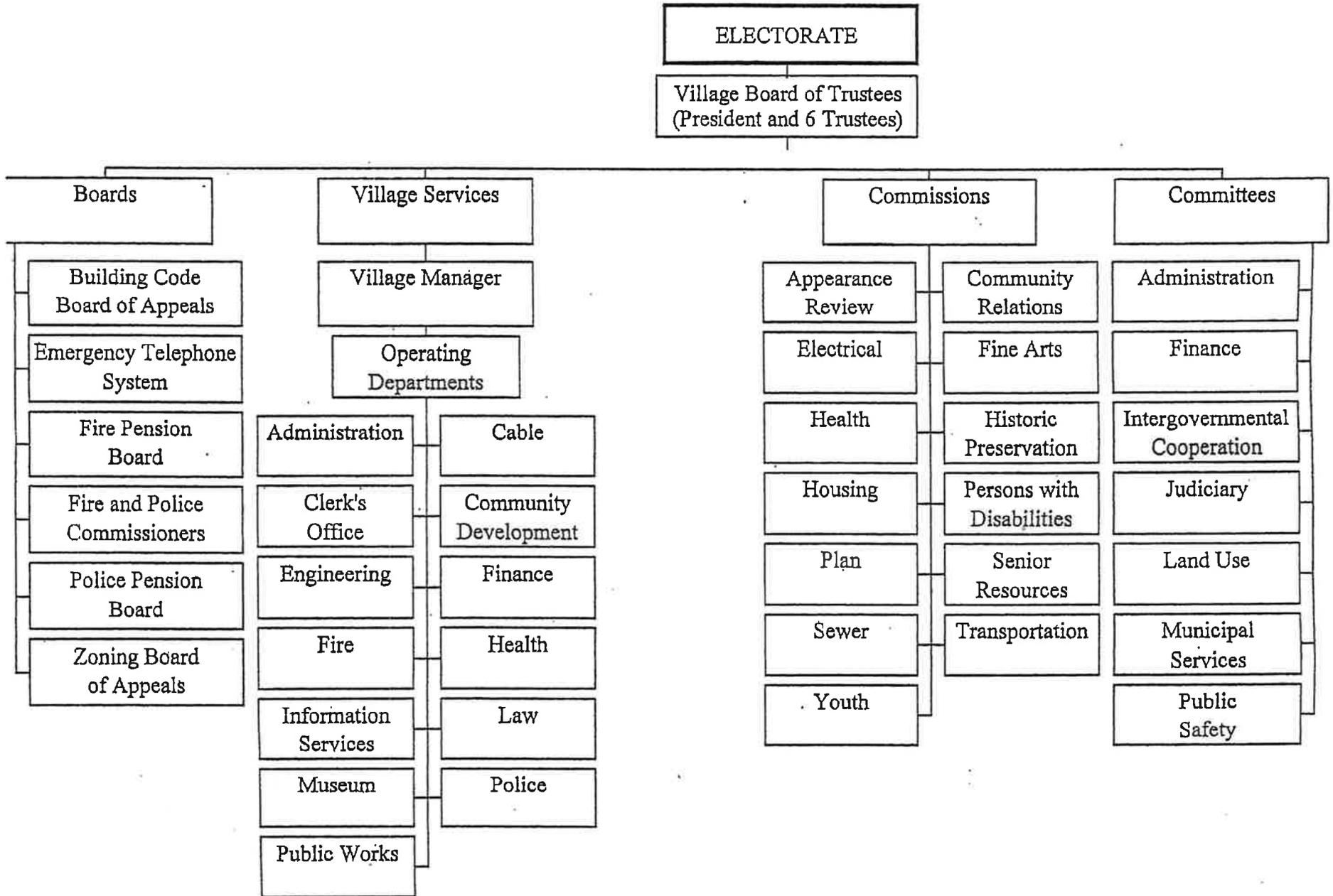
Kathleen A. Gargano, Assistant Village Manager

**FINANCE DEPARTMENT**

Robert Amoruso, Finance Director

Blythe Trilling, Assistant Finance Director

# VILLAGE OF WILMETTE ORGANIZATIONAL STRUCTURE





# VILLAGE OF WILMETTE

1200 Wilmette Ave.  
WILMETTE, ILLINOIS 60091-0040

(847) 251-2700  
FAX (847) 853-7700  
TDD (847) 853-7634  
EMAIL [wilmette@wilmette.com](mailto:wilmette@wilmette.com)

May 3, 2011

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, 2011 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 27,087 per the 2010 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)

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 2010 Census Bureau data, median household family income for the Village was \$128,028. This compares to the 2010 household family income of \$53,942 for Cook County and \$55,735 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 highly in this category, nationally.

While the 2010 census reflects important statistics it cannot be denied that the downturn in the nation's economy has impacted everyone. Statistically:

- National unemployment levels remain quite high at 8.3% at the end of 2011 (albeit an improvement from 9.4% at the end of 2010 and 9.3% at the end of 2009). The Illinois unemployment rate declined slightly to 9.3% at December 31, 2011 from 9.2% one year earlier.
- Foreclosure rates increased 30% nationally in 2008 and more than 22% in 2009. While this has somewhat stabilized the decline in property values has increased the number of home owners that are "under water" with their mortgages and continues to hinder economic growth.
- Corporate activity improved somewhat in 2011. The Dow Jones Industrial average increased 5.5% through December 31, 2011 to a year-end level of 12,217 while the Standard and Poor's 500 Index was flat at a level of 1,257 at the end of 2010 and 2011. International markets did not fare as well as European-Asian market index declined more than 12% and the emerging market index declined more than 18%. Continued high unemployment and problems internationally continue to plague the United States economy.

Locally, the Village's unemployment rate was at 5.7% at December 31, 2011 (an improvement from a rate of 6.4% at the end of 2010). Employment levels in the Village have always performed better than state and national averages. While this is among the lowest rates in the State, it is still a great concern that nearly 1,000 residents are actively seeking employment.

Foreclosure activity improved in 2011. While specific data is not available, the Village's utility billing records estimate that this has affected about 80 households in 2011 and is down to less than 40 by June 2012. The nature of these foreclosures is significantly different than throughout much of the nation. In much of the country, property value drops have resulted in "negative equity" situations wherein balances of mortgage loans exceeded the home values. This has generally not been the case in Wilmette. Many of the Village's foreclosures have been resolved quickly with lending institutions so that properties have not been vacant for lengthy periods.

Locally, the greater issues concerning real estate have been decreases in the volume of real estate sales. Property values stabilized in 2011 but the declines occurring in 2009 and 2010 are estimated at between 10% and 20%. Due to these declines, many residents have hesitated listing properties in the current environment. This situation appears to be improving in the early stages of 2012. Home remodeling activity was also somewhat flat in 2011 but also appears to be improving in 2012.

While investment performance improved from the downturn in the final half of 2008 and the first quarter of 2009, long-term results still reflect poor equity investment since December 31, 1999. The Dow Industrial Average of 12,217 at December 31, 2011 reflects only a 6.3% increase over the December 31, 1999 level of 11,497. Worse yet, the Standard and Poor's 500 index declined over 14% over that time span (from 1,469 to 1,257).

Poor investment returns have a direct impact on the Village with respect to pension funding. With defined benefit pension plans, poor investment returns solely impact the employer in the form of increased employer contributions. The impact of the investment losses of 2008 lingered into 2011 as the Village's actuarial valuations of its pension funds use three year averaging of investment performance. The Village's actuarial assumption for the investment rate of return is 7.25% in 2012 (a very conservative rate in comparison to most pension plans in Illinois) but the results from 1999 through 2011 even make this seem to be a difficult target to achieve.

While the local economy has shown signs of improvement, the State's economic condition is still a serious concern. Statewide leadership has been lacking in dealing with the Illinois budget deficit, estimated at more than \$8 billion. The pensions for which the State is responsible are among the worst funded in the nation and contributions in recent years have been made in the form of additional borrowing. The concern is that the eventual solution to the State's problems may be borne by local government agencies.

**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 including capital budgets for the "spending down" of bond proceeds. 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.

## **Major Initiatives**

### **Development Initiatives**

**Village Center** - In 2011 two properties were purchased by the Village toward redevelopment in the Village Center district. A Master Plan of the Village Center has been completed in this regard. The Village intends to re-sell these properties for development in line with this Plan.

The loss of a Crate & Barrel store at Plaza del Lago and a Borders bookstore at Edens Plaza in 2011 will be replaced by a CVS Pharmacy and a Walgreen's Pharmacy in 2012. As these two locations are on opposite ends of the Village, they are both expected to fill retail needs in these areas and should provide similar or greater retail sales than the stores that closed.

**Capital Improvements** - With the economic declines noted previously, capital spending has been reduced in recent years. Grants and the spending down of existing bond proceeds provided nearly all of the capital spending for governmental activities in 2011. This will continue to be the case in 2012. The key capital efforts in 2011 are as follows:

**Street Resurfacing Program** - In 2008 the Village completed 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 2011, \$2.5 million in street, alley, curb, and sidewalk projects were completed in various areas of town. These improvements were funded from existing bond proceeds, a State grant, the State-shared motor fuel tax, and dedicated operating revenues in the General Fund (a portion of the vehicle license revenues, a local fuel tax and a pavement degradation fee). These specific revenues were instituted in 2007 but had not been used until 2009.

**Equipment replacements and upgrades** - Existing bond proceeds were used to replace two large dump trucks and two sidewalk snow plows. The final portion of the bond proceeds from the 2010 bond issue will be spent in 2012 with the replacement of the Police Department's 911 System.

**Sewer improvements** - While substantial improvements have been made in the Village's sewer infrastructure over the past 20 years, flooding continues to be a major concern. The 2010 bond issue and a new loan from the Environmental Protection Agency financed \$2.5 million of improvements in 2011. In 2012 a study of the separate sewer system will identify areas of need in that system. Many additional improvements in 2012 and beyond will be based on that study. The restructuring of debt in the Sewer Fund in 2011 will free up significant cash flow to finance any new work or to pay the debt service for new projects.

**Water improvements** - The 2010 bond issue was used to fund the Water Fund's standpipe rehabilitation in 2011. The remainder of this issue will be used to upgrade the Water Plant's software and hardware in 2012. Potential new wholesale customers have approached the Village and discussions are in the early stages in 2012 to determine what, if any,

improvements may be needed to supply new customers. New revenues would be expected to be sufficient to cover any new debt service costs for such improvements as well as provide a reasonable rate of return for the Village.

### **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, 2010. 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 2011 budget document. This was the twelfth 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 2012 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

# 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, 2010

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.



*Linda C. Dandson*

President

*Jeffrey R. Enow*

Executive 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**

May 3, 2012

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of the Village of Wilmette, Illinois as of and for the year ended December 31, 2011, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of Wilmette, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilmette, Illinois as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of Wilmette, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

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

**VILLAGE OF WILMETTE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**DECEMBER 31, 2011**

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This section of the Village of Wilmette's (the "Village") Comprehensive Annual Financial Report (CAFR) presents Management's Discussion and Analysis (MD&A) of the Village's financial activities during the fiscal year ended December 31, 2011. 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 \$62,569 at December 31, 2011. Of this amount, \$5,299 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
  
- The Village's total net assets increased \$2,311 (3.8%) during the fiscal year ended December 31, 2011. A \$247 decrease in restricted net assets was related to a 2010 debt restructuring that temporarily increased the fund balance in the Debt Service Fund. It was noted last year that this would diminish in 2011 and 2012. The \$567 increase in unrestricted net assets is attributable to controlled expense growth throughout the Village along with improved revenues in the Water Fund. While capital spending has been reduced during the economic downturn, the \$1,991 increase in capital net assets is primarily from sewer infrastructure improvements designed to reduce flooding. Most capital spending has been from spending down of existing debt, new debt and grant revenues.
  
- Governmental net assets increased \$503. The investment in capital assets increased \$853 that is attributed to road improvements financed from existing bond proceeds, a State grant and a planned reduction of escrowed money for such improvements; restricted net assets decreased \$247 from the aforementioned debt restructuring. The Village operated under a balanced budget in 2011. The planned reduction of \$101 of escrowed road program money was the only use of reserve funds in the 2011 budget. In this light, the \$103 decrease of unrestricted net assets reflects budgeted expectations. Business-type net assets increased \$1,808 consisting of a \$1,138 increase in net capital assets (from the aforementioned sewer improvements) and a \$670 increase in unrestricted net assets from increased water sales and operating expense reductions.

- With the implementation of GASB No. 54 this year, December 31, 2011 unassigned fund balance for the General Fund was \$4,887 or 16.3% of General Fund expenditures. This is a \$372 (7%) decrease from the unreserved fund balance in 2010. Had the same GASB No. 54 parameters been used last year, the unassigned balance last year would have been \$4,798. As such, this decrease reflects the planned reduction of the escrowed monies now shown as assigned.
- Total unrestricted net assets increased \$567 (12%) from improved water sales and budgeted expense reductions. This will be discussed in detail with the analysis of the statement of activities.
- The Village's total bonded and similar debt decreased \$4,073 (5%) at December 31, 2011. New debt issued in 2011 restructured existing Water and Sewer Fund debt. This restructuring along with regular principal retirements produced the overall debt decrease.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The Government-Wide Financial Statements (see pages 3-6) 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 5-6) 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 7-10) 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 four 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, the Capital Projects Fund (for the 2007, 2009 and 2010 General Obligation Bond Issues) and General Debt Service Fund, which are considered to be major funds. The financial data from nonmajor funds are combined into a single aggregated presentation. The Village's Motor Fuel Tax Fund is its only nonmajor governmental fund in 2011.

The Village of Wilmette adopts an annual appropriation ordinance for all of its funds. One supplemental appropriation amendment was adopted in 2011 for the purchase of property. 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 11-15) 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 16-17). 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 18-67 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 68-72 of this report.

### **Infrastructure Assets**

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have neither been reported nor depreciated in the governmental financial statements. GASB Statement No. 34 requires that these assets be valued and reported within the Governmental column of the Government-Wide Statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of assets management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year), by category, measures and demonstrates its maintenance

of locally-established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered a recurring cost that does not extend the road's original life or expand its capacity, the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

### Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Wilmette, assets exceed liabilities by \$62,569 as of December 31, 2011. The following table reflects the condensed Statement of Net Assets: For more detailed information see the Statement of Net Assets (pages 3-4).

**Table 1: Statement of Net Assets as of December 31, 2011**

	<u>Governmental</u> <u>Activities</u>		<u>Business-Type</u> <u>Activities</u>		<u>Total Primary</u> <u>Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
<b>Assets</b>						
Current/Other Assets	\$ 26,132	\$ 27,977	\$ 6,692	\$ 8,103	\$ 32,824	\$ 36,120
Capital Assets	50,169	49,429	78,499	77,006	128,668	126,395
<b>Total Assets</b>	<u>\$ 76,301</u>	<u>\$ 77,406</u>	<u>\$ 85,191</u>	<u>\$ 85,109</u>	<u>\$ 161,492</u>	<u>\$ 162,515</u>
<b>Liabilities</b>						
Current Liabilities	\$ 20,014	\$ 20,315	\$ 2,705	\$ 3,686	\$ 22,719	\$ 24,001
Long-Term Liabilities	39,515	40,822	36,689	37,434	76,204	78,256
<b>Total Liabilities</b>	<u>\$ 59,529</u>	<u>\$ 61,137</u>	<u>\$ 39,394</u>	<u>\$ 41,120</u>	<u>\$ 98,923</u>	<u>\$ 102,257</u>
<b>Net Assets:</b>						
Investment in Capital Assets, Net of Related Debt	\$ 14,597	\$ 13,744	\$ 42,288	\$ 41,150	\$ 56,885	\$ 54,894
Restricted	385	632	-	-	385	632
Unrestricted	1,790	1,893	3,509	2,839	5,299	4,732
<b>Total Net Assets</b>	<u>\$ 16,772</u>	<u>\$ 16,269</u>	<u>\$ 45,797</u>	<u>\$ 43,989</u>	<u>\$ 62,569</u>	<u>\$ 60,258</u>

Of note at December 31, 2011 is that property purchased for resale in 2011 has added \$4,305 to current and other assets (reported as land held for resale), but also decreased cash, which was used to purchase the property. The property is located in the Village Center district of Wilmette and will be sold for development in future years toward a project that is consistent with the recently approved Master Development Plan for this area. As previously state, the project has been financed from cash on hand. A \$5 million line of credit with North Shore Community Bank is available to the Village during periods of reduced cash flow during the year. None of the line of credit was exercised at year end.

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 \$385 component of the Village's net assets labeled as restricted represent resources held for specific purposes. A portion is from the Motor Fuel Tax Fund that is restricted for roadway improvements and a portion is from the Debt Service Fund to be used for future debt service. The final component of the Village's net assets, the unrestricted net assets, in the amount of \$5,299 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.

It was noted in last year's report that, due to the economic downturn, future capital spending would likely depend on new grant revenues and/or additional debt. General government capital assets additions of \$3,902 in 2011 were funded by:

- \$1,817 in bond proceeds (issued in 2010),
- \$833 from motor fuel tax monies,
- \$700 from State and County grants, and
- \$552 from General Fund recurring revenues

These additions, netted with the depreciation provision and debt activity produced an increase in the net investment in capital assets of \$853. With no new debt planned for 2012, a decrease would be expected at the end of 2012.

This was similarly the case in the Water Fund where the net investment in capital assets decreased \$295. Capital asset additions of \$1,081 were mostly financed from \$908 of existing bond proceeds. Debt activity and depreciation produced the net decrease. Sewer Fund capital asset additions of \$2,505 were financed primarily from \$1,624 of existing bond proceeds and \$740 in new IEPA borrowing. Debt repayments are substantially greater than depreciation expense in this Fund and the net activity produced an increase of \$1,491 in the net capital investment for the Sewer Fund. The Parking Meter Fund net capital investment decreased \$58 resulting in a net increase for overall business-type activities of \$1,138 for the three Funds that comprise this total.

Restricted net assets of \$385 at December 31, 2011 reflects a decrease of are \$247 from last year. The \$385 fund balance in the Motor Fuel Tax (MFT) Fund is \$23 less than last year (considered a minor change) and the \$224 that was restricted for debt service last year is once again zero as was the case in prior years (the fund balance that existed at the end of 2010 was a temporary result of an advance refunding).

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

Following the significant revenue decreases in 2009, budget stabilization and replenishment of fund balances were major objectives in 2010 and 2011. Government activities reflected revenue increases of 3.6% with expense growth of 2.4%. In consideration of grant revenues and their related capital investment, a \$103 decrease in governmental unrestricted net assets occurred. For business-type activities revenue growth was 5.2% with expense growth of 6.8%. Much of the expense growth was due to the aforementioned debt restructuring. The net result was a \$670 increase in unrestricted net assets. The specific discussion related to the above will be commented upon with the Statement of Activities Section.

**Statement of Activities**

**Governmental Activities.** Program revenues from service charges increased \$33 (.5%) in 2011. Residential refuse charge increased \$66 (in line with the increased expense of the Village's refuse collection contract) while police fines decreased \$64. Building permit revenues accounted for an \$18 increase – an indication of stabilization in home improvement activity and licenses increased \$14.

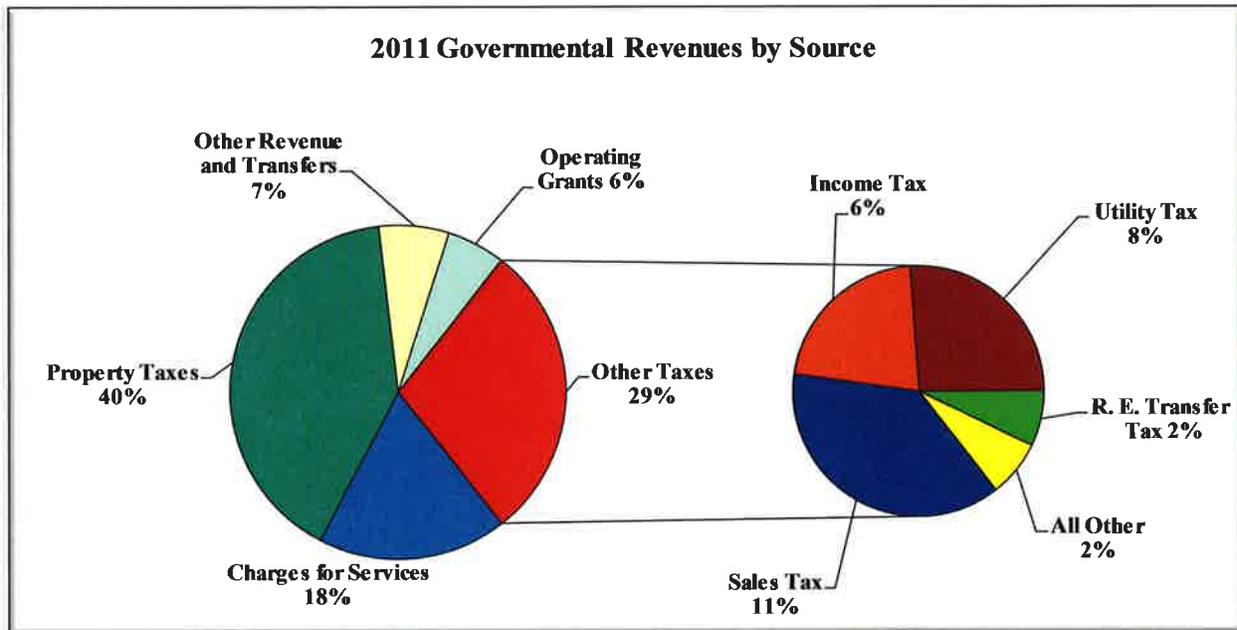
**Table 2: Changes in Net Assets for the Fiscal Year Ended December 31, 2011**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 6,254	\$ 6,221	\$ 12,012	\$ 11,698	\$ 18,266	\$ 17,919
Operating Grants and Contributions	1,942	998	294	-	2,236	998
General Revenues						
Property Taxes	13,886	13,336	-	-	13,886	13,336
Other Taxes	9,916	10,289	-	-	9,916	10,289
Other Revenue and Transfers	2,319	2,276	(1,022)	(978)	1,297	1,298
<b>Total Revenues</b>	<b>\$ 34,317</b>	<b>\$ 33,120</b>	<b>\$ 11,284</b>	<b>\$ 10,720</b>	<b>\$ 45,601</b>	<b>\$ 43,840</b>
<b>Expenses</b>						
General Government	\$ 3,042	\$ 3,382	\$ -	\$ -	\$ 3,042	\$ 3,382
Public Safety	17,968	17,608	-	-	17,968	17,608
Streets and Sanitation	8,523	7,908	-	-	8,523	7,908
Other Public Works	1,307	1,433	-	-	1,307	1,433
Public Health	225	206	-	-	225	206
Community Development	1,210	1,267	-	-	1,210	1,267
Interest	1,540	1,213	-	-	1,540	1,213
Water	-	-	6,242	5,951	6,242	5,951
Sewer	-	-	2,780	2,461	2,780	2,461
Parking	-	-	453	459	453	459
<b>Total Expenses</b>	<b>\$ 33,815</b>	<b>\$ 33,017</b>	<b>\$ 9,475</b>	<b>\$ 8,871</b>	<b>\$ 43,290</b>	<b>\$ 41,888</b>
Changes in Net Assets	502	103	1,809	1,849	2,311	1,952
Net Assets January 1	16,270	16,167	43,988	42,139	60,258	58,306
Net Assets December 31	<b>\$ 16,772</b>	<b>\$ 16,270</b>	<b>\$ 45,797</b>	<b>\$ 43,988</b>	<b>\$ 62,569</b>	<b>\$ 60,258</b>

Operating grants and contributions often occur irregularly. As such they may fluctuate widely and the increase in 2011 in this area was \$944. This growth is attributed to a \$635 State grant for road resurfacing, a \$99 F.E.M.A. grant related to storm damage, a \$68 Cook County grant for

police squad car purchases and a \$242 State reimbursement for the Greenbay Road traffic signal project.

The composition of the Village's 2011 governmental revenues is similar to the prior year with grants being somewhat greater due to the aforementioned activity.



General revenues from property taxes increased \$550 (4.1%) in 2011. This is in line with the 3.72% increase in the Village's 2010 tax levy. The levy increase consisted of a 3.24% increase for recurring operations; a 3.90% decrease for debt service related to the Village's capital improvements program; and a 4.38% increase for Fire and Police Pension contributions.

Following the \$238 increase in other taxes in 2010, these revenues decreased \$373 (3.6%) in 2011. A drop in real estate activity comprised most of this decrease at \$192 (21.1%) below 2010. This was expected as much of the 2010 revenue was the product of a federal tax credit program in place in the first half of that year. Utility tax decreased \$56 (2.1%) which was also somewhat expected following the real estate surge in 2010. Historically, many households eliminate land lines for phone service when moving into new homes – resulting in lower telecommunications tax.

A \$49 (1.3%) decrease in sales tax is attributed to the closing of a Borders bookstore and a Crate and Barrel store in 2011. Both properties have new tenants in 2012 (a Walgreen's and a CVS Pharmacy) and the Village is optimistic that sales tax will improve in the future. State income tax also decreased \$29 (1.3%) reflecting a continued decline in statewide income (albeit a relatively small decrease compared to the 14% and 3% declines in 2009 and 2010 respectively).

Other revenue and transfers increased \$43 (1.9%) from 2010. Transfers increased \$50 in line with the increase planned for the annual transfer from the Water Fund. Investment income reflects an increase of \$29 from the Village's excess surplus credit in its insurance coalition. This

credit is an asset and a deferred revenue in the General Fund and is designed to be used over a number of years to stabilize the growth of insurance premiums.

Miscellaneous revenue decreased \$36 (3.2%) in 2011. The auctioning of used trucks and equipment in 2010, which resulted in an increase of \$107 last year, decreased by \$75 (this was expected as 2010 sales reflected two year's activity). Franchise fees grew by \$43 (8.1%). This is attributed to continued growth in AT&T's cable services which were first allowed to compete in all communities in Illinois in 2009.

**Business-type activities.** Program revenues are nearly all from service charges related to the sales of water. A smaller percentage is from parking related revenues. These service charges increased by \$314 (2.7%) in 2011. Water sales and their related sewer charges increased \$320 while parking revenues decreased \$6 (1.7%).

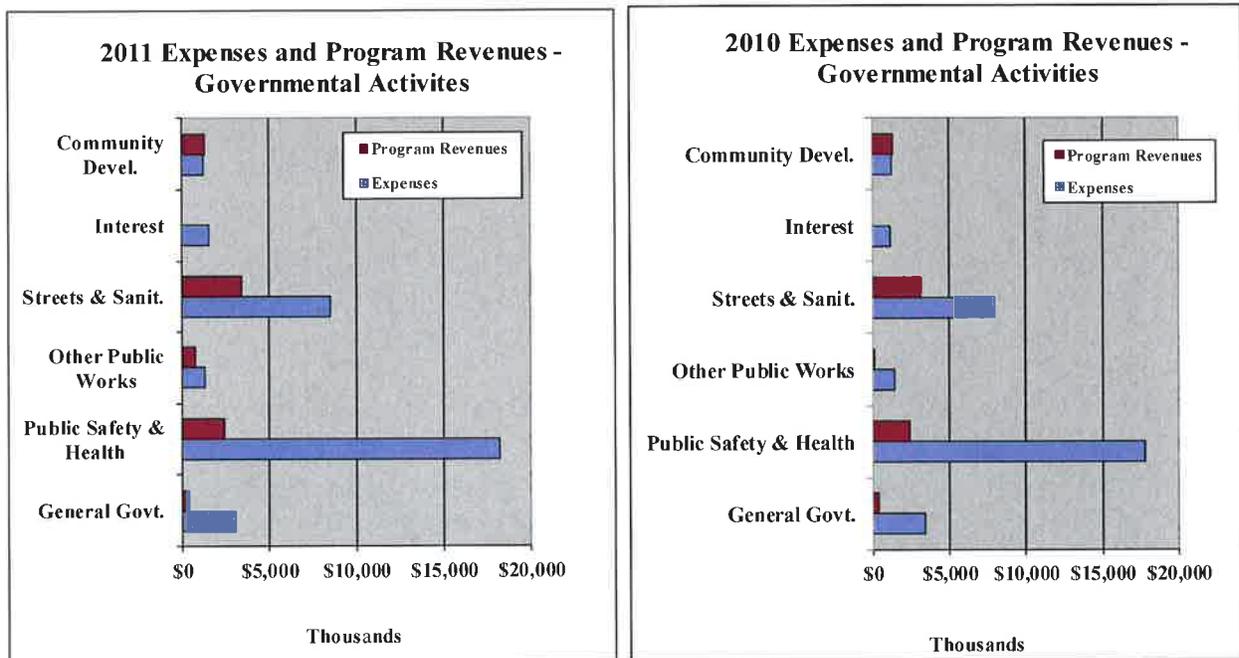
The 2.8% increase in water/sewer revenues was lower than expected. The 2011 residential water rate was increased 5.1% and the sewer rate was increased 11%. In this light, the .4% decline in residential water sales and the 5.3% increase in sewer charge revenue are both about 6% less than the rate increases. The wholesale rate increased 8.1% while wholesale water revenue increased by only 4.8%. Sales volume projections have been lowered three times in the previous four years as it appeared that households were taking greater roles in water conservation (such as the installation of higher efficiency appliances). In consideration of the 2011 results, the projected volume will again be reduced for 2012. Parking rates were unchanged in 2011 and the parking revenue decrease is not considered unusual or indicative of any trend.

Grants and contributions related to business-type activities are rare (there were none in 2010). A \$200 State Grant for relief sewer improvements and a \$77 Cook County grant for pumping improvements were both received in 2011. A contribution of \$16 was received from the Village of Kenilworth for an interconnection study. Other revenues and transfers decreased \$44. Of this amount, \$50 is the increase in the Water Fund transfer to the General Fund noted above with the Governmental Activities netted against a \$6 increase in interest earnings due to increased cash balances with the replenishment of reserves over the past two years.

**Governmental expenses.** While 2010 revenues improved from the significant downturn in 2009, the 2011 budget reflected that local economic activity (evidenced from sales tax, real estate transfer tax and building permits) was still well below 2006 and 2007 levels. Expense reductions (that began in 2009) resulted in a 6.1% decrease the 2010 General Fund expense budget. These reductions remained in place in 2011, and this year's budget reflected overall growth of \$880 (3%). More than 100% of the increase (\$1,063) was reflected in the personnel expense budget. Full time equivalent staffing was about the same at 212.38 compared to 213.65 last year, but Fire and Police pension contributions increased by \$685 (20%). Pay increases of \$289 (2%) reflected contractual obligations under the Village's collective bargaining agreements. Other benefits increased by \$89 (2.9%) to account for the total personnel expense growth.

The \$183 (2.2%) decrease in all other non-personnel categories in the General Fund were primarily from numerous commodities and other operating expenses as well as reductions of other non-recurring professional services.

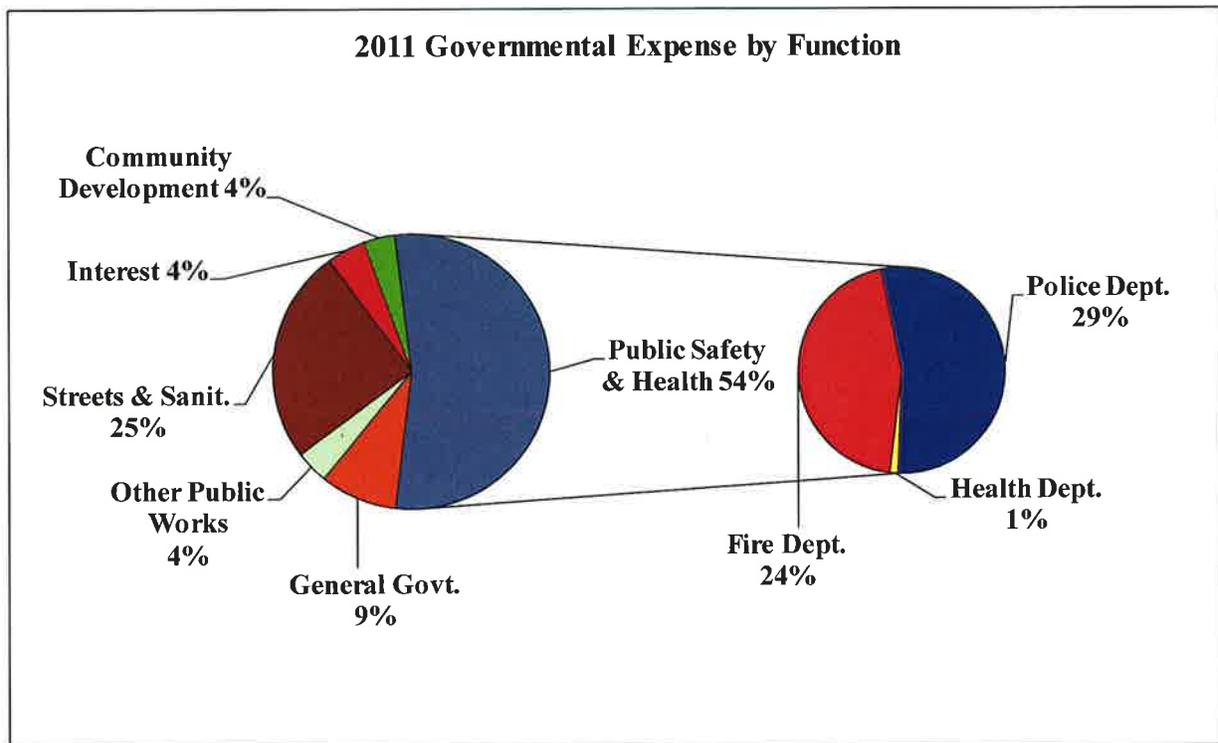
For governmental activities, program revenues covered approximately 24% of expenses. This is a slight increase from 2010 and is indicative of the increased grant activity in 2011. In both years, only Community Development program revenues were sufficient to match the related program expenses. All other categories are substantially subsidized by general revenues – consistent with prior years.



Consistent with budgeted projections, total governmental expenses increased \$798 (2.4%) in 2011. Collectively bargained pay increases for Police and Fire of 2% were in effect in 2011. Similar increases were also provided for non-represented employees. Wages and benefits continue to be more than 70% of all governmental expenses.

Public safety and health expenses, reflecting 54% of the total, increased \$380 (2.1%) from 2010. More than 100% of this growth is pension related as Fire and Police Pension contributions increased \$483 along with growth in the net pension obligation (NPO) expense of \$15. The NPO is the result of phasing in new actuarial assumptions for the Police and Fire Pension Funds that began in 2008. All other expenses decreased \$118 (.8%) reflecting savings from employee turnover and budgeted reductions in all other areas.

Streets and sanitation, which represents 25% of total governmental expenses, increased \$615 (7.8%) in 2011. The costs for refuse collection and disposal increased \$83 with under the contract awarded in the first quarter of 2010. Tree maintenance increased \$72 from increased tree removals and re-plantings related to the emerald ash borer infestation and increased contractual tree pruning. Depreciation increased \$190 following a decade of growth in capital investment for infrastructure. Expense for curb and sidewalk maintenance (non-capitalized items) was reclassified from Other Public Works and resulted in an increase of \$123 in 2011. Remaining growth of \$147 in this category reflects a 1.9% increase and is in line with employee pay increases.



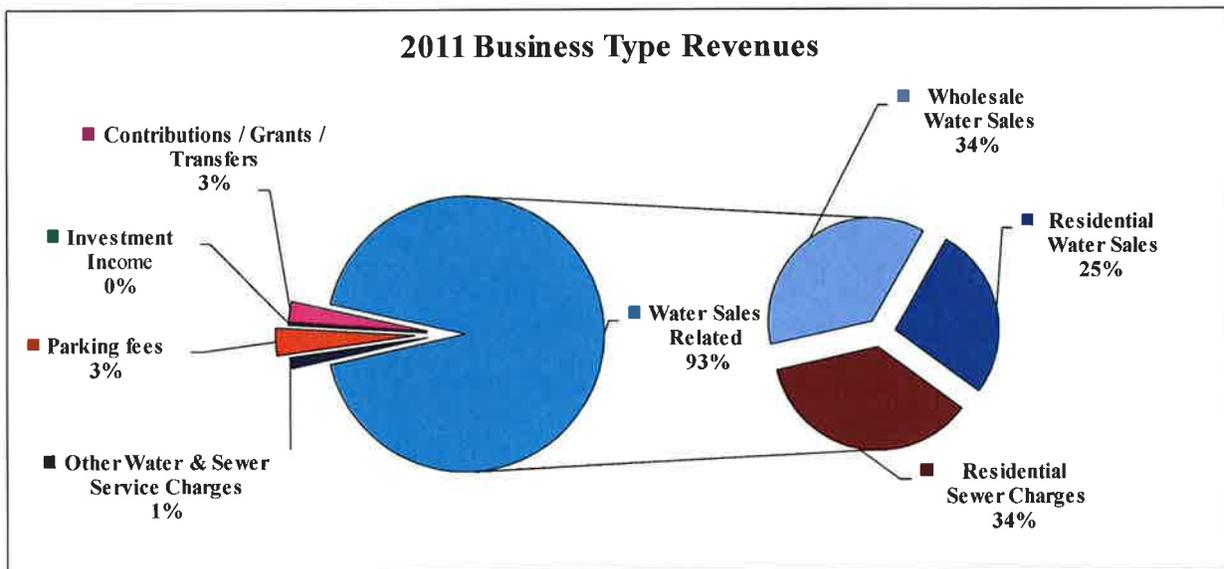
In 2010 the Village elected to cap the growth rate for pension contributions for full-time employees other than Police and Fire at 10%. By making such an election an actuarial net pension obligation (NPO) occurs. The \$211 NPO expense in 2010 was recognized in General Government. In 2011 this NPO expense was \$200 and has been spread throughout all departments (reflecting the amount applicable to the employees in the other departments). Reclassifying this expense in 2011 reduced General Government by \$160.

All other General government expenses decreased \$180 (5.7%) in comparison to 2010. Legal expenses decreased \$165 following the settlement of a zoning matter. Net expense in the Village's Section 105 internal service fund is recognized under the General Government category. This decreased \$62 in 2011 reflecting a lower annual sick leave expense accrual (actuarially determined). The remaining expense increase of \$47 (1.5%) is in line with expected personnel cost increases.

Expenses for Other Public Works decreased \$126 (8.8%) which corresponds to the Street and Sanitation expense reclassification noted above. Personnel expense was about the same as in 2010 due to staff turnover in 2011. In 2010, Community Development expenses included \$180 for consulting fees for a review of the Village's zoning ordinance and for a Master Development plan for the Village Center (the latter expense being 80% funded by a grant from the Regional Transportation Authority). Completion of these two items in 2011 reflected expense of \$34 for a \$146 reduction. Holding costs of \$29 were expended for the land purchased for resale in 2011. Net of these irregularly recurring items, expenses in the Community Development category increased \$59. Contractual inspections (begun in 2010) increased \$17 with the remainder of the increase attributed to personnel costs of \$17 for wages and benefits and \$30 for the IMRF NPO expense (part of the General Government expense reclassification noted above).

Interest expense increased \$327 (26.9%) following the 26.4% decrease that resulted from the 2010 advance refunding of the 2002 Series general obligation bonds. This increase was expected and was noted in the discussion of restricted net assets. New interest of \$17 was also incurred for the line of credit used to finance the purchase of property held for resale.

**Business Type Activities.** Charges for services totaling \$12,012 represent nearly all business-type activity revenues with investment earnings reflecting less than 1%. Water sales provided 93% of this amount in 2011.



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 and the Chicago Transit Authority (CTA). If activity volumes were similar from year to year, the expectation would be that revenue would grow in line with rate changes. The volume for water sales is frequently a function of the rainfall that occurs during summer months.

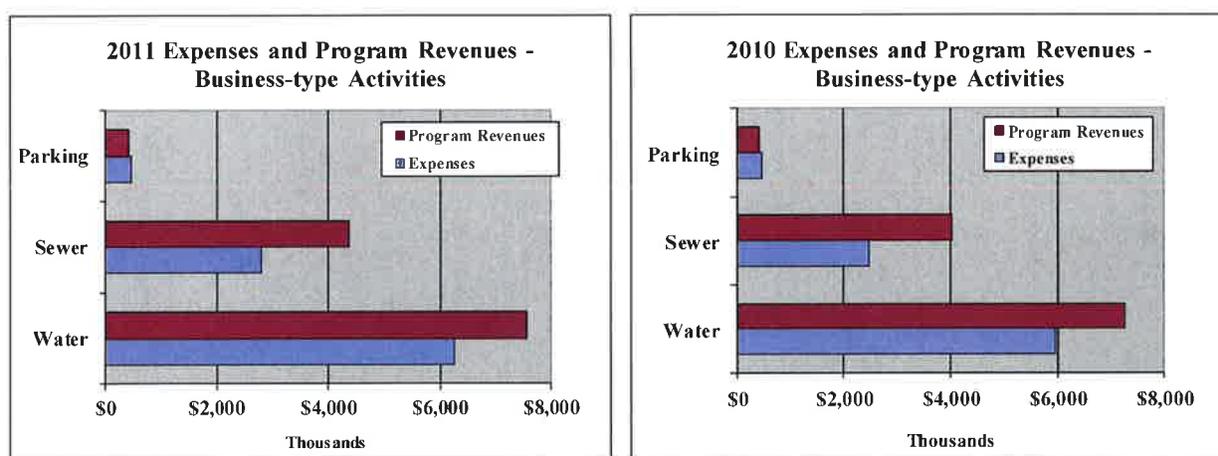
Village of Wilmette, Illinois  
 Management's Discussion and Analysis, (Continued)

Total program revenues and the rates in effect for 2011 and 2010 are shown as follows:

	<u>2011</u>	<u>2010</u>	<u>% Change</u>
Wholesale Water Sales	4,210	4,019	4.8%
Residential Water Sales	3,086	3,098	-0.4%
Residential Sewer Charges	4,166	3,957	5.3%
Other water & Sewer revenues	153	144	6.3%
Operating Grants and Contributions	294	76	286.8%
Parking fees	397	404	-1.7%
	<u>\$ 12,306</u>	<u>\$ 11,698</u>	<u>5.2%</u>
Wholesale Water Rate	\$ 1.102 / ccf	\$ 1.019 / ccf	8.1%
Residential Water Rate	\$ 2.49 / ccf	\$ 2.37 / ccf	5.1%
Residential Sewer Rate	\$ 3.44 / ccf	\$ 3.10 / ccf	11.0%
METRA Commuter Parking Rates	\$ 2.00 per day	\$ 2.00 per day	0.0%
CTA Commuter Parking Rates	\$ 4.00 per day	\$ 4.00 per day	0.0%

Weather conditions in both 2010 and 2011 would be considered average related to summer rainfall and temperatures. Accordingly, revenue from water sales is about 4% less than expectations from rate changes – a reflection of the long-term trend of water conservation.

In other business-type activities, the \$7 (1.7%) decrease in parking revenues is not considered a significant drop in activity along with the same rates in effect in 2010. The \$9 increase in other water and sewer operating revenues is from increased water meter sales in line with the permit revenue increases noted above. The Sewer Fund had \$200 from a State grant in 2011 compared to a similar \$76 grant in 2010. The Water Fund had a \$79 Cook County grant for pumping improvements and a \$15 contribution from Kenilworth for an interconnection study that were both new in 2011.



As expected, program revenues exceed expenses in the Water and Sewer Funds. The Parking Meter Fund generally operates very close to “break-even”.

Total business-type expenses increased by \$604 (6.8%). This consists of a \$291 (4.9%) increase in the Water Fund and a \$319 (12.9%) increase in the Sewer Fund. There was negligible expense change in the Parking Fund. The advance refunding of the 2002 bond issue resulted in increased expense recognition of \$122 in the Water Fund and \$17 in the Sewer Fund. This refunding will result in gross interest savings of \$970 through FY 2023 and net present value savings of \$851. Net of the expense recognition from the refunding, Water Fund expenses increased \$169 (2.8%). This is in line with the expected growth in personnel costs.

In addition to the increased Sewer Fund debt service cost noted above, depreciation expense increased \$98 in line with the ongoing dedication to sewer infrastructure improvements. In a similar light, sewer repairs and sewer televising (not capitalized under the Village's fixed asset policy) increased \$72 and other non-capitalized engineering costs increased \$60. Net of these increases, all other Sewer Fund expenses increased \$72 (2.9%) which was in line with expectations.

### FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

**Table 3: General Fund Budgetary Highlights - I**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual GAAP Basis</b>
Revenues	\$ 28,634	\$ 28,634	\$ 29,069
Expenditures	<u>30,364</u>	<u>30,389</u>	<u>29,940</u>
Excess (Deficiency) of Revenues over Expenditures	(1,730)	(1,755)	(871)
Other Financing Sources (Uses):			
Transfers in	<u>1,050</u>	<u>1,050</u>	<u>1,050</u>
Net Changes in Fund Balance	<u>\$ (680)</u>	<u>\$ (705)</u>	<u>\$ 179</u>

As previously pointed out, a principal goal in setting the 2011 budget was to maintain service levels and keep fund operating reserves stable following the \$1,564 General Fund decrease in 2009. While the budget would indicate another \$705 reduction, the use of escrowed monies and anticipated expenditure savings (primarily from the contingency appropriation) were expected to produce a balanced budget as follows:

Net Change in Fund Balance per Budget	\$ (680)
Use of Escrowed Funds for Road Resurfacing	101
Use of Escrowed Funds for Youth Programs	19
Expected Personnel and Other Expense Savings	51
2011 GAAP Expense of 2010 Encumbrances	9
Expected Contingency Expense Savings	<u>500</u>
Net Projected Change in Budget Reserve	<u>\$ -</u>

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

With the purchase of property in the 1<sup>st</sup> quarter of 2011, the amendment for additional interest expense would produce a \$25 use of reserves. Ultimately, improved 2011 revenues and expenditure savings resulted in the \$179 increase in the General Fund fund balance. Revenues were \$435 better than budget as follows:

<u>Revenue Source</u>	<u>2011 Revenue Budget</u>	<u>2011 Actual Revenues</u>	<u>Variance from Final Budget to Actual</u>
Property Taxes	11,043	10,925	(118)
R.E. Transfer Tax	1,005	718	(287)
All Other Taxes	9,262	9,199	(63)
Permits and Licenses	2,896	3,043	147
Intergovernmental	113	884	771
Expense recoveries	-	52	52
Rents	399	391	(8)
Franchise fees	498	560	62
Service Charges	2,900	2,856	(44)
Fines & Forfeitures	406	355	(51)
All Other revenues	112	86	(26)
<b>Total</b>	<b>28,634</b>	<b>29,069</b>	<b>435</b>

Many of the revenues (specifically the real estate transfer tax, other taxes, and franchise fees) noted above were noted in the discussion of the statement of activities. Similarly, the budget variance in intergovernmental revenues was from the grant activity noted previously that was not budgeted. The variance in property tax revenue is a function of delayed billings and resultant delayed collections on the part of Cook County. The Village budgets its property tax revenue based upon the expected 99.25% collection rate of its levy. This collection rate has proven to be accurate and any negative variance in a given year has proven to be collected in the following year.

The positive \$147 budget variance in permits in licenses is a reflection of conservative projections designed to ensure that fund balances would not decrease. This variance amounts to about 5% of the revenue budgeted. The negative \$44 service charge variance is only about 1.5% of the budget and there are typically commensurate expenditure savings for these services. The \$51 negative variance in fines related to judicial problems in implementing fines for overweight trucks.

The 2011 General Fund expenditure budget amounts represent the total appropriations adjusted for encumbrance activity. As noted above, in developing the budgeted cash flow projections, savings are factored into certain expenditure categories that historically do not spend 100% of the appropriation. The following table reflects the 2011 budget results broken down by category of expenditure:

**Table 4: General Fund Budgetary Highlights - II**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>GAAP Basis Actual Expenditures</u>	<u>Variance from Final Budget to Actual</u>
Personnel				
Wages	\$ 14,858	\$ 14,858	\$ 14,632	\$ 226
Benefits	7,428	7,428	7,315	113
Refuse	2,315	2,315	2,286	29
Other Recurring	4,357	4,357	4,193	164
EAB expenses	100	100	118	(18)
Sidewalk, Alley & Curb Maintenance	102	102	443	(341)
Street Resurfacing	456	456	661	(205)
Capital Outlay	126	126	133	(7)
Contingency	500	500	16	484
Other Nonrecurring	122	122	106	16
Debt Service	-	25	37	(37)
	<u>\$ 30,364</u>	<u>\$ 30,389</u>	<u>\$ 29,940</u>	<u>\$ 424</u>

As noted above, the large budget savings in the contingency budget is always anticipated and is automatically built into the budget cash flow projections. Wage savings general occur from employee turnover as there is typically a period of time with a position vacancy until a new employee is hired. The Village had greater than expected turnover with 13 retirements and 3 other resignations in 2011. This is about equal to the combined total of 2009 and 2010. The personnel savings amounted to about 1.5% of the budget for these items.

Also of note for personnel expenditure – the full funding period for the Police and Fire Pension Plans was increased (consistent with Illinois statutes) by eight years (from 2032 to 2040). This resulted in minor budget savings but did allow the Village to implement its more conservative actuarial assumptions a year ahead of its phase-in schedule.

The negative budget variances for Sidewalk, Alley and Curb Maintenance, Road Resurfacing and EAB expenditures correspond to the unbudgeted grant revenues noted previously. Other recurring expenditures covers hundreds of line items throughout the General Fund budget. The \$164 savings amounts to 3.7% of the total budgeted for these items. Among the larger savings were street salt of \$69 reflecting a budgeted price increase that did not occur; savings in the fall leaf pick-up program of \$35; and savings of \$39 for street light power. Savings such as these are not considered unusual and reflect the conservative budget practices previously noted.

The negative budget variance for debt service consists of a \$20 pay down of an installment contract for 2005 improvements to the Historical Museum. While this note is a Village liability, the Wilmette Historical Society makes all payments in this regard so there is no net cost to the Village. The other \$17 for debt service is from the new line of credit utilized for the purchase of land held for resale noted earlier.

### CAPITAL ASSETS

The Village's capital assets for its Government and Business-Type Activities at December 31, 2011 total \$128,668. This includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a net increase of \$2,273 (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 34-37.

The Governmental Activities net capital assets increased from last year by \$780. The increase consists of capital expenditures of \$3,902 netted with depreciation of \$3,122. As noted in last year's report, capital expenditures would likely be deferred until economic conditions improve. However, expenditure of existing bond proceeds accounted for \$1,933 of the capital total.

Business-Type Activities net capital assets increased by \$1,493. Capital additions of \$3,585 were netted against depreciation of \$2,092. Note that most of this net change is sewer related as capital additions in the Sewer Fund were \$2,505 while sewer depreciation was \$878. As was the case for Governmental Activities, expenditures of \$3,269 of existing and new debt accounted for most of the additions with grants financing another \$277. Significant future capital expenditures will likely continue this manner of financing until overall economic conditions improve.

### DEBT OUTSTANDING

Following the aforementioned advance refunding of the 2002 General Obligation Bond Issue and current refunding of four Environmental Protection Agency (EPA) loans, the Village has four general obligation (G.O.) bond issues and four EPA loans 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**

	<b>Outstanding at December 31, 2010</b>	<b>Issued in 2011</b>	<b>Retired in 2011</b>	<b>Outstanding at December 31, 2011</b>
General Obligation Bonds	69,895	13,605	(9,125)	74,375
E.P.A. Loans	10,327	740	(9,273)	1,794
Installment Contracts	40	-	(20)	20
<b>Totals</b>	<b>80,262</b>	<b>14,345</b>	<b>(18,418)</b>	<b>76,189</b>
Governmental Activities	39,990	-	(2,020)	37,970
Business-Type Activities	40,272	14,345	(16,398)	38,219
<b>Totals</b>	<b>80,262</b>	<b>14,345</b>	<b>(18,418)</b>	<b>76,189</b>

The new G.O. debt noted provided the funds for the refundings noted. There was no "new money" associated with this debt. The net present value savings of the advance refunding amounted to \$851. The current refunding of the four EPA loans reflect net present value savings of only \$32 but will provide \$3,600 of cash flow savings through 2016. The new sewer debt from the EPA of \$740 reflects a new loan from the EPA related to the 2010 sewer lining and rehabilitation project.

As noted in the Capital Asset section, future capital outlay will primarily be debt financed or funded from grants. Consistent with that, \$2,362 of existing bond proceeds will fund \$527 of General capital outlay in 2012 and \$1,835 of the 2012 capital projects in the Sewer Fund and Water Fund.

In addition to the debt retired from the advance refunding, the general obligation bond and EPA Loan principal retired in 2011 were the required amounts per the 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 2011 the Society repaid \$20 in principal, leaving a balance on this debt of \$20 that will be fully repaid in 2012.

The Village, under its home rule authority, does not have a legal debt limit. With the 2011 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. No new bond issues are projected for 2012 however the Village will continue to attempt to secure EPA loans due to their favorable terms and will also pursue grants whenever possible. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 38-50.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Locally, the national economic downturn has had its most significant impact on real estate activity. Following the peak year of 2005, home sales decreased by 13% in 2007; another 35% in 2008 and a further decline of 27% in 2009. While the 42% growth in 2010 was positive, it all occurred in the first six months of that year when Federal tax credits were in place. The final six months of 2010 reflected a 6% compared to that period in 2009. While 2011 reflected a 22% decline from the tax credit inflated 2010, the activity did reflect 10% growth from 2009 and it is hoped that 2012 will finally see a turnaround in this market.

Foreclosures throughout the nation and state remain at historically high levels. Locally, prior to 2009 most property owners in Wilmette had significant equity in their residences, so even foreclosed properties in the Village have not remained vacant for lengthy periods of time. Property values throughout the metropolitan area generally declined by 10% to 20% throughout

2009 and 2010 but appear to have stabilized at these lower levels in 2011. In spite of the continuation of historically low mortgage interest rates, the trend has been for homeowners to remain in their current homes and re-building equity versus "trading up".

Investment performance and household income can be key factors in home remodeling projects (as well as for home sales). While domestic equity performance was fairly flat in 2011, international holdings generally reflected double digit losses. Low interest rates continue to be problematic for many individuals relying on interest from savings accounts and certificates of deposit. The volume of home remodeling projects in 2011 was about the same as 2010.

With respect to commercial real estate, the Village continues its efforts to develop the properties in the Village Center in a manner that is consistent with the recently completed master development plan.

While national and state unemployment remained above 9% in 2011, the unemployment rate in Wilmette at 5.7% remains well below national and statewide averages and is among the lowest rates in Illinois for cities greater than 25,000. However, this still reflects a large number of unemployed residents as well as other residents with reduced household incomes. Accordingly, it will be necessary to contain costs to keep tax and fee increases to a minimum.

The State of Illinois enacted some level of pension reform in 2010 due to the increasing cost of pension contributions (due to legislation that enhanced defined benefits in conjunction with poor investment performance) that has vexed government budgets over the past decade. New employees, beginning in 2011, will continue to be part of a defined benefit pension plan but the new legislation will require employees to work longer to receive a pension benefit along with reductions in the initial pension calculation as well as the annual pension increases.

As all employees hired before 2011 continue to accrue pension benefits under prior statutes, it is expected to take a number of years before there is enough employee turnover to see the full impact of these reforms. It is hoped that the significant growth of pension expenses in recent years should now stabilize. Additionally, there are still concerns that the State of Illinois budget problems (much of which is also pension related) may trickle down to local agencies through legislative actions that could reduce revenues received from the State.

### **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, 2011**

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**See Following Page**

**VILLAGE OF WILMETTE, ILLINOIS**

**Statement of Net Assets  
December 31, 2011**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 2,026,017	592,710	2,618,727
Receivables - Net	15,867,550	2,068,484	17,936,034
Due from Other Governments	2,131,361	-	2,131,361
Internal Balances	(1,466,921)	1,466,921	-
Inventories/Prepays	75,589	92,223	167,812
Deposits	783,235	-	783,235
Other Assets	348,340	-	348,340
Restricted Assets - Cash and Investments	2,041,912	2,471,676	4,513,588
<b>Total Current Assets</b>	<b>21,807,083</b>	<b>6,692,014</b>	<b>28,499,097</b>
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Nondepreciable Capital Assets	5,420,237	1,867,706	7,287,943
Depreciable Capital Assets	74,125,234	108,713,642	182,838,876
Depreciation	(29,376,506)	(32,081,835)	(61,458,341)
	50,168,965	78,499,513	128,668,478
<b>Other Assets</b>			
Land Held for Resale	4,305,000	-	4,305,000
Long-term Note Receivable	20,000	-	20,000
<b>Total Noncurrent Assets</b>	<b>54,493,965</b>	<b>78,499,513</b>	<b>132,993,478</b>
<b>Total Assets</b>	<b>76,301,048</b>	<b>85,191,527</b>	<b>161,492,575</b>

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

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	\$ 2,619,072	767,517	3,386,589
Accrued Wages and Benefits	37,596	3,543	41,139
Accrued Interest Payable	110,516	102,574	213,090
Deposits Payable	389,749	1,465	391,214
Unearned Revenues	14,885,521	150,000	15,035,521
Compensated Absences Payable	251,520	27,260	278,780
Current Portion Long-Term Debt	1,720,000	1,653,013	3,373,013
<b>Total Current Liabilities</b>	<b>20,013,974</b>	<b>2,705,372</b>	<b>22,719,346</b>
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	1,006,080	123,340	1,129,420
Net Pension Obligation Payable	1,171,939	-	1,171,939
Net Other Postemployment Benefit Payable	2,808,778	-	2,808,778
EPA Loans Payable	-	1,720,678	1,720,678
General Obligation Bonds Payable - Net	34,528,206	34,845,000	69,373,206
<b>Total Noncurrent Liabilities</b>	<b>39,515,003</b>	<b>36,689,018</b>	<b>76,204,021</b>
<b>Total Liabilities</b>	<b>59,528,977</b>	<b>39,394,390</b>	<b>98,923,367</b>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	14,596,442	42,287,795	56,884,237
Restricted - Highways and Streets	385,231	-	385,231
Unrestricted	1,790,398	3,509,342	5,299,740
<b>Total Net Assets</b>	<b>16,772,071</b>	<b>45,797,137</b>	<b>62,569,208</b>

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, 2011**

	Expenses	Program Revenues	
		Charges for Services	Operating Grants/ Contributions
<b>Governmental Activities</b>			
General Government	\$ 3,041,952	374,785	-
Public Safety	17,968,456	2,181,609	107,837
Streets and Sanitation	8,522,586	2,244,027	1,180,232
Other Public Works	1,307,135	79,657	642,549
Public Health	225,314	64,193	-
Community Development	1,209,544	1,309,940	12,142
Interest on Long-Term Debt	1,540,242	-	-
<b>Total Governmental Activities</b>	<b>33,815,229</b>	<b>6,254,211</b>	<b>1,942,760</b>
<b>Business-Type Activities</b>			
Water	6,241,730	7,447,541	93,550
Sewer	2,779,748	4,167,069	200,000
Parking	453,310	397,304	-
<b>Total Business-Type Activities</b>	<b>9,474,788</b>	<b>12,011,914</b>	<b>293,550</b>
	<b>43,290,017</b>	<b>18,266,125</b>	<b>2,236,310</b>
		<b>General Revenues</b> 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
(2,667,167)	-	(2,667,167)
(15,679,010)	-	(15,679,010)
(5,098,327)	-	(5,098,327)
(584,929)	-	(584,929)
(161,121)	-	(161,121)
112,538	-	112,538
(1,540,242)	-	(1,540,242)
(25,618,258)	-	(25,618,258)
-	1,299,361	1,299,361
-	1,587,321	1,587,321
-	(56,006)	(56,006)
-	2,830,676	2,830,676
(25,618,258)	2,830,676	(22,787,582)
13,885,934	-	13,885,934
3,747,697	-	3,747,697
2,146,830	-	2,146,830
2,579,823	-	2,579,823
717,780	-	717,780
724,099	-	724,099
190,532	28,040	218,572
1,078,140	-	1,078,140
1,050,000	(1,050,000)	-
26,120,835	(1,021,960)	25,098,875
502,577	1,808,716	2,311,293
16,269,494	43,988,421	60,257,915
16,772,071	45,797,137	62,569,208

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

VILLAGE OF WILMETTE, ILLINOIS

Balance Sheet - Governmental Funds  
December 31, 2011

	General	Debt Service	Series 2007, 2009 and 2010 General Obligation Bonds	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 235,906	-	-	852,711	1,088,617
Receivables - Net of Allowances					
Property Taxes	11,726,394	3,105,397	-	-	14,831,791
Other Taxes	145,288	-	-	-	145,288
Accounts	848,105	-	-	-	848,105
Due from Other Governments	1,897,750	-	176,637	56,974	2,131,361
Due from Other Funds	183,295	-	-	-	183,295
Prepays	75,589	-	-	-	75,589
Deposits	783,235	-	-	-	783,235
Restricted Assets - Cash and Investments	64,654	-	1,977,258	-	2,041,912
Other Assets	348,340	-	-	-	348,340
Land Held for Resale	4,305,000	-	-	-	4,305,000
Long-Term Note Receivable	20,000	-	-	-	20,000
<b>Total Assets</b>	<b>20,633,556</b>	<b>3,105,397</b>	<b>2,153,895</b>	<b>909,685</b>	<b>26,802,533</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts Payable	602,029	-	1,478,212	524,454	2,604,695
Accrued Wages and Benefits	37,596	-	-	-	37,596
Due to Other Funds	1,466,921	144,587	-	-	1,611,508
Deposits Payable	380,452	-	-	-	380,452
Deferred Revenue	12,611,737	3,057,019	-	-	15,668,756
<b>Total Liabilities</b>	<b>15,098,735</b>	<b>3,201,606</b>	<b>1,478,212</b>	<b>524,454</b>	<b>20,303,007</b>
<b>Fund Balances</b>					
Nonspendable	75,589	-	-	-	75,589
Restricted	-	-	-	385,231	385,231
Assigned	571,968	-	26,523	-	598,491
Unassigned	4,887,264	(96,209)	649,160	-	5,440,215
<b>Total Fund Balances</b>	<b>5,534,821</b>	<b>(96,209)</b>	<b>675,683</b>	<b>385,231</b>	<b>6,499,526</b>
<b>Total Liabilities and Fund Balances</b>	<b>20,633,556</b>	<b>3,105,397</b>	<b>2,153,895</b>	<b>909,685</b>	<b>26,802,533</b>

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, 2011

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<b>Total Governmental Fund Balances</b>	<b>\$ 6,499,526</b>
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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.	50,168,965
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Certain revenues that are deferred in the governmental funds are available revenues in the statement of net assets.	783,235
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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.	(1,891,394)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Net Pension Obligation Payable	(1,171,939)
Current Portion - General Obligation Bonds Payable	(1,700,000)
Compensated Absences Payable	(1,257,600)
General Obligation Bonds Payable - Net	(34,528,206)
Installment Contracts/Notes Payable	(20,000)
Accrued Interest Payable	<u>(110,516)</u>

<b>Net Assets of Governmental Activities</b>	<b><u>16,772,071</u></b>
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VILLAGE OF WILMETTE, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended December 31, 2011

	General	Debt Service	Series 2007, 2009 and 2010 General Obligation Bonds	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 20,840,640	2,961,523	-	-	23,802,163
Licenses, Permits and Fees	3,043,066	-	-	-	3,043,066
Intergovernmental	884,021	-	252,973	805,766	1,942,760
Charges for Services	2,855,787	-	-	-	2,855,787
Fines and Forfeitures	355,358	-	-	-	355,358
Investment Earnings	11,765	-	7,707	4,534	24,006
Miscellaneous	1,078,140	-	-	-	1,078,140
<b>Total Revenues</b>	<b>29,068,777</b>	<b>2,961,523</b>	<b>260,680</b>	<b>810,300</b>	<b>33,101,280</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	2,818,641	-	-	-	2,818,641
Public Safety	17,591,397	-	-	-	17,591,397
Streets and Sanitation	5,761,344	-	-	-	5,761,344
Other Public Works	2,341,132	-	-	-	2,341,132
Public Health	215,689	-	-	-	215,689
Community Development	1,174,544	-	-	-	1,174,544
Capital Outlay	-	-	2,077,898	832,905	2,910,803
<b>Debt Service</b>					
Principal Retirement	20,000	2,000,000	-	-	2,020,000
Interest and Fiscal Charges	17,284	1,398,647	-	-	1,415,931
<b>Total Expenditures</b>	<b>29,940,031</b>	<b>3,398,647</b>	<b>2,077,898</b>	<b>832,905</b>	<b>36,249,481</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(871,254)</b>	<b>(437,124)</b>	<b>(1,817,218)</b>	<b>(22,605)</b>	<b>(3,148,201)</b>
<b>Other Financing Sources</b>					
Transfers In	1,050,000	-	-	-	1,050,000
<b>Net Change in Fund Balances</b>	<b>178,746</b>	<b>(437,124)</b>	<b>(1,817,218)</b>	<b>(22,605)</b>	<b>(2,098,201)</b>
<b>Fund Balances - Beginning</b>	<b>5,356,075</b>	<b>340,915</b>	<b>2,492,901</b>	<b>407,836</b>	<b>8,597,727</b>
<b>Fund Balances - Ending</b>	<b>5,534,821</b>	<b>(96,209)</b>	<b>675,683</b>	<b>385,231</b>	<b>6,499,526</b>

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, 2011

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Net Change in Fund Balances - Total Governmental Funds \$ (2,098,201)

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	3,902,039
Depreciation Expense	(3,122,063)

The net effect of various transactions involving capital assets is to  
decrease net assets.

Disposals - Cost	(225,436)
Disposals - Accumulated Depreciation	225,436

Certain revenues are not available in the governmental funds  
but are reported as revenues in the Statement of Activities.

162,068

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.

1,562

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	(23,000)
Additions to Net Pension Obligation Payable	(215,517)
Retirement of Debt	2,020,000
Amortization of Loss on Refunding	(130,414)

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.

6,103

Changes in Net Assets of Governmental Activities

502,577

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, 2011

	Business-Type Activities			Totals	Governmental Activities Internal Service
	Water	Sewer	Nonmajor Parking Meter		
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Investments	\$ (399,125)	241,711	750,124	592,710	937,400
Receivables - Net of Allowances Accounts	1,225,790	840,849	1,845	2,068,484	12,693
Due from Other Funds	1,466,921	-	-	1,466,921	-
Inventory	86,203	-	-	86,203	-
Prepays	6,020	-	-	6,020	-
<b>Restricted Assets</b>					
Cash and Investments	1,260,255	1,211,421	-	2,471,676	-
<b>Total Current Assets</b>	<b>3,646,064</b>	<b>2,293,981</b>	<b>751,969</b>	<b>6,692,014</b>	<b>950,093</b>
<b>Capital Assets</b>					
Nondepreciable Capital Assets	554,320	654,282	659,104	1,867,706	-
Depreciable Capital Assets	48,397,567	55,350,573	4,965,502	108,713,642	-
Depreciation	(17,025,504)	(13,493,191)	(1,563,140)	(32,081,835)	-
<b>Total Capital Assets</b>	<b>31,926,383</b>	<b>42,511,664</b>	<b>4,061,466</b>	<b>78,499,513</b>	<b>-</b>
<b>Total Assets</b>	<b>35,572,447</b>	<b>44,805,645</b>	<b>4,813,435</b>	<b>85,191,527</b>	<b>950,093</b>

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
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Accounts Payable	155,072	593,403	19,042	767,517	14,377
Accrued Wages and Benefits	3,186	357	-	3,543	-
Accrued Interest Payable	55,248	47,326	-	102,574	-
Due to Other Funds	-	-	-	-	9,035
Deposits Payable	1,465	-	-	1,465	9,297
Deferrd Revenue	150,000	-	-	150,000	-
Compensated Absences Payable	23,760	3,500	-	27,260	-
EPA Loans Payable	-	73,013	-	73,013	-
General Obligation Bonds Payable	765,000	815,000	-	1,580,000	-
Total Current Liabilities	1,153,731	1,532,599	19,042	2,705,372	32,709
<b>Noncurrent Liabilities</b>					
Compensated Absences Payable	109,790	13,550	-	123,340	-
Net Other Postemployment Benefits Payable	-	-	-	-	2,808,778
General Obligation Bonds Payable	18,810,000	16,035,000	-	34,845,000	-
EPA Loans Payable	-	1,720,678	-	1,720,678	-
Total Noncurrent Liabilities	18,919,790	17,769,228	-	36,689,018	2,808,778
Total Liabilities	20,073,521	19,301,827	19,042	39,394,390	2,841,487
<b>NET ASSETS</b>					
<b>Invested in Capital Assets - Net of Related Debt</b>					
Unrestricted	13,611,638	24,614,691	4,061,466	42,287,795	-
	1,887,288	889,127	732,927	3,509,342	(1,891,394)
Total Net Assets	15,498,926	25,503,818	4,794,393	45,797,137	(1,891,394)

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, 2011**

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service
	Water	Sewer	Nonmajor Parking Meter	Totals	
Operating Revenues					
Charges for Services	\$ 7,447,541	4,167,069	397,304	12,011,914	-
Interfund Services	-	-	-	-	5,698,818
Total Operating Revenues	7,447,541	4,167,069	397,304	12,011,914	5,698,818
Operating Expenses					
Administration	635,752	-	-	635,752	113,856
Operations	3,613,104	1,219,377	328,312	5,160,793	5,587,858
Depreciation	1,090,953	878,097	123,061	2,092,111	-
Total Operating Expenses	5,339,809	2,097,474	451,373	7,888,656	5,701,714
Operating Income (Loss)	2,107,732	2,069,595	(54,069)	4,123,258	(2,896)
Nonoperating Revenues (Expenses)					
Investment Earnings	19,403	8,637	-	28,040	4,458
Interest Expense	(762,724)	(664,990)	(1,937)	(1,429,651)	-
Net Loss on Advance Bond Refund	(106,786)	(42,118)	-	(148,904)	-
Bond Issuance Costs	(25,684)	(43,474)	-	(69,158)	-
Amortization of Bond Discount	(6,727)	68,308	-	61,581	-
	(882,518)	(673,637)	(1,937)	(1,558,092)	4,458
Income (Loss) Before Capital Contributions and Transfers	1,225,214	1,395,958	(56,006)	2,565,166	1,562
Capital Grants	77,149	200,000	-	277,149	-
Capital Contributions	16,401	-	-	16,401	-
Transfers Out	(1,050,000)	-	-	(1,050,000)	-
Change in Net Assets	268,764	1,595,958	(56,006)	1,808,716	1,562
Net Assets - Beginning	15,230,162	23,907,860	4,850,399	43,988,421	(1,892,956)
Net Assets - Ending	15,498,926	25,503,818	4,794,393	45,797,137	(1,891,394)

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, 2011**

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See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Cash Flows - Proprietary Funds  
Year Ended December 31, 2011

	Water
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 7,251,110
Receipts from Interfund Services	-
Payments to Employees	(1,950,335)
Payments to Suppliers	(2,081,916)
	<u>3,218,859</u>
Cash Flows from Non-Capital Financing Activities	
Transfers In	-
Transfers Out	(1,050,000)
Change in Interfund Activity	(1,615,491)
	<u>(2,665,491)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(1,064,199)
Capital Grants	77,149
Principal Issued on Debt	4,560,000
Principal Paid on Debt	(5,060,000)
Interest Paid on Debt	(762,724)
	<u>(2,249,774)</u>
Cash Flows from Investing Activities	
Interest Received	19,403
Net Change in Cash and Cash Equivalents	(1,677,003)
Cash and Cash Equivalents - Beginning	2,538,133
Cash and Cash Equivalents - Ending	<u>861,130</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	2,107,732
Adjustments to Reconcile Operating Income to Net Income to Net Cash Provided by (Used in) Operating Activities:	
Depreciation Expense	1,090,953
Other Expense	(112,597)
(Increase) Decrease in Current Assets	(83,834)
Increase (Decrease) in Current Liabilities	216,605
Net Cash Provided by Operating Activities	<u>3,218,859</u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u>16,401</u>

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

Business-Type Activities - Enterprise Funds			Governmental Activities
Sewer	Nonmajor Parking Meter	Totals	Internal Service
4,004,148	395,459	11,650,717	-
-	-	-	5,700,774
(466,967)	(100,819)	(2,518,121)	(637,890)
(660,264)	(235,893)	(2,978,073)	(4,988,803)
2,876,917	58,747	6,154,523	74,081
-	-	-	-
-	-	(1,050,000)	-
-	-	(1,615,491)	(3,204)
-	-	(2,665,491)	(3,204)
(2,504,708)	-	(3,568,907)	-
200,000	-	277,149	-
9,785,135	-	14,345,135	-
(11,272,985)	(65,000)	(16,397,985)	-
(664,990)	(1,937)	(1,429,651)	-
(4,457,548)	(66,937)	(6,774,259)	-
8,637	-	28,040	4,458
(1,571,994)	(8,190)	(3,257,187)	75,335
3,025,126	758,314	6,321,573	862,065
1,453,132	750,124	3,064,386	937,400
2,069,595	(54,069)	4,123,258	(2,896)
878,097	123,061	2,092,111	-
(17,284)	-	(129,881)	-
(145,637)	(1,845)	(231,316)	1,956
92,146	(8,400)	300,351	75,021
2,876,917	58,747	6,154,523	74,081
-	-	16,401	-

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, 2011**

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	Pension Trust	Agency
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,510,705	610,320
Investments		
U.S. Government and Agency Securities	23,920,448	-
Mutual Funds	26,965,498	-
Corporate Bonds	7,606,716	-
Common Stock	4,005,753	-
Receivables		
Accrued Interest	257,968	-
Total Assets	<u>65,267,088</u>	<u>610,320</u>
<b>LIABILITIES</b>		
Accounts Payable	2,770	-
Deposits Payable	-	610,320
Due to Other Funds	29,673	-
Total Liabilities	<u>32,443</u>	<u>610,320</u>
<b>NET PLAN ASSETS</b>		
Held in Trust for Pension Benefits	<u>65,234,645</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, 2011

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	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 3,905,300
Contributions - Plan Members	<u>782,515</u>
Total Contributions	<u>4,687,815</u>
Investment Income	
Investment Earnings	3,514,988
Net Change in Fair Value	<u>(1,710,471)</u>
	1,804,517
Less Investment Expenses	<u>(109,782)</u>
	<u>1,694,735</u>
Total Additions	<u>6,382,550</u>
<b>Deductions</b>	
Administration	47,977
Benefits and Refunds	<u>4,706,280</u>
Total Deductions	<u>4,754,257</u>
Change in Net Assets	1,628,293
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>63,606,352</u>
Ending	<u>65,234,645</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, 2011

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### 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
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### REPORTING ENTITY – Continued

##### Police Pension Employees Retirement System – Continued

Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

##### Firefighters' Pension Employees Retirement System

The Village's 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 fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the FPERS.

### 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, 2011

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### 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, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

The Village 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, 2011

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### 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 one nonmajor special revenue fund, the Motor Fuel Tax 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.

**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: \$23,400,000 of Series 2002 General Obligation Improvements, \$9,300,000 of Series 2004 General Obligation Refunding, \$11,735,000 of Series 2006 General Obligation Refunding and Improvements, \$1,590,000 of Series 2009 General Obligation Improvements, and \$23,280,000 of Series 2010 General Obligation Refunding and Improvements.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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### 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 2007, 2009 and 2010 General Obligation Bonds Fund, which is used to account for revenues and expenditures for road resurfacing, alley and other infrastructure improvements, Public Works facility improvements and large equipment replacements.

#### 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 five 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, 2011

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### 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, 2011

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### 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, 2011

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### 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.

##### Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepays/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepays in both the government-wide and fund financial statements.

##### 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, 2011

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### 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.

##### 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
Infrastructure	20 Years

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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### 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, 2011

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### 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”.

### 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.

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, 2011**

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**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:

Fund	Excess
Debt Service	\$ 353,647
Motor Fuel Tax	82,905
Employee Insurance	7,059
Workers' Compensation	37,414
Section 105 Sick Leave	84,896
Police Pension	15,551
Firefighters' Pension	13,506

**DEFICIT FUND EQUITY**

The following funds had deficit fund equity at year end:

Fund	Deficit
Debt Service	\$ 96,209
Section 105 Sick Leave	1,891,394

**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

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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

#### DEPOSITS AND INVESTMENTS – Continued

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, 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 \$6,988,132 and the bank balances totaled \$7,366,956. At year-end the Village also has \$144,183 invested in the Illinois Funds.

*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". The Village's investment in the Illinois Funds has an average maturity of less than one year.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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### 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, 2011, 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, 2011, 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 \$250,000. 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, 2011, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

*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, 2011, 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, 2011

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

#### DEPOSITS AND INVESTMENTS – Continued

##### Police Pension Credit Risk, Custodial Credit Risk, and Concentration Risk

*Deposits.* At year-end the carrying amount of the Police Pension Fund's deposits totaled \$799,548 and the bank balances totaled \$799,548.

*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	\$ 9,309,765	382,715	5,915,403	1,734,994	1,276,653
U.S. Agency Obligations	2,708,762	201,182	1,451,408	366,611	689,561
International and Corporate Bonds	3,802,777	-	1,211,684	1,890,656	700,437
Mutual Funds	13,483,130	13,483,130	-	-	-
Total	29,304,434	14,067,027	8,578,495	3,992,261	2,666,651

*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. 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, 2011, 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, 2011, 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, 2011, 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 totaling \$5,706,884. The Fund also has \$1,986,391 invested in common stock at year-end.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements  
December 31, 2011

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters’ Pension Credit Risk, Custodial Credit Risk, and Concentration Risk

*Deposits.* At year-end the carrying amount of the Firefighters’ Pension Fund’s deposits totaled \$1,711,157 and the bank balances totaled \$1,711,157.

*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	\$ 9,257,457	382,715	5,863,095	1,734,994	1,276,653
U.S Agency Obligations	2,644,464	201,182	1,392,790	360,931	689,561
International and Corporate Bonds	3,803,939	-	1,211,684	1,890,656	701,599
Mutual Funds	13,482,368	13,482,368	-	-	-
Total	29,188,228	14,066,265	8,467,569	3,986,581	2,667,813

*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. 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, 2011, 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, 2011, 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, 2011, 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 totaling \$5,636,657 and Blackrock Equity Dividend Fund totaling \$3,125,036. The Fund also has \$2,019,362 invested in common stock at year-end.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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

#### PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011, 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, 2011, and September 1, 2011. The County collects such taxes and remits them periodically. Since the 2011 levy is intended to finance the 2012 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	\$ 1,838,262	-	-	1,838,262
Construction in Progress	3,543,831	38,144	-	3,581,975
	<u>5,382,093</u>	<u>38,144</u>	<u>-</u>	<u>5,420,237</u>
Other Capital Assets				
Buildings	19,310,817	22,210	-	19,333,027
Improvements Other Than Buildings	41,024,861	3,208,793	-	44,233,654
Motor Equipment	7,028,018	632,892	225,436	7,435,474
Office Furniture and Equipment	1,017,073	-	-	1,017,073
Other Equipment	2,106,006	-	-	2,106,006
	<u>70,486,775</u>	<u>3,863,895</u>	<u>225,436</u>	<u>74,125,234</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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

**CAPITAL ASSETS – Continued**

**Governmental Activities – Continued**

	Beginning Balances	Increases	Decreases	Ending Balances
Less Accumulated Depreciation				
Buildings	\$ 3,715,628	484,130	-	4,199,758
Improvements Other Than Buildings	16,292,288	2,003,842	-	18,296,130
Motor Equipment	4,798,018	400,399	225,436	4,972,981
Office Furniture and Equipment	448,970	76,416	-	525,386
Other Equipment	1,224,975	157,276	-	1,382,251
	<u>26,479,879</u>	<u>3,122,063</u>	<u>225,436</u>	<u>29,376,506</u>
 Total Other Capital Assets	 <u>44,006,896</u>	 <u>741,832</u>	 <u>-</u>	 <u>44,748,728</u>
 Total Capital Assets	 <u><u>49,388,989</u></u>	 <u><u>779,976</u></u>	 <u><u>-</u></u>	 <u><u>50,168,965</u></u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 173,015
Streets and Sanitation	2,521,737
Public Safety - Police	195,257
Public Safety - Fire	<u>232,054</u>
	<u><u>3,122,063</u></u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

**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
<b>Capital Assets - Nondepreciable</b>				
Land	\$ 832,453	-	-	832,453
Landscaping	60,231	-	-	60,231
Construction in Progress	1,005,419	91,709	122,106	975,022
	<u>1,898,103</u>	<u>91,709</u>	<u>122,106</u>	<u>1,867,706</u>
<b>Other Capital Assets</b>				
Water System Improvements	26,876,852	924,424	-	27,801,276
Sewer System Improvements	49,253,132	2,602,132	-	51,855,264
Storm Water Pump Stations	2,001,674	-	-	2,001,674
Buildings	12,560,170	-	-	12,560,170
Machinery, Equipment, and Vehicles	9,471,505	89,149	-	9,560,654
Parking Facilities/Improvements	4,934,604	-	-	4,934,604
	<u>105,097,937</u>	<u>3,615,705</u>	<u>-</u>	<u>108,713,642</u>
<b>Less Accumulated Depreciation</b>				
Water System Improvements	7,339,821	501,838	-	7,841,659
Sewer System Improvements	11,619,663	811,867	-	12,431,530
Storm Water Pump Stations	950,273	40,033	-	990,306
Buildings	4,189,264	279,091	-	4,468,355
Machinery, Equipment, and Vehicles	4,235,730	338,853	-	4,574,583
Parking Facilities/Improvements	1,654,973	120,429	-	1,775,402
	<u>29,989,724</u>	<u>2,092,111</u>	<u>-</u>	<u>32,081,835</u>
Total Other Capital Assets	<u>75,108,213</u>	<u>1,523,594</u>	<u>-</u>	<u>76,631,807</u>
Total Capital Assets	<u>77,006,316</u>	<u>1,615,303</u>	<u>122,106</u>	<u>78,499,513</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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**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	\$ 1,090,953
Sewer	878,097
Parking Meter	<u>123,061</u>
	<u><u>2,092,111</u></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	Debt Service	\$ 144,587
General	Workers' Compensation	9,035
General	Police Pension	29,673
Water	General	<u>1,466,921</u> *
		<u><u>1,650,216</u></u>

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

**Interfund Transfers**

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.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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

**INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued**

**Interfund Transfers – Continued**

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
General	Water	<u>\$ 1,050,000</u>

**LINE OF CREDIT**

The Village arranged a line of credit with its local depository, North Shore Community Bank, to be used to provide short-term financing of property purchased for resale in the Village Center. The \$4,305,000 purchase was made from cash on hand but the line of credit can be used during periods of reduced cash flow. In 2011 this loan was securitized by certificates of deposit in the Water Fund and Section 105 Fund. The seven month certificates of deposit paid an interest rate of 0.6% and any draws from the line of credit carried an interest rate of 1.1%. Interest expense for 2011 amounted to \$17,284. This line of credit was renewed in December 2011 through December 2012. The available credit amount is \$5 million. It carries 2% interest rate when unsecured and carries an interest rate of 50 basis points greater than the rates paid on certificates of deposit when secured. At December 31, 2011, none of the line of credit was exercised.

**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:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$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	\$ 385,000	-	385,000 * 1,780,000	-
	Sewer	1,810,000	-	30,000 * 4,450,000	-
	Water	4,550,000	-	100,000	-

\* Refunded

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

**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 Refunding Bonds 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	\$ 4,760,000	-	1,220,000	3,540,000
	Sewer	2,650,000	-	25,000	2,625,000
	Water	3,480,000	-	110,000	3,370,000
	Parking Meter	65,000	-	65,000	-
\$19,850,000 General Obligation Refunding Bonds of 2007, due in annual installments of \$320,000 to \$3,475,000 plus interest at 4.00% to 4.25% through December 1, 2021.	Debt Service	10,050,000	-	275,000	9,775,000
	Sewer	2,400,000	-	50,000	2,350,000
	Water	5,215,000	-	-	5,215,000
\$9,010,000 General Obligation Refunding Bonds of 2009, due in annual installments of \$375,000 to \$960,000 plus interest at 2.00% to 3.65% through December 1, 2023.	Debt Service	1,475,000	-	120,000	1,355,000
	Sewer	1,460,000	-	115,000	1,345,000
	Water	5,700,000	-	400,000	5,300,000
\$25,895,000 General Obligation Refunding Bonds of 2010, due in annual installments of \$190,000 to \$4,430,000 plus interest at 2.00% to 4.00% through December 1, 2026.	Debt Service	23,280,000	-	-	23,280,000
	Sewer	1,485,000	-	-	1,485,000
	Water	1,130,000	-	-	1,130,000

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

**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
\$13,605,000 General Obligation Refunding Bonds of 2011, due in annual installments of \$740,000 to \$2,305,000 plus interest at 2.00% to 3.00% through December 1, 2023.	Sewer	\$ -	9,045,000	-	9,045,000
	Water	-	4,560,000	-	4,560,000
		<u>69,895,000</u>	<u>13,605,000</u>	<u>9,125,000</u>	<u>74,375,000</u>

**IEPA Revenue Bonds**

The Village has entered into an agreement with the IEPA to provide low interest financing for Sewerage improvements. IEPA revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bonds of 1993, due in annual installments of \$327,951 to \$638,703 plus interest of \$3.580% through December 10, 2013.	Sewer	\$ 1,583,091	-	* 966,654 616,437	-
IEPA Revenue Bonds of 1995, due in annual installments of \$335,386 to \$654,240 plus interest of \$3.580% through January 1, 2014. * Refunded	Sewer	2,234,486	-	* 1,622,425 612,061	-

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

**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 Bonds of 1996, due in annual installments of \$155,031 to \$303,636 plus interest of 2.815% through December 7, 2016.	Sewer	\$ 1,591,786	-	* 1,320,271 271,515	-
IEPA Revenue Bonds of 1997, due in annual installments of \$422,907 to \$596,423 plus interest of 3.150% through September 8, 2017.	Sewer	3,808,733	-	* 3,314,293 494,440	-
IEPA Revenue Bonds of 2006, due in annual installments of \$8,437 to \$27,333 plus interest of 2.500% through September 13, 2026.	Sewer	365,370	-	18,829	346,541
IEPA Revenue Bonds of 2007, due in annual installments of \$26,641 to \$39,769 plus interest at 2.500% through October 21, 2027.	Sewer	571,047	-	27,238	543,809
IEPA Revenue Bonds of 2010, due in annual installments of \$8,822 at 0.00% interest through April 7, 2030.	Sewer	172,028	-	8,822	163,206

\* Refunded

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

**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 Bonds of 2011, due in annual installments of \$42,888 at 1.25% interest through July 18, 2031.	Sewer	\$ -	740,135	-	740,135
		10,326,541	740,135	9,272,985	1,793,691

**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
Historical improvements note due in October 2012 plus interest at 3.25%	Society General	\$ 40,000	-	20,000	20,000

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, 2011, the line of credit outstanding balance is \$20,000.

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, 2011**

**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
<b>Governmental Activities</b>					
Compensated Absences	\$ 1,234,600	46,000	23,000	1,257,600	251,520
Net Pension Obligation					
Police Pension Fund	390,804	8,178	-	398,982	-
Firefighters' Pension Fund	354,830	7,414	-	362,244	-
Illinois Municipal Retirement Fund	210,788	199,925	-	410,713	-
Net Other Post-Employment Benefit Obligation					
Benefit Obligation	2,739,738	69,040	-	2,808,778	-
General Obligation Bonds	39,950,000	-	2,000,000	37,950,000	1,700,000
Unamortized Loss on Refunding	(1,852,208)	-	(130,414)	(1,721,794)	-
Installment Contracts/Notes Payable	40,000	-	20,000	20,000	20,000
	<u>43,068,552</u>	<u>330,557</u>	<u>1,912,586</u>	<u>41,486,523</u>	<u>1,971,520</u>
<b>Business-Type Activities</b>					
Compensated Absences	151,900	1,300	2,600	150,600	27,260
General Obligation Bonds	29,945,000	13,605,000	7,125,000	36,425,000	1,580,000
Unamortized Loss on Refunding	(26,600)	-	(26,600)	-	-
IEPA Loans	10,326,541	740,135	9,272,985	1,793,691	73,013
	<u>40,396,841</u>	<u>14,346,435</u>	<u>16,373,985</u>	<u>38,369,291</u>	<u>1,680,273</u>

The General Fund makes payments on the governmental activities compensated absences, net pension obligations, net other post-employment benefit obligation and the installment contracts/notes payable. The Debt Service Fund, Water Fund, Sewer Fund, and Parking Meter Funds make payments on the general obligation bonds. The Sewer Fund makes payments on the IEPA loans. For the business-type activities compensated absences are retired by the Water and Sewer Funds.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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

**LONG-TERM DEBT – Continued**

**Debt Service Requirements to Maturity**

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

<u>Fiscal Year</u> Ending December 31	<u>Governmental Activities</u>	
	<u>General Obligation</u>	
	<u>Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2012	\$ 1,700,000	1,326,192
2013	2,015,000	1,266,592
2014	2,090,000	1,191,717
2015	2,160,000	1,112,505
2016	2,325,000	1,030,186
2017	2,495,000	944,136
2018	2,610,000	845,653
2019	2,715,000	743,722
2020	2,820,000	661,910
2021	2,920,000	576,785
2022	3,055,000	488,487
2023	3,245,000	396,837
2024	3,300,000	291,375
2025	3,025,000	180,000
2026	1,475,000	59,000
Total	<u>37,950,000</u>	<u>11,115,097</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

**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
2012	\$ 1,580,000	1,168,107	73,013	26,588
2013	1,995,000	1,134,409	91,336	29,705
2014	2,480,000	1,086,994	92,984	28,058
2015	2,560,000	1,019,207	94,668	26,375
2016	3,360,000	944,215	96,388	24,655
2017	3,545,000	833,064	98,148	22,896
2018	3,655,000	710,089	99,944	21,100
2019	3,780,000	585,470	101,782	19,264
2020	3,455,000	454,283	103,656	17,386
2021	3,520,000	329,062	105,575	15,468
2022	3,205,000	209,887	107,537	13,507
2023	2,160,000	108,787	109,538	11,503
2024	1,130,000	38,137	111,586	9,456
2025	-	-	113,681	7,360
2026	-	-	115,824	5,220
2027	-	-	89,155	3,207
2028	-	-	49,751	1,958
2029	-	-	50,265	1,445
2030	-	-	46,372	925
2031	-	-	42,488	399
Total	36,425,000	8,621,711	1,793,691	286,475

**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.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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

#### LONG-TERM DEBT – Continued

##### Advance Refunding

##### 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, 2011**

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**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:

<u>Fiscal Year Ending December 31</u>	<u>Interest Rate</u>	<u>Principal</u>
2012	4.40%	\$ 600,000
2013	4.45%	600,000
2014	4.45%	<u>350,000</u>
Total		<u><u>1,550,000</u></u>

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

<u>Fiscal Year Ending December 31</u>	<u>Interest Rate</u>	<u>Principal</u>
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><u>3,450,000</u></u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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

**LONG-TERM DEBT – Continued**

**Advance Refunding – Continued**

**General Obligation Bonds of 2007**

On September 1, 2007, the Village passed an ordinance providing for the issuance of \$19,850,000 General Obligation Refunding and Improvements Bond Series 2007 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 Refunding Bond Series of 2000, issued by the Village and outstanding in the aggregate principal amount of \$7,300,000.

This advance refunding was undertaken to reduce principal and interest payments by a total of \$761,639 from 2007 through 2021 and to obtain an economic gain (the difference between the present value of the debt service payments of the refunded and refunding bonds) of \$568,492.

Proceeds in the amount of \$7,406,974 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 2000 is recorded in the non-current liabilities of the governmental activities and in the Water and Sewer Funds.

Although there has been no legal defeasance (satisfaction of debt) in this transaction, all conditions that normally satisfy defeasance of \$7,300,000 of the General Obligation Refunding Bond Series of 2000 have been met. The 2000 bonds maturing on or after December 1, 2008 may be redeemed prior to maturity at the option of the Village.

<u>Fiscal Year Ending December 31</u>	<u>Interest Rate</u>	<u>Principal</u>
2012	5.000%	\$ 250,000
2013	5.000%	250,000
2014	5.000%	250,000
2015	5.250%	300,000
2016	5.250%	650,000
2017	5.375%	800,000
2018	5.375%	850,000
2019	5.375%	875,000
2020	5.500%	950,000
2021	5.500%	<u>1,000,000</u>
Total		<u><u>6,175,000</u></u>

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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

#### LONG-TERM DEBT – Continued

#### Advance Refunding – Continued

#### General Obligation Bonds of 2009

On October 27, 2009, the Village passed an ordinance providing for the issuance of \$9,010,000 General Obligation Refunding and Improvements Bond Series 2009 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued to complete the Sheridan Road reconstruction project and for a current refunding of the General Obligation Refunding Bond Series of 1999, issued by the Village and outstanding in the aggregate principal amount of \$5,440,000.

This current refunding was undertaken to extend debt service by seven years to improve cash flow in the Water Fund. From 2010 through the new 2023 maturity additional debt service of \$405,119 will be paid. In spite of the additional debt service, there is a net present value savings of \$276,655.

Proceeds in the amount of \$5,870,137 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 1999 is recorded in the non-current liabilities of the governmental activities and in the Water and Sewer Funds.

#### General Obligation Bonds of 2010

On November 30, 2010, the Village passed an ordinance providing for the issuance of \$23,280,000 General Obligation Refunding and Improvements Bond Series 2010 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued to complete various street resurfacing and alley improvements and for a current refunding of the General Obligation Refunding Bond Series of 2002, issued by the Village and outstanding in the aggregate principal amount of \$19,135,000.

This current refunding was undertaken to benefit from a reduced interest rate and therefore improving the overall cost of debt. From 2011 through the new 2024 maturity additional debt service of \$1,863,274 will be paid. In spite of the additional debt service, there is a net present value savings of \$326,645.

Proceeds in the amount of \$21,788,540 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 2002 is recorded in the non-current liabilities of the governmental activities and in the Water and Sewer Funds.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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

**LONG-TERM DEBT – Continued**

**Advance Refunding – Continued**

**General Obligation Bonds of 2011**

On December 1, 2011, the Village passed an ordinance providing for the issuance of \$13,605,000 General Obligation Refunding Bond Series 2011 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. \$6,375,000 of the bonds were issued for an advance refunding of the Water Fund and Sewer Fund portions of the General Obligation Bond Series 2002 and \$7,230,000 were issued for a current refunding of IEPA Revenue Bonds of 1993, 1995, 1996 and 1997.

The advance refunding portion was undertaken to benefit from a reduced interest rate and therefore improving the overall cost of the debt. From 2012 through 2023 total debt service for this portion of the bond issue will be reduced by \$969,878 reflecting net present value savings of \$850,600. Proceeds in the amount of \$6,378,904 were used to execute the escrow agreement for the advance refunding.

The current refunding portion was undertaken to lengthen the overall maturities of the four IEPA Loans and to benefit from lower interest rates. From 2012 through 2023 total debt service for this portion of the bond issue will increase by \$812,066 but still reflecting net present value savings of \$32,500. The restructuring of this debt in this manner will provide \$3.6 million in cash flow savings through 2016.

The long-term debt for the General Obligation Refunding Bond Series 2011 is recorded in the non-current liabilities in the Water and Sewer Funds.

**NET ASSETS CLASSIFICATIONS**

Investment in capital assets – net of related debt, was comprised of the following as of December 31, 2011:

<b>Governmental Activities</b>	
Capital Assets - Net of Accumulated Depreciation	\$ 50,168,965
Plus Unspent Bond Proceeds	675,683
Less Capital Related Debt:	
General Obligation Bonds	(36,228,206)
Installment Contracts/Notes Payable	<u>(20,000)</u>
Investment in Capital Assets - Net of Related Debt	<u>14,596,442</u>
<b>Business-Type Activities</b>	
Capital Assets - Net of Accumulated Depreciation	78,499,513
Plus Unspent Bond Proceeds	2,006,973
Less Capital Related Debt:	
Revenue Bonds	(36,425,000)
IEPA Loans	<u>(1,793,691)</u>
Investment in Capital Assets - Net of Related Debt	<u>42,287,795</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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

**FUND BALANCE CLASSIFICATIONS**

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Series 2007, 2009 and 2010 General Obligation Bonds	Nonmajor	Total
<b>Fund Balances</b>					
Nonspendable	\$ 75,589	-	-	-	75,589
Restricted					
Motor Fuel Tax	-	-	-	385,231	385,231
Assigned					
Affordable Housing	49,020	-	-	-	49,020
Clampitt Account	64,654	-	-	-	64,654
Road Maintenance	211,238	-	-	-	211,238
Note Receivable	20,000	-	-	-	20,000
Encumbrances	227,056	-	26,523	-	253,579
Capital Projects	-	-	649,160	-	649,160
	571,968	-	675,683	-	1,247,651
Unassigned	4,887,264	(96,209)	-	-	4,791,055
<b>Total Fund Balances</b>	<b>5,534,821</b>	<b>(96,209)</b>	<b>675,683</b>	<b>385,231</b>	<b>6,499,526</b>

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended December 31, 2011. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

**Assigned Fund Balance.** The Village reports assigned fund balance in the General Fund and the Series 2007 2009 and 2010 General Obligation Bond Fund, both major funds. The Village’s management has assigned the funds in the General Fund as listed above and in the Series 2007, 2009 and 2010 General Obligation Bond Fund as stated above based on approved management and Board expenditures as determined through the annual budget process.

**Minimum Fund Balance Policy.** The Village’s policy is cash flow based. It states that the General Fund should maintain a minimum fund balance equal to double the projected difference of expenditures in excess of revenues in the first two months of the following year. In practice this is about 15% of annual General Fund expenditures. When actual fund balance exceeds 25% of projected annual expenditures, such excess balances may be transferred to the capital projects fund. For the Motor Fuel Tax Fund, the minimum fund balance should equal two months’ worth of revenue.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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

#### FUND BALANCE CLASSIFICATIONS – Continued

Although the Village has reported land held for resale of \$4,305,000 in the General Fund at year-end, the Village also secured a line of credit related to the purchase of the land which it has not exercised at December 31, 2011. For additional information on the line of credit see the note on page 38. Due to the fact that the Village can exercise the line of credit at any time and immediately replenish the cash in the General Fund used to purchase the land, the land held for resale is not reported as nonspendable fund balance at December 31, 2011.

### 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, 2011

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### 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 December 31, 2011, NSEBC had a total equity of \$5,875,572. The Village's total payments for the year ended December 31, 2011 were \$1,231,955.

#### POST-EMPLOYMENT BENEFITS

##### Post-Employment Health Care Benefits

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

- a. Employees who retired prior to 1989 may elect to continue health insurance coverage (single or family) through the Village's carriers, and the Village pays 25 percent of the premium cost and the retiree pays the balance. For the year ended December 31, 2011, there were no employees in this category.
- 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, 2011, there were ten employees in this category and the Village's expense totaled \$10,363.

## VILLAGE OF WILMETTE, ILLINOIS

### Notes to the Financial Statements December 31, 2011

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#### NOTE 4 – OTHER INFORMATION – Continued

#### POST-EMPLOYMENT 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, 2011, no employees are covered in this category.

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 four retiree spouses in this category for the year ended December 31, 2011. 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, 2011 twenty-eight retirees are receiving benefits under these Plans (three under the Police Union Plan, four under the Fire Union Plan, and twenty-one under the Non-represented Plan).

## VILLAGE OF WILMETTE, ILLINOIS

### Notes to the Financial Statements December 31, 2011

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#### NOTE 4 – OTHER INFORMATION – Continued

##### POST-EMPLOYMENT 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 online at [www.imrf.org](http://www.imrf.org). The Police and Firefighters' Pension plans also issue separate audited GAAP financial 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, 2011

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#### 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 and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 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. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 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 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Employees participating in the plan 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 contribution rate for calendar year 2011 was 9.65 percent of the annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 11.93 percent.

##### 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.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Plan Descriptions, Provisions and Funding Policies – Continued**

**Police Pension Plan – Continued**

At December 31, 2011 the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	42
Inactive Members	1
Current Employees	
Vested	35
Nonvested	<u>10</u>
	<u>88</u>

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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Plan Descriptions, Provisions and Funding Policies – Continued**

**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, 2011 the Firefighters’ Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	48
Inactive Members	2
Current Employees	
Vested	31
Nonvested	<u>15</u>
	<u>96</u>

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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the monthly salary attached to the rank held 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 salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, 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. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Plan Descriptions, Provisions and Funding Policies – Continued

##### Firefighters' Pension Fund – Continued

Covered employees, if any, 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 2040 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% 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.

###### Significant Investments

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 totaling \$5,706,884, and the Firefighters' Pension Fund has over 5% invested in Vanguard totaling \$5,636,657 and Blackrock Equity Dividend Fund totaling \$3,125,036. Information for IMRF is not available.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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**NOTE 4 – OTHER INFORMATION – Continued**

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

**Summary of Significant Accounting Policies and Plan Asset Matters – Continued**

**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:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension	Total
Annual Required Contribution	\$ 1,022,507	1,752,679	2,152,570	4,927,756
Interest on Net Pension Obligation	15,809	28,724	26,080	70,613
Adjustment to Annual Required Contribution	(11,300)	(20,525)	(18,636)	(50,461)
Annual Pension Cost	1,027,016	1,760,878	2,160,014	4,947,908
Actual Contribution	827,091	1,752,700	2,152,600	4,732,391
Increase (Decrease) to the NPO	199,925	8,178	7,414	215,517
NPO - Beginning of Year	210,788	390,804	354,830	956,422
NPO - End of Year	410,713	398,982	362,244	1,171,939

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

**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	11.93%	23.06%	25.23%
Employee	4.50%	9.91%	9.455%
Actuarial Valuation Date	12/31/2011	12/31/2011	12/31/2011
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Open Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	29 Years	23 Years	23 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	7.35% Compounded Annually	7.35% Compounded Annually
Projected Salary Increases	.4 to 10.0%	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, 2011**

**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)	2009	\$ 702,539	1,535,760	1,833,205
	2010	956,196	1,704,645	2,021,341
	2011	1,022,507	1,760,878	2,160,014
Actual Contributions	2009	702,539	1,300,000	1,620,000
	2010	745,408	1,540,900	1,880,700
	2011	827,091	1,752,700	2,152,600
Percentage of APC Contributed	2009	100.00%	84.65%	88.37%
	2010	77.96%	90.39%	93.04%
	2011	80.89%	99.54%	99.66%
Net Pension Obligation (Asset)	2009	-	227,059	214,189
	2010	210,788	390,804	354,830
	2011	410,713	398,982	362,244

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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### NOTE 4 – OTHER INFORMATION – Continued

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

##### Funded Status and Funding Progress

The Village's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/11	12/31/11	12/31/11
Percent Funded	78.41%	66.69%	61.22%
Actuarial Accrued Liability for Benefits	\$31,263,056	\$51,377,545	\$57,149,163
Actuarial Value of Assets	\$24,514,832	\$34,263,949	\$34,989,002
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$6,748,224)	(\$17,113,596)	(\$22,160,161)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$8,570,892	\$4,038,326	\$4,107,555
Ratio of UAAL to Covered Payroll	78.73%	423.78%	539.50%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS**

**Plan Descriptions, Provisions, and Funding Policies**

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2011, retirees contributed \$237,096. Active employees do not contribute to the plan until retirement.

At December 31, 2011, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	28
Active Employees	<u>197</u>
Total	<u>225</u>
Participating Employers	1

The Village does not currently have a funding policy.

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Annual OPEB Costs and Net OPEB Obligation**

The net OPEB obligation (NOPEBO) as of December 31, 2011, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 166,969
Interest on the NOPEBO	136,987
Adjustment to the ARC	<u>(54,916)</u>
Annual OPEB Cost	249,040
Actual Contribution	<u>180,000</u>
Change in the NOPEBO	69,040
NOPEBO - Beginning of Year	<u>2,739,738</u>
NOPEBO - End of Year	<u><u>2,808,778</u></u>

**Trend Information**

The District's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 316,548	\$ 148,800	47.01%	\$ 2,597,680
2010	307,058	165,000	53.74%	2,739,738
2011	249,040	180,000	72.28%	2,808,778

**VILLAGE OF WILMETTE, ILLINOIS**

**Notes to the Financial Statements  
December 31, 2011**

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**NOTE 4 – OTHER INFORMATION – Continued**

**OTHER POST-EMPLOYMENT BENEFITS – Continued**

**Funded Status and Funding Progress**

The funded status of the plan as of December 31, 2011, was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,808,778
Actuarial Value of Plan Assets	917,384
Unfunded Actuarial Accrued Liability (UAAL)	1,891,394
Funded Ratio (actuarial value of plan assets/AAL)	32.66%
Covered Payroll (active plan members)	8,570,892
UAAL as a percentage of covered payroll	22.07%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

# VILLAGE OF WILMETTE, ILLINOIS

## Notes to the Financial Statements December 31, 2011

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### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2011 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses and an annual healthcare cost trend rate of 8.0%). Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2011, was 27 years.

## **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 and Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
  
- Budgetary Comparison Schedule – 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 and Employer Contributions  
December 31, 2011**

**Funding Progress**

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Liability as a Percentage of Covered Payroll (4) ÷ (5)
December 31						
2006	\$ 25,004,056	\$ 24,257,794	103.08%	\$ (746,262)	\$ 7,764,125	(9.61)%
2007	28,144,614	27,546,456	102.17%	(598,158)	8,437,260	(7.09)%
2008	24,786,414	28,995,793	85.48%	4,209,379	8,807,392	47.79%
2009	25,732,932	31,310,510	82.19%	5,577,578	8,814,790	63.28%
2010	26,367,785	31,865,129	82.75%	5,497,344	8,499,522	64.68%
2011	24,514,832	31,263,056	78.41%	6,748,224	8,570,892	78.73%

**Employer Contributions**

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 663,056	\$ 663,056	100.00%
2007	707,886	707,886	100.00%
2008	687,857	687,857	100.00%
2009	702,539	702,539	100.00%
2010	745,408	956,196	77.96%
2011	827,091	1,022,507	80.89%

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

Required Supplementary Information  
 Schedule of Funding Progress and Employer Contributions  
 December 31, 2011

Funding Progress

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)
2006	\$ 28,333,401	\$ 35,758,708	79.23%	\$ 7,425,307	\$ 3,368,903	220.41%
2007	30,186,114	40,633,684	74.29%	10,447,570	3,615,846	288.94%
2008	30,449,896	43,578,850	69.87%	13,128,954	3,768,350	348.40%
2009	31,057,872	46,081,936	67.40%	15,024,064	3,835,524	391.71%
2010	31,937,125	48,562,989	65.76%	16,625,864	3,945,408	421.40%
2011	34,263,949	51,377,545	66.69%	17,113,596	4,038,326	423.78%

Employer Contributions

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 860,000	\$ 859,890	100.01%
2007	1,016,400	1,016,367	100.00%
2008	1,112,000	1,314,149	84.62%
2009	1,300,000	1,535,884	84.64%
2010	1,540,900	1,701,843	90.54%
2011	1,752,700	1,752,679	100.00%

I. At 12/31/06 the Village changed the actuarial assumption for salary growth from 5% to 5.5%. This change increased the Unfunded Accrued Actuarial Liability by \$378,921.

II. At 12/31/07 the Village changed the actuarial assumptions for retirement rates and mortality. These changes increased the Unfunded Accrued Actuarial Liability by \$2,728,111.

III. At 12/31/10 the Village changes the actuarial assumption for interest rate of return from 7.40% to 7.35%. This change increased the Unfunded Accrued Actuarial Liability by \$334,981.

**VILLAGE OF WILMETTE, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2011**

**Funding Progress**

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 Actuarial Accrued Liability (Overfunded) (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2006	\$ 28,922,152	\$ 39,835,805	72.60%	\$ 10,913,653	\$ 3,228,600	338.03%
2007	30,668,985	44,470,280	68.97%	13,801,295	3,528,817	391.10%
2008	30,969,840	47,209,466	65.60%	16,239,626	3,767,777	431.01%
2009	31,700,500	49,748,319	63.72%	18,047,819	3,928,010	459.46%
2010	32,553,522	53,786,181	60.52%	21,232,659	4,143,165	512.47%
2011	34,989,002	57,149,163	61.22%	22,160,161	4,107,555	539.50%

**Employer Contributions**

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 1,118,000	\$ 1,117,035	100.09%
2007	1,245,800	1,245,768	100.00%
2008	1,394,000	1,601,398	87.05%
2009	1,620,000	1,833,191	88.37%
2010	1,880,700	2,018,698	93.16%
2011	2,152,600	2,152,570	100.00%

I. At 12/31/06 the Village changed the actuarial assumption for salary growth from 5% to 5.5%. This change increased the Unfunded Accrued Actuarial Liability by \$368,770.

II. At 12/31/07 the Village changed the actuarial assumptions for retirement rates and mortality. These changes increased the Unfunded Accrued Actuarial Liability by \$3,752,251.

III. At 12/31/10 the Village changes the actuarial assumption for interest rate of return from 7.40% to 7.35%. This change increased the Unfunded Accrued Actuarial Liability by \$351,288.

**VILLAGE OF WILMETTE, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information  
Schedule of Funding Progress and Employer Contributions  
December 31, 2011**

**Funding Progress**

Actuarial Valuation Date Dec. 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)
2006	\$ 396,733	\$ 1,948,911	20.36%	\$ 1,552,178	\$ 7,764,125	19.99%
2007	524,091	2,261,379	23.18%	1,737,288	8,437,260	20.59%
2008	646,564	2,429,932	26.61%	1,783,368	8,807,392	20.25%
2009	766,279	2,597,680	29.50%	1,831,401	8,814,790	20.78%
2010	846,782	2,739,738	30.91%	1,892,956	8,499,522	22.27%
2011	917,384	2,808,778	32.66%	1,891,394	8,570,892	22.07%

**Employer Contributions**

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2006	\$ 110,000	\$ 109,180	100.75%
2007	123,500	123,471	100.02%
2008	143,400	143,367	100.02%
2009	148,800	148,712	100.06%
2010	165,000	157,054	105.06%
2011	180,000	166,969	107.80%

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, 2011

	Original Budget	Final Budget	Actual
<b>Revenues</b>			
Taxes	\$ 21,309,200	21,309,200	20,840,640
Licenses, Permits and Fees	2,896,200	2,896,200	3,043,066
Intergovernmental	112,505	112,505	884,021
Charges for Services	2,900,280	2,900,280	2,855,787
Fines and Forfeitures	405,800	405,800	355,358
Investment Earnings	15,500	15,500	11,765
Miscellaneous	994,387	994,387	1,078,140
Total Revenues	<u>28,633,872</u>	<u>28,633,872</u>	<u>29,068,777</u>
<b>Expenditures</b>			
General Government	3,340,650	3,340,650	2,818,641
Public Safety	17,828,245	17,828,245	17,591,397
Streets and Sanitation	5,966,953	5,966,953	5,761,344
Other Public Works	1,806,003	1,806,003	2,341,132
Public Health	219,085	219,085	215,689
Community Development	1,203,375	1,203,375	1,174,544
Debt Service			
Principal Retirement	-	-	20,000
Interest and Fiscal Charges	-	25,000	17,284
Total Expenditures	<u>30,364,311</u>	<u>30,389,311</u>	<u>29,940,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,730,439)	(1,755,439)	(871,254)
<b>Other Financing Sources</b>			
Transfers In	<u>1,050,000</u>	<u>1,050,000</u>	<u>1,050,000</u>
Net Change in Fund Balance	<u>(680,439)</u>	<u>(705,439)</u>	178,746
Fund Balance - Beginning			<u>5,356,075</u>
Fund Balance - Ending			<u>5,534,821</u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Budgetary Comparison Schedule – Nonmajor Governmental Fund
- Budgetary Comparison Schedules – Major Enterprise Funds
- Budgetary Comparison Schedules – Nonmajor Enterprise Fund
- Combining Statements – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Combining Statements – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Combining Statement of Changes in Assets and Liabilities – Agency Fund

## **GENERAL FUND**

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

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## **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.

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## **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.

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## **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.

### **Series 2007, 2009 and 2010 General Obligation Bonds Fund**

The Series 2007, 2009 and 2010 General Obligation Bonds Fund is used to account for revenue and expenditures for road resurfacing, alley and other infrastructure improvements, Public Works facility improvements and large equipment replacements.

## **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.

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## **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.

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## **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.

### **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, 2011**

	Original and Final Budget	Actual
<b>Taxes</b>		
Property Taxes	\$ 11,042,500	10,924,411
Municipal Sales Tax	3,237,850	3,236,753
Municipal Sales Tax - Home Rule	517,650	510,944
State Income Tax	2,101,050	2,146,830
Real Estate Transfer Tax	1,005,000	717,780
Utility Tax	2,675,000	2,579,823
E-911 Surcharge	270,000	249,011
Wireless 911 Tax	157,000	155,081
Personal Property Replacement Tax	213,150	231,340
Fuel Use Tax	90,000	88,667
<b>Total Taxes</b>	<b>21,309,200</b>	<b>20,840,640</b>
<b>Licenses, Permits and Fees</b>		
<b>Licenses</b>		
Animal	1,500	1,690
Business	236,000	240,908
Vehicle	1,350,000	1,353,085
Taxi	19,100	19,055
Liquor Licenses	52,000	55,090
<b>Permits</b>		
Building	742,000	826,108
Demolition	25,750	29,387
Electric	46,300	51,160
Plumbing	40,200	37,045
Right-of Way	13,400	17,680
Other	53,200	78,873
<b>Fees</b>		
Plan Review	59,750	59,147
Pavement Degradation Fee	20,600	20,263
Inspections	196,700	207,975
Filing	20,700	21,398
Permit Penalties	19,000	24,202
<b>Total Licenses, Permits, and Fees</b>	<b>2,896,200</b>	<b>3,043,066</b>

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original and Final Budget	Actual
<b>Intergovernmental</b>		
Police Grants	\$ 100,505	95,096
Fire Grants	-	10,241
F.E.M.A. Snow Storm Grant	-	99,609
Glenview Road Resurfacing Grant	-	635,000
Street Light Grant	12,000	12,033
Rain Garden Grant	-	576
Emerald Ash Borer Tree Grant	-	19,900
R.T.A. Grant - Village Center Master Development Plan	-	11,566
Total Intergovernmental	112,505	884,021
<b>Charges for Services</b>		
Refuse Collection Charges	2,094,800	2,113,304
Refuse Collection Charges - unbilled	-	7,000
Sales of Yard Waste Bags	100,000	102,757
Ambulance Transport Charges	405,400	386,044
Fire Alarms	16,000	16,411
Burglar Alarms	20,000	3,752
Elevator Inspections	16,000	13,095
Sanitarian Services	48,000	54,928
Computer Aided Dispatch Services	1,500	-
Damage to Village Property	32,000	20,965
Maintenance of State Routes	13,500	-
Shore Line Place Services	18,030	18,812
Fairfield Court Services	61,100	53,731
French Market Services	2,025	2,100
Engineering & Consulting Reimbursements	-	1,164
Park District Personnel Reimbursements	56,425	45,865
School & Park District Ethernet Reimbursements	-	5,244
Other Police Service Charges	300	350
Health Department Charges	13,200	9,265
Atrium Unit Closing Fees	2,000	1,000
Total Charges for Services	2,900,280	2,855,787

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original and Final Budget	Actual
Fines and Forfeitures		
Court Fines	\$ 70,000	91,525
Vehicle License and Parking	335,000	260,080
Animal and Impounding Fees	800	3,753
Total Fines and Forfeitures	<u>405,800</u>	<u>355,358</u>
Investment Earnings		
Interest	<u>15,500</u>	<u>11,765</u>
Miscellaneous		
Rental Income		
Wilmette Park District	52,900	52,173
Cellular Antennae Leases	295,000	284,883
Depot Nuevo	48,887	48,887
1225 Central	-	2,411
3545 Lake Avenue	2,400	2,400
Sale of General Capital Assets	30,000	32,205
Cable TV Franchise Fees	417,000	479,102
Commercial Waste Collection Franchise Fees	81,000	80,916
Interest Payments from Property Tax Collections	2,500	2,133
Other	27,500	18,714
Contributions for Affordable Housing	20,000	-
Insurance Recoveries	-	52,622
Section 125 Plan Liability Write-offs	-	352
Contribution from Wilmette Historical Society	17,200	21,342
Total Miscellaneous	<u>994,387</u>	<u>1,078,140</u>
Total Revenues	<u><u>28,633,872</u></u>	<u><u>29,068,777</u></u>

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual
<b>General Government</b>			
<b>Legislative</b>			
Memberships	\$ 17,365	17,365	16,403
Professional Services	-	-	450
Annual Audit	10,700	10,700	9,505
Incidentals	2,000	2,000	1,153
<b>Total Legislative</b>	<b>30,065</b>	<b>30,065</b>	<b>27,511</b>
<b>General Administration</b>			
Salaries - Regular	382,075	382,075	388,088
Salaries - Overtime	300	300	-
Employee Benefits	125,560	125,560	124,644
Memberships	3,900	3,900	3,540
Professional Services	4,410	4,410	6,326
Community Notification System	4,200	4,200	4,200
Lease/Purchase - Copier	8,000	8,000	7,169
Pre-employment Exams	2,000	2,000	9,327
Maintenance of Office Equipment	100	100	-
Office Supplies	4,000	4,000	2,936
Incidentals	1,500	1,500	1,732
Training	3,720	3,720	1,354
Personnel Training	500	500	-
Employee Recognition Program	6,605	6,605	6,703
Newsletters	12,500	12,500	13,068
Publishing Legal Notices	5,500	5,500	1,777
Classified Advertisements	1,000	1,000	1,383
<b>Total General Administration</b>	<b>565,870</b>	<b>565,870</b>	<b>572,247</b>

# VILLAGE OF WILMETTE, ILLINOIS

## General Fund

### Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2011

	Original Budget	Final Budget	Actual
General Government - Continued			
Information Services			
Salaries - Regular	\$ 232,300	232,300	224,826
Employee Benefits	74,310	74,310	72,350
Memberships	250	250	250
Professional Services	2,500	2,500	2,600
Contractual Hardware Support	14,785	14,785	5,456
Contractual Software Support	97,570	97,570	107,586
PC Software Subscription	34,000	34,000	36,839
Contractual Internet Expenditures	4,900	4,900	3,753
Computer Communications	19,900	19,900	20,214
Computer Parts	6,600	6,600	6,026
Computer Software	2,000	2,000	1,110
Office Supplies	500	500	398
Automotive	4,500	4,500	4,500
Incidentals	200	200	97
Training	400	400	75
Office Furniture and Equipment	10,000	10,000	9,677
Total Information Services	504,715	504,715	495,757
Finance Department			
Salaries - Regular	520,025	520,025	517,431
Salaries - Overtime	2,000	2,000	660
Employee Benefits	152,720	152,720	149,160
Memberships	1,600	1,600	1,387
Professional Services	25,000	25,000	27,290
Lease/Purchase - Copier	19,700	19,700	15,210
Bank Charges	16,000	16,000	17,577
Postage - General Office	35,000	35,000	22,283
Contractual Services	8,900	8,900	9,301
Maintenance of Office Equipment	5,000	5,000	1,353
Telephone - Office Service	24,700	24,700	18,120
Telephone - Maintenance	6,000	6,000	8,679

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual
General Government - Continued			
Finance Department - Continued			
Telephone - Cellular Service	\$ 24,700	24,700	19,601
Telephone - Long Distance	200	200	82
Office Supplies	17,500	17,500	19,185
Supplies Other than Office	8,500	8,500	7,828
Incidentals	-	-	23
Training	500	500	390
Publishing Legal Notices	1,400	1,400	2,189
Total Finance Department	<u>869,445</u>	<u>869,445</u>	<u>837,749</u>
Law Department			
Salaries - Regular	71,500	71,500	49,351
Employee Benefits	7,230	7,230	4,683
Memberships	1,550	1,550	1,353
Code Revision service	4,000	4,000	6,778
Special Attorney Fees	50,000	50,000	101,189
On-line Legal Research Services	4,750	4,750	4,996
Contractual Corporation Counsel Services	132,000	132,000	123,000
Supplies - Legal	1,900	1,900	1,007
Incidentals	300	300	455
Training	1,200	1,200	845
Litigation Costs	5,000	5,000	1,818
Total Law Department	<u>279,430</u>	<u>279,430</u>	<u>295,475</u>
Boards and Commissions			
Incidentals	500	500	728
Housing Commission	55,000	55,000	43,223
Community Relations Commission	2,200	2,200	1,005
Fine Arts Commission	500	500	298
Historic Preservation Commission	1,600	1,600	1,370
Bicycle Commission	2,000	2,000	1,810
Youth Commission	20,000	20,000	21,000
Total Boards and Commissions	<u>81,800</u>	<u>81,800</u>	<u>69,434</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual
<b>General Government - Continued</b>			
<b>Historical Museum</b>			
Salaries - Regular	\$ 104,150	104,150	105,471
Employee Benefits	18,820	18,820	20,555
Total Historical Museum	<u>122,970</u>	<u>122,970</u>	<u>126,026</u>
<b>Cable Programming Services</b>			
Salaries - Regular	82,875	82,875	77,003
Salaries - Other	1,530	1,530	1,563
Employee Benefits	28,855	28,855	26,794
Memberships	175	175	175
Contractual Website Services	3,000	3,000	2,605
Maintenance - Office Equipment	2,500	2,500	953
Hi-Speed Ethernet Service	15,120	15,120	14,430
Supplies - Office	450	450	191
Supplies - Video	3,190	3,190	2,053
Incidentals	400	400	-
Training	600	600	-
Office Space Rent	12,660	12,660	11,623
Total Cable Programming Services	<u>151,355</u>	<u>151,355</u>	<u>137,390</u>
<b>Insurance</b>			
<b>General Liability and Property Insurance</b>			
Fixed Premiums	205,000	205,000	215,200
Deductible Payments	30,000	30,000	25,816
Total Insurance	<u>235,000</u>	<u>235,000</u>	<u>241,016</u>
<b>Contingencies</b>			
Regular	400,000	400,000	-
Atrium Condo Resales	100,000	100,000	16,036
Total Contingencies	<u>500,000</u>	<u>500,000</u>	<u>16,036</u>
<b>Total General Government</b>	<u><u>3,340,650</u></u>	<u><u>3,340,650</u></u>	<u><u>2,818,641</u></u>

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual
<b>Public Safety</b>			
<b>Fire and Police Commission</b>			
Salaries - Regular	\$ 31,425	31,425	32,190
Employee Benefits	9,910	9,910	10,245
Professional Services	24,500	24,500	23,476
Classified Advertisements	5,000	5,000	56
<b>Total Fire and Police Commission</b>	<b>70,835</b>	<b>70,835</b>	<b>65,967</b>
<b>Police</b>			
<b>General Operations</b>			
Salaries - Regular	4,212,650	4,212,650	4,071,843
Salaries - Overtime	270,000	270,000	308,375
Salaries - Overtime - Grant Funded	21,100	21,100	-
Employee Benefits	2,688,440	2,688,440	2,546,110
Memberships	825	825	715
Physical Exams	20,000	20,000	7,995
Contractual Animal Observation	4,850	4,850	22,673
Maintenance - Equipment	13,275	13,275	11,836
Maintenance - Radios	28,950	28,950	23,816
Uniforms	37,000	37,000	42,001
Range Supplies	6,500	6,500	6,278
Supplies Other than Office	8,415	8,415	7,990
Community Relations Materials	2,965	2,965	2,118
Automotive	255,700	255,700	253,910
Incidentals	7,600	7,600	5,997
Training	28,000	28,000	29,449
Crime Lab Contributions	38,200	38,200	38,117
NIPAS Contribution	4,170	4,170	3,700
Major Crimes Task Force	4,100	4,100	3,600
NIPSTA Contribution	8,140	8,140	8,140
Motor Equipment	100,650	100,650	187,481
Other Equipment	3,500	3,500	12,213
<b>Total General Operations</b>	<b>7,765,030</b>	<b>7,765,030</b>	<b>7,594,357</b>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Police - Continued			
General Services			
Salaries - Regular	\$ 428,975	428,975	424,839
Salaries - Overtime	255	255	1,974
Employee Benefits	116,095	116,095	148,073
Memberships	510	510	220
Professional Services	14,950	14,950	10,936
Lease/Purchase - Copier	5,385	5,385	4,987
Maintenance - Office Equipment	500	500	120
Reaccreditation Fees	4,500	4,500	3,302
L.E.A.D.S./P.I.M.S. Program	3,600	3,600	3,000
Professional Services - Police Grant Work	12,000	12,000	1,540
Towing - Contractual	1,800	1,800	-
Computer Communications	3,450	3,450	3,279
Uniforms	300	300	-
Office Supplies	8,000	8,000	7,055
Supplies Other than Office	3,750	3,750	874
Incidentals	300	300	216
Training	1,200	1,200	700
Care of Prisoners	1,000	1,000	752
Total General Services	<u>606,570</u>	<u>606,570</u>	<u>611,867</u>
Public Safety Communications			
Salaries - Regular	630,725	630,725	614,455
Salaries - Overtime	60,000	60,000	68,964
Employee Benefits	214,170	214,170	214,535
Memberships	155	155	152
Professional Services	-	-	2,250
Contractual Regional Fire Dispatch	185,780	185,780	166,027
Contractual Software Support - C.A.D.	45,275	45,275	42,377
Maintenance - Office Equipment	300	300	287

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Police - Continued			
Public Safety Communications - Continued			
Maintenance - E-911 System	\$ 57,850	57,850	50,126
Maintenance - NORCOM Network	57,000	57,000	56,612
IWIN Program	11,000	11,000	8,569
Computer Communications	10,200	10,200	19,613
Uniforms	3,000	3,000	3,349
Incidentals	200	200	-
Training	1,500	1,500	2,530
Total Public Safety Communications	1,277,155	1,277,155	1,249,846
School Crossing Protection			
Salaries - Regular	207,575	207,575	202,474
Employee Benefits	19,615	19,615	19,316
Uniforms	500	500	-
Supplies Other than Office	1,000	1,000	-
Total School Crossing Protection	228,690	228,690	221,790
Total Police	9,877,445	9,877,445	9,677,860
Emergency Fire and Medical Services			
Salaries - Regular	4,297,525	4,297,525	4,319,603
Salaries - Overtime	310,000	310,000	327,581
Salaries - Off-Duty Response	20,400	20,400	6,299
Employee Benefits	2,990,395	2,990,395	2,999,818
Memberships	3,270	3,270	3,360
Professional Services	5,500	5,500	75
Lease/Purchase - Copier	4,410	4,410	4,493
Physical Exams	17,660	17,660	16,630
Maintenance - Equipment	29,500	29,500	21,099
Maintenance - Radios	4,850	4,850	2,359
Maintenance - Breathing Equipment	5,500	5,500	3,325

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual
Public Safety - Continued			
Emergency Fire and Medical Services - Continued			
Maintenance - Telemetry Equipment	\$ 1,000	1,000	802
Maintenance - Special Rescue Equipment	5,350	5,350	4,902
Reaccreditation Fees	6,500	6,500	7,305
Computer Communications	7,200	7,200	17,388
Uniforms	22,430	22,430	30,962
Protective Clothing	18,600	18,600	17,563
Supplies - Automotive Parts	17,000	17,000	28,016
Supplies - Auto Shop	3,000	3,000	3,683
Supplies - Fire Hose	9,500	9,500	9,072
Supplies - Medical	7,950	7,950	8,493
Supplies - Emergency Equipment	2,750	2,750	1,894
Supplies - Office	3,000	3,000	2,816
Supplies - Other than Office	7,450	7,450	8,595
Materials - Public Education Programming	4,500	4,500	4,202
Gasoline and Oil	25,000	25,000	34,954
Incidentals	750	750	988
Training	33,650	33,650	34,448
NIPSTA Contribution	8,325	8,325	8,325
MABAS Contribution	5,500	5,500	5,275
Rent - Commonwealth Edison	1,500	1,500	1,500
Other Equipment	-	-	-
Total Emergency Fire and Medical Services	<u>7,879,965</u>	<u>7,879,965</u>	<u>7,935,825</u>
Total Public Safety	17,828,245	17,828,245	17,679,652
NonGAAP Activity			
Less Current Year Encumbrances	-	-	(88,255)
Total Public Safety	<u>17,828,245</u>	<u>17,828,245</u>	<u>17,591,397</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual
<b>Streets and Sanitation</b>			
<b>Streets Department</b>			
Salaries - Regular	\$ 1,012,400	1,012,400	982,443
Salaries - Overtime	75,700	75,700	66,580
Employee Benefits	348,775	348,775	355,185
Memberships	1,435	1,435	1,305
Professional Services	550	550	-
Lease/Purchase - Copier	4,660	4,660	4,526
Contractual Services	63,545	63,545	45,213
Contractual Snow Removal	72,755	72,755	56,671
Maintenance - Office Equipment	475	475	348
Holiday Light Decorations	28,690	28,690	28,173
J.U.L.I.E. Expenditures	4,600	4,600	4,478
Landscaping and Maintenance of Public Right of Way	28,205	28,205	24,405
Lease Leaf Packers	103,325	103,325	87,802
Leaf Disposal	111,230	111,230	91,287
Pager Rental	1,550	1,550	1,440
Uniforms	5,800	5,800	6,533
Supplies - Miscellaneous Tools and Equipment	1,000	1,000	792
Supplies - Office	3,800	3,800	3,155
Supplies - Other than Office	1,300	1,300	284
Materials - Traffic Signs	15,700	15,700	14,950
Materials - Salt	179,000	179,000	110,358
Materials - Street Repair and Landscaping	27,000	27,000	26,765
Automotive	473,500	473,500	470,104
Incidentals	1,000	1,000	691
Training	4,745	4,745	2,503
NIPSTA Contribution	1,500	1,500	1,500
Other Equipment - Snow Plows	-	-	21,114
<b>Total Streets Department</b>	<b>2,572,240</b>	<b>2,572,240</b>	<b>2,408,605</b>

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual
<b>Streets and Sanitation - Continued</b>			
<b>Refuse Collection and Disposal</b>			
Contractual Refuse Collection	\$ 881,445	881,445	881,338
Recycling Collection	683,360	683,360	683,218
Landfill Tipping Fees	520,600	520,600	509,015
Contractual Yard Waste Collection	186,515	186,515	186,677
Yard Waste Disposal	40,000	40,000	23,689
Yard Waste Supplies	2,550	2,550	1,997
Promotional and Educational	600	600	-
<b>Total Refuse Collection and Disposal</b>	<b>2,315,070</b>	<b>2,315,070</b>	<b>2,285,934</b>
<b>Maintenance of Trees</b>			
Salaries - Regular	232,075	232,075	231,135
Salaries - Overtime	7,250	7,250	15,707
Employee Benefits	87,670	87,670	93,959
Contractual Services	2,000	2,000	25,356
Tree Planting Program	20,000	20,000	20,161
Contractual Tree Pruning	173,280	173,280	176,496
Emerald Ash Borer - Tree Removals	100,000	100,000	117,547
Uniforms	1,100	1,100	874
Materials	2,000	2,000	1,972
Automotive	50,600	50,600	50,200
Training	1,100	1,100	275
<b>Total Maintenance of Trees</b>	<b>677,075</b>	<b>677,075</b>	<b>733,682</b>
<b>Street Lighting</b>			
Salaries - Regular	112,275	112,275	111,468
Salaries - Overtime	5,275	5,275	2,311
Employee Benefits	49,035	49,035	47,956
Contractual Services	4,100	4,100	-
Maintenance & Disposal of Transformers	700	700	532

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual
Streets and Sanitation - Continued			
Street Lighting - Continued			
Uniforms	\$ 1,380	1,380	1,465
Supplies	22,675	22,675	22,542
Supplies - Light Poles and Parts	10,000	10,000	10,022
Commonwealth Edison Leased Lighting	26,400	26,400	21,930
Street Light Power - Village System	125,000	125,000	90,460
Automotive	30,200	30,200	29,940
Training	370	370	420
Energy Saving Light Bulb - Grant Funded	12,000	12,000	12,033
Total Street Lighting	<u>399,410</u>	<u>399,410</u>	<u>351,079</u>
Total Streets and Sanitation	5,963,795	5,963,795	5,779,300
NonGAAP Activity			
Less Current Year Encumbrances	-	-	(21,114)
Plus Prior Year Encumbrances	<u>3,158</u>	<u>3,158</u>	<u>3,158</u>
Total Streets and Sanitation	<u><u>5,966,953</u></u>	<u><u>5,966,953</u></u>	<u><u>5,761,344</u></u>
Other Public Works			
Village Engineer			
Salaries - Regular	407,625	407,625	387,756
Salaries - Overtime	500	500	681
Employee Benefits	136,445	136,445	134,131
Memberships	1,060	1,060	1,088
Professional Services	35,500	35,500	28,590
Maintenance - Office Equipment	2,500	2,500	1,660
Maintenance - Traffic Signals	44,100	44,100	45,645
Pavement Marking Program	40,000	40,000	39,334
Brick Street Maintenance	42,500	42,500	384,563
Crack Sealing Program	20,000	20,000	18,650
Street Resurfacing Program	456,000	456,000	779,131

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual
Other Public Works - Continued			
Village Engineer - Continued			
Supplies - Office	\$ 1,000	1,000	632
Supplies - Other than Office	1,500	1,500	4,479
Automotive	18,500	18,500	18,350
Incidentals	1,500	1,500	1,595
Training	3,250	3,250	3,470
Total Village Engineer	<u>1,211,980</u>	<u>1,211,980</u>	<u>1,849,755</u>
Building and Grounds			
Salaries - Regular	207,425	207,425	195,391
Salaries - Overtime	8,725	8,725	7,994
Employee Benefits	68,710	68,710	65,539
Memberships	400	400	368
Contractual Services	62,010	62,010	84,759
Contractual Custodial Services	63,420	63,420	64,885
Heating and Cooling System Repairs	48,000	48,000	39,056
Uniforms	1,000	1,000	379
Supplies - Building	38,700	38,700	46,097
Supplies - Grounds	2,000	2,000	4,311
Supplies - Printing	6,000	6,000	9,690
Building and Furniture Repairs	39,000	39,000	40,392
Heating - Gas	30,000	30,000	31,890
Automotive	12,000	12,000	11,930
Training	250	250	-
Total Building and Grounds	<u>587,640</u>	<u>587,640</u>	<u>602,681</u>
Total Other Public Works	1,799,620	1,799,620	2,452,436
NonGAAP Activity			
Less Current Year Encumbrances	-	-	(117,687)
Plus Prior Year Encumbrances	<u>6,383</u>	<u>6,383</u>	<u>6,383</u>
Total Other Public Works	<u>1,806,003</u>	<u>1,806,003</u>	<u>2,341,132</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original Budget	Final Budget	Actual
<b>Public Health</b>			
Salaries - Regular	\$ 146,700	146,700	151,441
Employee Benefits	48,285	48,285	47,994
Memberships	380	380	380
Lab Services - Contractual	1,300	1,300	1,006
Maintenance - Office Equipment	200	200	-
Supplies - Laboratory	13,500	13,500	7,561
Supplies - Office	300	300	189
Automotive	5,700	5,700	5,630
Incidentals	200	200	119
Training	1,200	1,200	434
C.P.R. Program	1,320	1,320	935
<b>Total Public Health</b>	<b>219,085</b>	<b>219,085</b>	<b>215,689</b>
<b>Community Development</b>			
Community Development			
Salaries - Regular	708,575	708,575	690,491
Salaries - Overtime	500	500	57
Employee Benefits	228,915	228,915	220,393
Memberships	2,755	2,755	2,868
Professional Services	64,550	64,550	76,596
Zoning Ordinance Review	40,000	40,000	19,989
Village Center Master Development Plan	20,000	20,000	14,458
Maintenance - Office Equipment	1,000	1,000	469
Supplies - Office	2,500	2,500	1,885
Supplies - Other than Office	3,570	3,570	1,028
Automotive	40,900	40,900	40,630
Incidentals	400	400	46
Training	1,600	1,600	1,160
Publishing Legal Notices	7,000	7,000	2,589
<b>Total Community Development</b>	<b>1,122,265</b>	<b>1,122,265</b>	<b>1,072,659</b>

**VILLAGE OF WILMETTE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended December 31, 2011**

	Original Budget	Final Budget	Actual
Community Development - Continued			
Business Development			
Salaries - Regular	\$ 45,875	45,875	45,694
Employee Benefits	13,860	13,860	13,212
Memberships	875	875	825
Business Promotion Activities	20,000	20,000	13,037
Incidentals	500	500	378
Land Held for Resale - Purchase	-	3,675,000	4,305,000
Land Held for Resale - Holding Costs	-	-	28,739
Total Business Development	<u>81,110</u>	<u>3,756,110</u>	<u>4,406,885</u>
Total Community Development	1,203,375	4,878,375	5,479,544
Plus NonGAAP Activity			
Land Held for Resale - Purchase	-	(3,675,000)	(4,305,000)
Total Community Development	<u>1,203,375</u>	<u>1,203,375</u>	<u>1,174,544</u>
Debt Service			
Land Held for Resale Interest Expense	-	25,000	17,284
Historical Society Installment Contract Principal Retirement	-	-	20,000
Total Debt Service	<u>-</u>	<u>25,000</u>	<u>37,284</u>
Total Expenditures	<u>30,364,311</u>	<u>30,389,311</u>	<u>29,940,031</u>

VILLAGE OF WILMETTE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2011

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	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 3,217,500	2,961,523
Expenditures		
Debt Service		
Principal Retirement	1,615,000	2,000,000
Interest and Fiscal Charges	1,430,000	1,398,647
Total Expenditures	<u>3,045,000</u>	<u>3,398,647</u>
Net Change in Fund Balance	<u>172,500</u>	(437,124)
Fund Balance - Beginning		<u>340,915</u>
Fund Balance - Ending		<u>(96,209)</u>

VILLAGE OF WILMETTE, ILLINOIS

Series 2007, 2009 and 2010 General Obligation Bonds - Capital Projects Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended December 31, 2011

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	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Green Bay Road Traffic Signal Grant	\$ -	242,924
Public Works Radio System Grant	-	5,674
Police 911 System Grant	-	2,500
Five Village Bike Trail Contributions	-	1,875
Investment Earnings	-	7,707
Total Revenues	-	<u>260,680</u>
Expenditures		
Capital Outlay	<u>2,358,477</u>	<u>2,077,898</u>
Net Change in Fund Balances	<u>(2,358,477)</u>	(1,817,218)
Fund Balances - Beginning		<u>2,492,901</u>
Fund Balances - Ending		<u><u>675,683</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Series 2007, 2009 and 2010 General Obligation Bonds - Capital Projects Fund

Schedule of Expenditures - Budget and Actual  
Year Ended December 31, 2011

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	Original and Final Budget	Actual
Capital Outlay		
Road Resurfacing Improvements	\$ 380,000	366,470
Alley Improvements	887,000	823,241
Sidewalk & Curb Replacements	120,000	122,663
Public Works Building Improvements	55,000	22,210
Greenbay Road Traffic Signal Improvements	-	149,560
Skokie Valley Bike Trail	-	12,396
Sheridan Road Bicycle Underpass	-	6,566
Public Works Equipment Replacements	540,000	536,648
Public Works Radio System Replacement	93,000	32,197
Police 911 System Replacement	310,000	32,470
Total Capital Outlay	<u>2,385,000</u>	<u>2,104,421</u>
NonGAAP Activity		
Less Current Year Encumbrances	<u>(26,523)</u>	<u>(26,523)</u>
Total Expenditures	<u><u>2,358,477</u></u>	<u><u>2,077,898</u></u>

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, 2011

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	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 700,000	805,766
Investment Earnings	5,000	4,534
Total Revenues	<u>705,000</u>	<u>810,300</u>
Expenditures		
Capital Outlay		
Road Resurfacing Improvements	<u>750,000</u>	<u>832,905</u>
Net Change in Fund Balance	<u>(45,000)</u>	(22,605)
Fund Balance - Beginning		<u>407,836</u>
Fund Balance - Ending		<u><u>385,231</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, 2011

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales		
Residential	\$ 3,217,000	3,118,031
Unbilled Water Sales	-	(32,000)
Village of Glenview	3,192,700	3,294,307
Illinois American Water Company	957,200	915,246
Other Water Sales	-	17,300
Other	100,000	134,657
Total Operating Revenues	<u>7,466,900</u>	<u>7,447,541</u>
Operating Expenses		
Administration		
General	152,190	145,665
Administrative	493,690	490,087
Operations		
Water Plant Operations	2,379,810	2,359,881
Distribution	990,815	981,531
Meter and Reservoir Maintenance	301,100	257,537
Capital Outlay	-	14,155
Depreciation	-	1,090,953
Total Operating Expenses	<u>4,317,605</u>	<u>5,339,809</u>
Operating Income	<u>3,149,295</u>	<u>2,107,732</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	25,000	19,403
Interest Expense	(778,100)	(762,724)
Net Loss on Advance Bond Refunding	-	(106,786)
Bond Issuance Costs	-	(25,684)
Amortization of Bond Discount / Premium	-	(6,727)
	<u>(753,100)</u>	<u>(882,518)</u>
Income Before Capital Contributions and Transfers	<u>2,396,195</u>	<u>1,225,214</u>
Capital Grants	230,000	77,149
Capital Contributions	-	16,401
Transfers Out	(1,050,000)	(1,050,000)
	<u>(820,000)</u>	<u>(956,450)</u>
Change in Net Assets	<u>1,576,195</u>	268,764
Net Assets - Beginning		<u>15,230,162</u>
Net Assets - Ending		<u>15,498,926</u>

# VILLAGE OF WILMETTE, ILLINOIS

## Water - Enterprise Fund

### Schedule of Operating Expenses - Budget and Actual Year Ended December 31, 2011

	Original and Final Budget	Actual
Administration		
General		
Salaries - Regular	\$ 62,800	64,190
Salaries - Overtime	500	-
Employee Benefits	24,590	24,816
Annual Audit	14,000	12,800
Bank Charges	15,000	16,230
Postage	22,350	21,284
Contractual Meter Reading	6,000	561
Uniforms	350	-
Supplies - Office - Administrative	4,000	3,172
Supplies - Office - Water Plant	2,000	2,140
Incidentals	100	82
Training	500	390
Total General	152,190	145,665
Administrative		
Salaries - Regular	273,400	265,070
Employee Benefits	84,890	80,413
Memberships	2,000	2,024
Contractual Grounds Maintenance	1,700	-
Telephone - Regular Service	16,000	15,787
Telephone - Maintenance	-	2,122
Telephone - Cellular	8,000	6,534
Supplies - Building	8,000	8,176
Building Furniture and Repairs	6,400	6,391
Training	3,100	1,857
General Liability and Property Insurance	90,200	101,713
Total Administrative	493,690	490,087

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original and Final Budget	Actual
Operations		
Water Plant Operations		
Salaries - Regular	\$ 1,040,300	1,024,146
Salaries - Accrued Vacation	-	(4,100)
Salaries - Overtime	30,325	43,860
Employee Benefits	393,715	390,905
Professional Services - SCADA System Maintenance	2,500	-
Contractual Services	20,220	14,498
Maintenance of Equipment	35,000	29,771
Video Communications	2,350	1,788
Uniforms	4,000	4,618
Supplies	29,000	26,329
Supplies - Computer Parts	1,000	600
Supplies - Laboratory	12,000	7,046
Equipment Repairs	32,000	31,995
Power	455,000	437,676
Heating Gas	55,000	29,887
Chemicals	166,000	168,135
Automotive	20,400	20,260
Incidentals	1,000	836
Water Reclamation District User Charges	80,000	128,301
Building Improvements	210,000	14,367
Pumping Improvements	80,000	77,149
	<u>2,669,810</u>	<u>2,448,067</u>
Less Nonoperating Items		
Capital Outlay	(290,000)	(88,186)
Total Water Plant Operations	<u>2,379,810</u>	<u>2,359,881</u>
Distribution		
Salaries - Regular	419,975	417,029
Salaries - Accrued Vacation	-	1,400
Salaries - Overtime	31,060	23,710
Employee Benefits	168,945	167,521
Contractual Services	127,680	127,118
Maintenance - Distribution System	11,000	24,763
Unidirectional Water Main Flushing	36,750	24,010
Uniforms	4,630	3,155

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original and Final Budget	Actual
Operations - Continued		
Distribution - Continued		
Supplies - Miscellaneous Tools and Equipment	\$ 2,500	839
Materials	63,600	69,998
Automotive	100,900	100,170
Incidentals	200	49
Training	3,575	1,786
Replacement Fire Hydrants	20,000	19,983
Motor Equipment	22,500	9,324
Distribution Improvements	61,800	61,498
	1,075,115	1,052,353
Less Nonoperating Items		
Capital Outlay	(84,300)	(70,822)
Total Distribution	990,815	981,531
Meter and Reservoir Maintenance		
Salaries - Regular	139,075	111,670
Salaries - Overtime	600	51
Employee Benefits	46,825	42,516
Contractual Services	6,000	3,218
Maintenance - Reservoir/Pumping Station	3,500	1,676
Uniforms	700	667
Supplies	2,300	2,049
Supplies - Reservoir	3,000	5
Water Meters - Cost of Sales	20,000	23,482
Water Meters - Repair Parts	5,500	5,243
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, 2011

	Original and Final Budget	Actual
Operations - Continued		
Meter and Reservoir Maintenance - Continued		
Automatic Meter Reading Program	\$ 52,000	45,760
Automotive	19,800	19,700
Training	300	-
Office Furniture and Equipment	-	12,000
Total Meter and Reservoir Maintenance	301,100	269,537
Less Nonoperating Items		
Capital Outlay	-	(12,000)
Total Meter and Reservoir Maintenance	301,100	257,537
Capital Outlay		
SCADA Software Upgrade	600,000	62,024
Standpipe Reconditioning	1,150,000	838,244
Kenilworth Interconnection Study	-	14,155
	1,750,000	914,423
Less Nonoperating Items		
Capital Outlay	(1,750,000)	(900,268)
Total Capital Outlay	-	14,155
Debt Service		
Principal Retirement	610,000	610,000
Interest Expense	776,600	761,399
Bond Registrar Fees	1,500	1,325
New Bond Issuance Proceeds	-	(4,560,000)
Advance Refunded Debt	-	4,450,000
Bond Issuance Costs	-	25,684
Amortization of Bond Discount	-	6,727
	1,388,100	1,295,135
Less Nonoperating Items		
Debt Service	(1,388,100)	(1,295,135)
Total Debt Service	-	-
Depreciation	-	1,090,953
Total Operating Expenses	4,317,605	5,339,809

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended December 31, 2011

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Sewer Charges	\$ 4,313,000	4,184,693
Sewer Charges - Unbilled	-	(19,000)
Other income	-	1,376
Total Operating Revenues	<u>4,313,000</u>	<u>4,167,069</u>
Operating Expenses		
Operations		
Maintenance of Sewers	1,186,770	1,119,416
Storm Water Pumping Station	47,050	40,108
Capital Outlay	200,000	59,853
Depreciation	-	878,097
Total Operating Expenses	<u>1,433,820</u>	<u>2,097,474</u>
Operating Income	<u>2,879,180</u>	<u>2,069,595</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	-	8,637
Interest Expense	(685,300)	(664,990)
Net Loss on Advance Bond Refunding	-	(42,118)
Bond Issuance Costs	-	(43,474)
Amortization of Bond Discount / Premium	-	68,308
	<u>(685,300)</u>	<u>(673,637)</u>
Income Before Capital Contributions	2,193,880	1,395,958
Capital Grants	-	200,000
Change in Net Assets	<u>2,193,880</u>	1,595,958
Net Assets - Beginning		<u>23,907,860</u>
Net Assets - Ending		<u>25,503,818</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2011

	Original and Final Budget	Actual
Operations		
Maintenance of Sewers		
Salaries - Regular	\$ 457,900	454,901
Salaries - Accrued Vacation	-	1,400
Salaries - Overtime	8,760	8,468
Employee Benefits	177,780	177,271
Resident Survey Expense	-	3,656
Contractual Services	121,000	116,429
Contractual Sewer Improvements	210,000	186,898
Flow Monitoring	40,000	18,100
N.P.D.E.S. Phase II	6,000	6,000
Uniforms	4,630	2,859
Supplies - Miscellaneous Tools and Equipment	2,500	-
Materials	32,775	32,213
Automotive	100,900	100,170
Incidentals	200	26
Training	1,825	1,701
Motor Equipment	22,500	9,324
Total Maintenance of Sewers	1,186,770	1,119,416
Storm Water Pumping Station		
Salaries - Overtime	8,775	3,589
Employee Benefits	1,675	688
Contractual Services	2,500	-
Maintenance - Equipment	2,400	474
Supplies	1,200	5
Supplies - Outfall Control	500	-
Power	30,000	31,859
Heating Gas	-	3,493
Total Storm Water Pumping Station	47,050	40,108

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2011

	Original and Final Budget	Actual
Operations - Continued		
Capital Outlay		
Separate System Detention Program	\$ 200,000	48,701
Storm Water Pumping Station Electrical Improvements	-	1,168
Sewer Lining and Rehabilitation	900,000	908,941
Sewer Main Repairs	675,000	702,488
Relief Sewer Improvements	650,300	903,263
	<u>2,425,300</u>	<u>2,564,561</u>
Less Nonoperating Items		
Capital Outlay	(2,225,300)	(2,504,708)
Total Capital Outlay	<u>200,000</u>	<u>59,853</u>
Debt Service		
EPA Loan Proceeds	(900,000)	(740,135)
New Bond Issuance Proceeds	-	(9,045,000)
Amortization of Bond Reoffering Premium	-	68,308
Bond Issuance Costs	-	43,474
Principal Retirement	2,280,000	11,273,136
Interest Expense	685,300	664,990
	<u>2,065,300</u>	<u>2,264,773</u>
Less Nonoperating Items		
Debt Service	(2,065,300)	(2,264,773)
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>878,097</u>
Total Operating Expenses	<u>1,433,820</u>	<u>2,097,474</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, 2011

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Parking fees	\$ 411,495	397,304
Operating Expenses		
Operations		
Central Business District	214,815	200,464
CTA Station	142,375	118,898
Burmeister Parking Facility	18,075	8,950
Depreciation	-	123,061
Total Operating Expenses	375,265	451,373
Operating Income (Loss)	36,230	(54,069)
Nonoperating (Expenses)		
Interest Expense	(2,120)	(1,937)
Change in Net Assets	<u>34,110</u>	(56,006)
Net Assets - Beginning		<u>4,850,399</u>
Net Assets - Ending		<u>4,794,393</u>

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Revenues - Budget and Actual  
Year Ended December 31, 2011

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	Original and Final Budget	Actual
Charges for Services		
Central Business District		
Parking Meter Revenue	\$ 48,800	46,155
Debit Card Revenue	131,000	139,731
Permit Fees	29,930	32,115
METRA Station Rent	2,765	2,765
Total Central Business District	<u>212,495</u>	<u>220,766</u>
CTA Station		
Commuter Daily Drop Box	145,000	131,147
Commuter Permit Fees	24,000	16,400
Merchant Permit Fees	2,800	3,591
Residential Permit Fees	3,300	1,440
Total CTA Station	<u>175,100</u>	<u>152,578</u>
Burmeister Parking Facility		
Permit Fees	<u>23,900</u>	<u>23,960</u>
Total Operating Revenues	<u>411,495</u>	<u>397,304</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Parking Meter - Nonmajor Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended December 31, 2011**

	Original and Final Budget	Actual
<b>Operations</b>		
<b>Central Business District</b>		
Salaries - Regular	\$ 70,500	70,380
Salaries - Overtime	2,000	938
Employee Benefits	25,865	23,675
Contractual Services - Railroad Property	19,425	18,197
Contractual Snow Plowing	17,545	11,328
Building Supplies - Railroad Property	315	380
Grounds Supplies - Village Property	4,370	1,580
Grounds Supplies - Railroad Property	2,000	2,000
Power - METRA Station	3,700	3,695
Heating Gas - Railroad Property	2,200	1,303
Lighting	8,000	4,731
Parking Meter Parts - Village Property	400	235
Parking Meter Parts - Railroad Property	6,385	7,592
Rent - Commuter Lot	46,450	48,100
Rent - Poplar Drive Lots	2,585	2,483
Rent - St. Augustine Lot	2,400	2,342
Rent - Masonic Temple Lot	675	1,505
Total Central Business District	214,815	200,464
<b>CTA Station</b>		
Salaries - Regular	38,150	38,169
Salaries - Overtime	3,250	72
Employee Benefits	14,815	13,547
Bank Charges	2,400	2,454
Contractual Services	2,010	2,006
Contractual Grounds Maintenance	4,000	1,311
Contractual Snow Plowing	9,950	6,031
Materials	2,800	514
Rent - CTA	65,000	54,794
Total CTA Station	142,375	118,898

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended December 31, 2011

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	Original and Final Budget	Actual
Operations - Continued		
Burmeister Parking Facility		
Contractual Services	\$ 6,300	2,725
Materials	525	102
Lighting	11,250	6,123
Total Burmeister Parking Facility	<u>18,075</u>	<u>8,950</u>
Debt Service		
Principal Retirement	65,000	65,000
Interest Expense	2,120	1,937
	<u>67,120</u>	<u>66,937</u>
Less Nonoperating Items		
Debt Service	<u>(67,120)</u>	<u>(66,937)</u>
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>123,061</u>
Total Operating Expenses	<u>375,265</u>	<u>451,373</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Combining Statement of Net Assets**

**Internal Service Funds  
December 31, 2011**

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

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
9,500	-	1,219	926,681	937,400
-	12,693	-	-	12,693
9,500	12,693	1,219	926,681	950,093
9,500	3,658	1,219	-	14,377
-	-	-	9,297	9,297
-	9,035	-	-	9,035
9,500	12,693	1,219	9,297	32,709
-	-	-	2,808,778	2,808,778
9,500	12,693	1,219	2,818,075	2,841,487
-	-	-	(1,891,394)	(1,891,394)

VILLAGE OF WILMETTE, ILLINOIS

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

Internal Service Funds  
Year Ended December 31, 2011

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	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	<u>\$ 1,137,168</u>
Operating Expenses	
Administration	-
Operations	<u>1,137,168</u>
Total Operating Expenses	<u>1,137,168</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
2,432,147	358,114	1,591,389	180,000	5,698,818
-	-	-	113,856	113,856
2,432,147	358,114	1,591,389	69,040	5,587,858
2,432,147	358,114	1,591,389	182,896	5,701,714
-	-	-	(2,896)	(2,896)
-	-	-	4,458	4,458
-	-	-	1,562	1,562
-	-	-	(1,892,956)	(1,892,956)
-	-	-	(1,891,394)	(1,891,394)

**VILLAGE OF WILMETTE, ILLINOIS**

**Combining Statement of Cash Flows**

**Internal Service Funds**

**Year Ended December 31, 2011**

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 1,137,168
Payments to Employees	(497,760)
Payments to Suppliers	(639,408)
	<u>-</u>
Cash Flows from Noncapital Financing Activities	
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>-</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>-</u>
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>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,433,265	358,952	1,591,389	180,000	5,700,774
(140,130)	-	-	-	(637,890)
(2,286,493)	(355,748)	(1,592,991)	(114,163)	(4,988,803)
6,642	3,204	(1,602)	65,837	74,081
-	(3,204)	-	-	(3,204)
-	-	-	4,458	4,458
6,642	-	(1,602)	70,295	75,335
2,858	-	2,821	856,386	862,065
9,500	-	1,219	926,681	937,400
-	-	-	(2,896)	(2,896)
1,118	838	-	-	1,956
5,524	2,366	(1,602)	68,733	75,021
6,642	3,204	(1,602)	65,837	74,081

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, 2011

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 891,600	885,194
Sewer Fund Billings	100,900	100,170
Water Fund Billings	141,100	140,130
Insurance Reimbursements	16,140	11,674
Total Operating Revenues	1,149,740	1,137,168
Operating Expenses		
Operations		
Maintenance		
Regular Salaries	535,625	496,706
Overtime Salaries	2,400	1,054
Employee Benefits	178,170	170,125
Contractual Services	40,000	32,915
Maintenance - Radios	400	143
Contractual Services - Vehicle Washing	1,840	824
Automobile Insurance and Claims	66,000	74,424
Uniforms	2,800	2,710
Supplies - Automotive Parts	121,580	120,166
Supplies - Auto Shop	11,070	15,119
Supplies - Vehicle Striping and Safety	1,200	887
Gasoline and Oil	180,000	212,355
Mechanics' Tool Allowance	2,310	2,163
Incidentals	75	25
Training	1,150	4,017
Licenses, Titles and Inspection Fees	3,870	3,535
Squad Car Transfer Rehabilitation	1,250	-
Total Operating Expenses	1,149,740	1,137,168
Change in Net Assets	-	-
Net Assets - Beginning		-
Net Assets - Ending		-

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, 2011

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 1,940,668	1,940,541
Municipal Garage Fund Billings	73,180	71,660
Parking Meter Fund Billings	17,630	16,587
Sewer Fund Billings	83,280	84,251
Water Fund Billings	310,330	319,108
Total Operating Revenues	2,425,088	2,432,147
Operating Expenses		
Operations		
Flexible Benefit Program Contributions	141,120	140,130
Employee Health Insurance		
North Suburban Employee Benefit Co-Op	1,298,568	1,231,965
HMO - Illinois	905,400	988,543
Employee Life Insurance	40,000	36,951
Unemployment Compensation	40,000	27,091
Other Insurance Expense	-	7,467
Total Operating Expenses	2,425,088	2,432,147
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, 2011

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 263,960	245,624
Municipal Garage Fund Billings	9,680	8,900
Parking Meter Fund Billings	2,580	1,880
Sewer Fund Billings	8,240	7,870
Water Fund Billings	36,240	33,020
Insurance Reimbursements	-	60,820
Total Operating Revenues	<u>320,700</u>	<u>358,114</u>
Operating Expenses		
Operations		
Workers' Compensation		
Fixed Premium Portion	278,800	314,385
Payment of Deductibles	41,900	43,729
Total Operating Expenses	<u>320,700</u>	<u>358,114</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, 2011

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 1,093,280	1,072,207
Municipal Garage Fund Billings	89,630	85,445
Parking Meter Fund Billings	18,800	18,755
Sewer Fund Billings	80,730	80,889
Water Fund Billings	345,620	334,093
Total Operating Revenues	<u>1,628,060</u>	<u>1,591,389</u>
Operating Expenses		
Operations		
Employer IMRF Contributions	832,980	827,091
Employer FICA Contributions	555,600	529,176
Employer Medicare Contributions	239,480	235,122
Total Operating Expenses	<u>1,628,060</u>	<u>1,591,389</u>
Change in Net Assets	<u>-</u>	-
Net Assets - Beginning		-
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, 2011

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 151,900	150,980
Municipal Garage Fund Billings	4,100	4,120
Sewer Fund Billings	4,900	4,950
Water Fund Billings	19,100	19,950
Total Operating Revenues	<u>180,000</u>	<u>180,000</u>
Operating Expenses		
Administration	98,000	113,856
Operations		
Sick Leave Accrual	-	69,040
Total Operating Expenses	<u>98,000</u>	<u>182,896</u>
Operating Income (Loss)	82,000	(2,896)
Nonoperating Revenues		
Investment Earnings	<u>25,400</u>	<u>4,458</u>
Change in Net Assets	<u>107,400</u>	1,562
Net Assets - Beginning		<u>(1,892,956)</u>
Net Assets - Ending		<u>(1,891,394)</u>

# VILLAGE OF WILMETTE, ILLINOIS

## Pension Trust Funds

### Combining Statement of Net Plan Assets December 31, 2011

	Police Pension	Firefighters' Pension	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 799,548	1,711,157	2,510,705
Investments			
U.S. Government and Agency Securities	12,018,527	11,901,921	23,920,448
Mutual Funds	13,483,130	13,482,368	26,965,498
Corporate Bonds	3,802,777	3,803,939	7,606,716
Common Stock	1,986,391	2,019,362	4,005,753
Receivables			
Accrued Interest	129,593	128,375	257,968
Total Assets	32,219,966	33,047,122	65,267,088
<b>LIABILITIES</b>			
Accounts Payable	666	2,104	2,770
Due to Other Funds	29,673	-	29,673
Total Liabilities	30,339	2,104	32,443
<b>NET ASSETS</b>			
Held in Trust for Pension Benefits	32,189,627	33,045,018	65,234,645

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets  
Year Ended December 31, 2011

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 1,752,700	2,152,600	3,905,300
Contributions - Plan Members	391,185	391,330	782,515
<b>Total Contributions</b>	<b>2,143,885</b>	<b>2,543,930</b>	<b>4,687,815</b>
<b>Investment Income</b>			
Investment Earnings	1,743,392	1,771,596	3,514,988
Net Change in Fair Value	(836,612)	(873,859)	(1,710,471)
	906,780	897,737	1,804,517
Less Investment Expenses	(55,000)	(54,782)	(109,782)
<b>Net Investment Income</b>	<b>851,780</b>	<b>842,955</b>	<b>1,694,735</b>
<b>Total Additions</b>	<b>2,995,665</b>	<b>3,386,885</b>	<b>6,382,550</b>
<b>Deductions</b>			
Administration	23,041	24,936	47,977
Benefits and Refunds	2,207,110	2,499,170	4,706,280
<b>Total Deductions</b>	<b>2,230,151</b>	<b>2,524,106</b>	<b>4,754,257</b>
<b>Change in Net Assets</b>	<b>765,514</b>	<b>862,779</b>	<b>1,628,293</b>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning	31,424,113	32,182,239	63,606,352
Ending	32,189,627	33,045,018	65,234,645

VILLAGE OF WILMETTE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended December 31, 2011

	Original and Final Budget	Actual
<b>Additions</b>		
Contributions - Employer	\$ 1,827,400	1,752,700
Contributions - Plan Members	405,000	391,185
Total Contributions	<u>2,232,400</u>	<u>2,143,885</u>
<b>Investment Income</b>		
Investment Earnings	1,913,000	1,743,392
Net Change in Fair Value	-	(836,612)
	<u>1,913,000</u>	<u>906,780</u>
Less Investment Expenses	(48,000)	(55,000)
Net Investment Income	<u>1,865,000</u>	<u>851,780</u>
Total Additions	<u>4,097,400</u>	<u>2,995,665</u>
<b>Deductions</b>		
Administration	14,600	23,041
Benefits and Refunds	2,200,000	2,207,110
Total Deductions	<u>2,214,600</u>	<u>2,230,151</u>
Change in Net Assets	<u>1,882,800</u>	765,514
<b>Net Plan Assets Held in Trust for Pension Benefits</b>		
Beginning		<u>31,424,113</u>
Ending		<u>32,189,627</u>

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended December 31, 2011

	Original and Final Budget	Actual
<b>Additions</b>		
Contributions - Employer	\$ 2,163,900	2,152,600
Contributions - Plan Members	394,000	391,330
Total Contributions	<u>2,557,900</u>	<u>2,543,930</u>
<b>Investment Income</b>		
Investment Earnings	1,982,000	1,771,596
Net Change in Fair Value	-	(873,859)
	<u>1,982,000</u>	<u>897,737</u>
Less Investment Expenses	(45,000)	(54,782)
Net Investment Income	<u>1,937,000</u>	<u>842,955</u>
Total Additions	<u>4,494,900</u>	<u>3,386,885</u>
<b>Deductions</b>		
Administration	10,600	24,936
Benefits and Refunds	2,500,000	2,499,170
Total Deductions	<u>2,510,600</u>	<u>2,524,106</u>
Change in Net Assets	<u>1,984,300</u>	862,779
<b>Net Plan Assets Held in Trust for Pension Benefits</b>		
Beginning		<u>32,182,239</u>
Ending		<u>33,045,018</u>

**VILLAGE OF WILMETTE, ILLINOIS**

**Agency Fund - Fire Insurance Tax**

**Combining Statement of Changes in Assets and Liabilities  
December 31, 2011**

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	Beginning Balances	Additions	Deductions	Ending Balances
<b>ASSETS</b>				
Cash and Investments	\$ 641,842	58,933	90,455	610,320
<b>LIABILITIES</b>				
Deposits Payable	601,642	58,933	50,255	610,320
Due to Other Funds	40,200	-	40,200	-
Total Liabilities	641,842	58,933	90,455	610,320

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2004  
December 31, 2011**

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
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>9,535,000</u>	<u>1,506,663</u>	<u>11,041,663</u>
	3,540,000	General Long-Term Debt	
	2,625,000	Sewer Fund	
	<u>3,370,000</u>	Water Fund	
	<u>9,535,000</u>		

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2007  
December 31, 2011**

Date of Issue	September 1, 2007
Date of Maturity	December 1, 2021
Authorized Issue	\$19,850,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 4.25%
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
2012	\$ 440,000	716,756	1,156,756
2013	665,000	699,156	1,364,156
2014	1,235,000	672,556	1,907,556
2015	1,860,000	623,156	2,483,156
2016	2,710,000	546,432	3,256,432
2017	3,475,000	434,644	3,909,644
2018	3,430,000	291,300	3,721,300
2019	1,360,000	149,813	1,509,813
2020	1,205,000	92,013	1,297,013
2021	960,000	40,800	1,000,800
	<u>17,340,000</u>	<u>4,266,626</u>	<u>21,606,626</u>
	9,775,000	General Long-Term Debt	
	2,350,000	Sewer Fund	
	<u>5,215,000</u>	Water Fund	
	<u>17,340,000</u>		

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2009  
December 31, 2011**

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Date of Issue	October 27, 2009
Date of Maturity	December 1, 2023
Authorized Issue	\$9,010,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.65%
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
2012	\$ 840,000	229,292	1,069,292
2013	950,000	212,492	1,162,492
2014	950,000	193,492	1,143,492
2015	960,000	172,118	1,132,118
2016	360,000	145,718	505,718
2017	370,000	134,918	504,918
2018	380,000	123,355	503,355
2019	390,000	111,480	501,480
2020	495,000	98,806	593,806
2021	505,000	82,223	587,223
2022	900,000	64,800	964,800
2023	900,000	32,850	932,850
	<u>8,000,000</u>	<u>1,601,544</u>	<u>9,601,544</u>
	1,355,000	General Long-Term Debt	
	1,345,000	Sewer Fund	
	<u>5,300,000</u>	Water Fund	
	<u><u>8,000,000</u></u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010  
December 31, 2011

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Date of Issue	November 9, 2010
Date of Maturity	December 1, 2026
Authorized Issue	\$25,895,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% 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
2012	\$ -	839,626	839,626
2013	-	839,626	839,626
2014	-	839,626	839,626
2015	205,000	839,626	1,044,626
2016	395,000	835,526	1,230,526
2017	190,000	827,626	1,017,626
2018	1,145,000	822,874	1,967,874
2019	3,295,000	788,524	4,083,524
2020	2,670,000	689,674	3,359,674
2021	2,765,000	609,574	3,374,574
2022	3,055,000	526,624	3,581,624
2023	3,245,000	434,974	3,679,974
2024	4,430,000	329,512	4,759,512
2025	3,025,000	180,000	3,205,000
2026	1,475,000	59,000	1,534,000
	<u>25,895,000</u>	<u>9,462,412</u>	<u>35,357,412</u>
	23,280,000	General Long-Term Debt	
	1,485,000	Sewer Fund	
	<u>1,130,000</u>	Water Fund	
	<u>25,895,000</u>		

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bonds of 2011  
December 31, 2011**

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Date of Issue	December 1, 2011
Date of Maturity	December 1, 2023
Authorized Issue	\$13,605,000
Denomination of Bonds	\$5,000
Interest Rates	2.00% to 3.00%
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
2012	\$ 740,000	350,312	1,090,312
2013	750,000	335,515	1,085,515
2014	755,000	320,512	1,075,512
2015	770,000	305,412	1,075,412
2016	945,000	290,012	1,235,012
2017	765,000	271,112	1,036,112
2018	775,000	255,813	1,030,813
2019	955,000	238,375	1,193,375
2020	1,375,000	214,500	1,589,500
2021	2,210,000	173,250	2,383,250
2022	2,305,000	106,950	2,411,950
2023	1,260,000	37,800	1,297,800
	<u>13,605,000</u>	<u>2,899,563</u>	<u>16,504,563</u>
	9,045,000	Sewer Fund	
	<u>4,560,000</u>	Water Fund	
	<u>13,605,000</u>		

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Revenue Bonds of 2006  
December 31, 2011**

Date of Issue	March 13, 2007
Date of Maturity	September 13, 2026
Authorized Issue	\$420,715
Denomination of Bonds	Various
Interest Rates	2.500%
Interest Dates	September 13 and March 13
Principal Maturity Date	September 13
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending December	Principal	Interest	Totals
2012	\$ 19,304	8,544	27,848
2013	19,789	8,057	27,846
2014	20,287	7,560	27,847
2015	20,797	7,050	27,847
2016	21,320	6,527	27,847
2017	21,857	5,990	27,847
2018	22,407	5,441	27,848
2019	22,971	4,877	27,848
2020	23,548	4,299	27,847
2021	24,140	3,707	27,847
2022	24,748	3,100	27,848
2023	25,370	2,477	27,847
2024	26,007	1,839	27,846
2025	26,662	1,184	27,846
2026	27,334	514	27,848
	<u>346,541</u>	<u>71,166</u>	<u>417,707</u>
	<u>346,541</u>	Sewer Fund	

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Revenue Bonds of 2007  
December 31, 2011**

Date of Issue	May 25, 2007
Date of Maturity	October 21, 2027
Authorized Issue	\$677,122
Denomination of Bonds	Various
Interest Rates	2.500%
Interest Dates	October 21 and April 21
Principal Maturity Date	October 21 and April 21
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending December			
	Principal	Interest	Totals
2012	\$ 28,069	6,135	34,204
2013	28,773	5,812	34,585
2014	29,498	5,480	34,978
2015	30,241	5,140	35,381
2016	31,002	4,792	35,794
2017	31,782	4,434	36,216
2018	32,581	4,068	36,649
2019	33,401	3,693	37,094
2020	34,240	3,307	37,547
2021	35,102	2,912	38,014
2022	35,986	2,508	38,494
2023	36,889	2,093	38,982
2024	37,818	1,668	39,486
2025	38,770	1,232	40,002
2026	39,746	785	40,531
2027	39,911	328	40,239
	<u>543,809</u>	<u>54,387</u>	<u>598,196</u>
	<u>543,809</u>	Sewer Fund	

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Revenue Bonds of 2010  
December 31, 2011**

Date of Issue	September 30, 2010
Date of Maturity	April 7, 2030
Authorized Issue	\$172,028
Denomination of Bonds	Various
Interest Rates	0.00%
Interest Dates	N/A
Principal Maturity Date	April 7
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending December	Principal	Interest	Totals
2012	\$ 8,822	-	8,822
2013	8,822	-	8,822
2014	8,822	-	8,822
2015	8,822	-	8,822
2016	8,822	-	8,822
2017	8,822	-	8,822
2018	8,822	-	8,822
2019	8,822	-	8,822
2020	8,822	-	8,822
2021	8,822	-	8,822
2022	8,822	-	8,822
2023	8,822	-	8,822
2024	8,822	-	8,822
2025	8,822	-	8,822
2026	8,822	-	8,822
2027	8,822	-	8,822
2028	8,822	-	8,822
2029	8,822	-	8,822
2030	4,410	-	4,410
	<u>163,206</u>	-	<u>163,206</u>
	<u>163,206</u>	Sewer Fund	

**VILLAGE OF WILMETTE, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Revenue Bonds of 2011**

**December 31, 2011**

Date of Issue	August 30, 2011
Date of Maturity	July 18, 2031
Authorized Issue	\$740,135
Denomination of Bonds	Various
Interest Rates	1.25%
Interest Dates	July 18 and January 18
Principal Maturity Date	July 18
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending December			
	Principal	Interest	Totals
2012	\$ 16,818	4,626	21,444
2013	33,952	8,936	42,888
2014	34,377	8,511	42,888
2015	34,808	8,080	42,888
2016	35,244	7,644	42,888
2017	35,687	7,201	42,888
2018	36,134	6,754	42,888
2019	36,588	6,300	42,888
2020	37,046	5,841	42,887
2021	37,511	5,377	42,888
2022	37,981	4,907	42,888
2023	38,457	4,431	42,888
2024	38,939	3,949	42,888
2025	39,427	3,461	42,888
2026	39,922	2,966	42,888
2027	40,422	2,466	42,888
2028	40,929	1,959	42,888
2029	41,443	1,445	42,888
2030	41,962	926	42,888
2031	42,488	400	42,888
	<u>740,135</u>	<u>96,180</u>	<u>836,315</u>
	<u>740,135</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 Nine Fiscal Years  
December 31, 2011 (Unaudited)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>									
Invested in Capital Assets, Net of Related Debt	\$ 6,845,616	7,343,577	8,166,032	8,929,074	10,499,597	11,418,376	14,080,279	13,744,098	14,596,442
Restricted	1,107,740	1,154,049	1,076,158	834,828	450,725	1,189,728	331,412	632,132	385,231
Unrestricted	2,886,309	2,621,235	4,423,233	4,928,203	5,845,733	3,855,656	1,755,021	1,893,264	1,790,398
<b>Total Governmental Activities Net Assets</b>	<b>10,839,665</b>	<b>11,118,861</b>	<b>13,665,423</b>	<b>14,692,105</b>	<b>16,796,055</b>	<b>16,463,760</b>	<b>16,166,712</b>	<b>16,269,494</b>	<b>16,772,071</b>
<b>Business-Type Activities</b>									
Invested in Capital Assets, Net of Related Debt	33,343,412	35,127,266	35,475,772	36,849,485	37,956,144	39,036,902	40,104,715	41,149,679	42,287,795
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	2,309,012	1,517,047	3,340,497	2,605,420	2,884,158	2,262,176	2,034,508	2,838,742	3,509,342
<b>Total Business-Type Activities Net Assets</b>	<b>35,652,424</b>	<b>36,644,313</b>	<b>38,816,269</b>	<b>39,454,905</b>	<b>40,840,302</b>	<b>41,299,078</b>	<b>42,139,223</b>	<b>43,988,421</b>	<b>45,797,137</b>
<b>Total Net Assets</b>									
Invested in Capital Assets, Net of Related Debt	40,189,028	42,470,843	43,641,804	45,778,559	48,455,741	50,455,278	54,184,994	54,893,777	56,884,237
Restricted	1,107,740	1,154,049	1,076,158	834,828	450,725	1,189,728	331,412	632,132	385,231
Unrestricted	5,195,321	4,138,282	7,763,730	7,533,623	8,729,891	6,117,832	3,789,529	4,732,006	5,299,740
<b>Total Primary Government Net Assets</b>	<b>46,492,089</b>	<b>47,763,174</b>	<b>52,481,692</b>	<b>54,147,010</b>	<b>57,636,357</b>	<b>57,762,838</b>	<b>58,305,935</b>	<b>60,257,915</b>	<b>62,569,208</b>

Data Source: Village Records

Note: The Village implemented GASB No. 34 at December 31, 2003.

VILLAGE OF WILMETTE, ILLINOIS

Changes in Net Assets - Last Nine Fiscal Years  
December 31, 2011 (Unaudited)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>									
<b>Governmental Activities</b>									
General Government	\$ 3,575,237	3,195,919	3,330,649	3,466,888	3,395,790	3,341,486	3,104,396	3,381,500	3,041,952
Public Safety	13,224,840	12,681,422	13,334,526	13,727,439	15,071,445	16,501,474	16,704,907	17,608,075	17,968,456
Streets and Sanitation	8,086,777	6,408,770	7,460,718	7,445,005	8,270,333	8,413,098	7,764,833	7,907,842	8,522,586
Other Public Works	1,012,646	1,073,884	1,051,838	1,687,224	2,155,904	1,761,734	1,511,453	1,433,367	1,307,135
Community Development	145,857	964,234	1,116,566	1,137,139	177,124	170,743	187,546	205,587	225,314
Public Health	869,963	154,543	160,447	193,970	1,253,997	1,271,890	1,123,256	1,267,254	1,209,544
Interest	1,590,316	1,570,605	1,447,678	1,404,556	1,636,879	1,718,654	1,648,850	1,213,334	1,540,242
Total Governmental Activities Expenses	28,505,636	26,049,377	27,902,422	29,062,221	31,961,472	33,179,079	32,045,241	33,016,959	33,815,229
<b>Business-Type Activities</b>									
Water	5,276,280	5,253,705	5,634,646	5,770,344	6,146,053	6,207,177	6,155,509	5,950,487	6,241,730
Sewer	2,407,541	2,146,754	2,436,380	2,444,549	2,621,682	2,534,169	2,739,463	2,461,249	2,779,748
Parking	410,039	417,245	432,340	421,842	442,821	462,824	458,677	459,394	453,310
Total Business-Type Activities Net Assets	8,093,860	7,817,704	8,503,366	8,636,735	9,210,556	9,204,170	9,353,649	8,871,130	9,474,788
Total Primary Government Expenses	36,599,496	33,867,081	36,405,788	37,698,956	41,172,028	42,383,249	41,398,890	41,888,089	43,290,017
<b>Program Revenues</b>									
<b>Governmental Activities</b>									
<b>Charges for Services</b>									
General Government	139,939	234,736	247,917	265,168	288,614	292,394	297,132	368,144	374,785
Public Safety	1,402,962	1,430,121	1,533,081	1,572,175	1,993,313	2,131,372	2,147,962	2,245,337	2,181,609
Streets and Sanitation	1,270,178	1,301,785	1,552,340	1,649,677	1,729,235	1,840,135	1,946,202	2,177,599	2,244,027
Other Public Works	27,435	25,547	38,000	63,356	121,267	109,484	57,344	65,104	79,657
Community Development	1,198,382	1,173,237	1,726,586	1,569,484	1,769,744	1,434,373	1,036,375	58,451	64,193
Public Health	11,311	11,589	12,558	39,010	32,582	31,266	35,518	1,306,315	1,309,940
Operating Grants/Contributions	850,178	881,558	1,330,251	999,520	2,935,791	1,955,443	1,532,053	997,955	1,942,760
Capital Grants/Contributions	2,106,109	108,160	-	-	-	-	-	-	-
Total Governmental Activities Program Revenue	7,006,494	5,166,733	6,440,733	6,158,390	8,870,546	7,794,467	7,052,586	7,218,905	8,196,971
<b>Business-Type Activities</b>									
<b>Charges for Services</b>									
Water	5,450,496	5,333,624	6,508,780	5,757,608	6,380,743	6,402,404	6,981,313	7,261,814	7,447,541
Sewer	2,934,783	3,296,414	3,940,993	3,406,059	3,468,473	3,491,359	3,606,066	4,032,632	4,167,069
Parking	260,831	256,235	312,782	305,994	308,102	320,670	412,436	404,036	397,304
Operating Grants/Contributions	-	-	-	-	155,024	13,145	119,527	-	293,550
Capital Grants/Contributions	45,750	426,713	101,377	21,550	-	-	-	-	-
Total Business-Type Activities Program Revenue	8,691,860	9,312,986	10,863,932	9,491,211	10,312,342	10,227,578	11,119,342	11,698,482	12,305,464
Total Primary Government Program Revenue	15,698,354	14,479,719	17,304,665	15,649,601	19,182,888	18,022,045	18,171,928	18,917,387	20,502,435

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Net (Expense) Revenue									
Governmental Activities	\$ (21,499,142)	(20,882,644)	(21,461,689)	(22,903,831)	(23,090,926)	(25,384,612)	(24,992,655)	(25,798,054)	(25,618,258)
Business-Type Activities	598,000	1,495,282	2,360,566	854,476	1,101,786	1,023,408	1,765,693	2,827,352	2,830,676
Total Net Revenue (Expense)	<u>(20,901,142)</u>	<u>(19,387,362)</u>	<u>(19,101,123)</u>	<u>(22,049,355)</u>	<u>(21,989,140)</u>	<u>(24,361,204)</u>	<u>(23,226,962)</u>	<u>(22,970,702)</u>	<u>(22,787,582)</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Taxes									
Property	8,875,622	9,418,575	10,190,069	10,843,388	11,580,802	12,032,926	12,765,894	13,335,569	13,885,934
Sales, Local Use	3,375,314	3,356,036	3,940,023	4,113,029	4,186,809	4,091,855	3,712,906	3,796,368	3,747,697
Utility	2,831,751	2,707,925	2,913,414	2,647,823	2,739,621	2,718,132	2,692,330	2,636,055	2,579,823
Income	1,713,517	1,757,291	2,063,436	2,263,978	2,447,409	2,617,554	2,247,445	2,176,193	2,146,830
Real Estate Transfer	1,345,450	1,447,829	1,512,987	1,326,561	1,366,260	880,317	634,160	910,128	717,780
Other	621,325	599,239	652,464	666,020	805,021	859,204	764,396	770,524	724,099
Investment Income	368,368	220,809	398,842	686,719	565,408	94,736	50,289	161,716	190,532
Miscellaneous	520,692	483,499	795,150	617,410	1,384,310	1,049,103	878,187	1,114,283	1,078,140
Gain (Loss) on Disposal of Capital Assets	33,750	30,500	-	-	-	-	-	-	-
Transfers In (Out)	599,194	661,947	597,455	765,585	119,236	708,490	950,000	1,000,000	1,050,000
Contributions	365,045	478,190	-	-	-	-	-	-	-
Total Governmental Activities	<u>20,650,028</u>	<u>21,161,840</u>	<u>23,063,840</u>	<u>23,930,513</u>	<u>25,194,876</u>	<u>25,052,317</u>	<u>24,695,607</u>	<u>25,900,836</u>	<u>26,120,835</u>
Business-Type Activities									
Investment Income	131,292	158,554	408,845	549,745	402,847	143,858	24,452	21,846	28,040
Gain (Loss) on Disposal of Capital Assets	(91,123)	-	-	-	-	-	-	-	-
Transfers In (Out)	(599,194)	(661,947)	(597,455)	(765,585)	(119,236)	(708,490)	(950,000)	(1,000,000)	(1,050,000)
Contributions	1,866,839	-	-	-	-	-	-	-	-
Total Business-Type Activities	<u>1,307,814</u>	<u>(503,393)</u>	<u>(188,610)</u>	<u>(215,840)</u>	<u>283,611</u>	<u>(564,632)</u>	<u>(925,548)</u>	<u>(978,154)</u>	<u>(1,021,960)</u>
Total Primary Government	<u>21,957,842</u>	<u>20,658,447</u>	<u>22,875,230</u>	<u>23,714,673</u>	<u>25,478,487</u>	<u>24,487,685</u>	<u>23,770,059</u>	<u>24,922,682</u>	<u>25,098,875</u>
Changes in Net Assets									
Governmental Activities	(849,114)	279,196	1,602,151	1,026,682	2,103,950	(332,295)	(297,048)	102,782	502,577
Business-Type Activities	1,905,814	991,889	2,171,956	638,636	1,385,397	458,776	840,145	1,849,198	1,808,716
Total Primary Government	<u>1,056,700</u>	<u>1,271,085</u>	<u>3,774,107</u>	<u>1,665,318</u>	<u>3,489,347</u>	<u>126,481</u>	<u>543,097</u>	<u>1,951,980</u>	<u>2,311,293</u>

Data Source: Village Records

Note: The Village implemented GASB No. 34 at December 31, 2003.

**VILLAGE OF WILMETTE, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years  
December 31, 2011 (Unaudited)**

	2002	2003	2004
<b>General Fund</b>			
Reserved	\$ 900,743	500,461	771,163
Unreserved	3,979,211	4,687,146	4,727,523
Nonspendable	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total General Fund</b>	<b>4,879,954</b>	<b>5,187,607</b>	<b>5,498,686</b>
<b>All Other Governmental Funds</b>			
Reserved	1,918,991	5,257	-
Unreserved, Reported in:			
Special Revenues Funds	1,917,625	1,056,168	1,107,427
Debt Service Funds	55,720	48,994	49,334
Capital Projects Funds	15,926,988	13,221,678	8,977,970
Restricted	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>Total All Other Governmental Funds</b>	<b>19,819,324</b>	<b>14,332,097</b>	<b>10,134,731</b>

Data Source: Village Records

Note: The Village implemented GASB No. 54 at December 31, 2011.

2005	2006	2007	2008	2009	2010	2011
563,159	617,896	564,620	281,354	257,117	97,544	-
5,756,062	6,391,407	7,121,664	6,350,014	4,810,519	5,258,531	-
-	-	-	-	-	-	75,589
-	-	-	-	-	-	571,968
-	-	-	-	-	-	4,887,264
<b>6,319,221</b>	<b>7,009,303</b>	<b>7,686,284</b>	<b>6,631,368</b>	<b>5,067,636</b>	<b>5,356,075</b>	<b>5,534,821</b>
-	-	200,000	1,261,330	-	340,915	-
680,990	431,201	450,725	389,728	331,412	407,836	-
34,553	28,366	(7,665)	(61,780)	(96,363)	-	-
4,521,700	1,816,076	8,444,739	3,787,249	1,383,335	2,492,901	-
-	-	-	-	-	-	385,231
-	-	-	-	-	-	26,523
-	-	-	-	-	-	552,951
<b>5,237,243</b>	<b>2,275,643</b>	<b>9,087,799</b>	<b>5,376,527</b>	<b>1,618,384</b>	<b>3,241,652</b>	<b>964,705</b>

## VILLAGE OF WILMETTE, ILLINOIS

### General Governmental Revenues By Source - Last Ten Fiscal Years December 31, 2011 (Unaudited)

Source	2002	2003	2004	2005
Taxes	\$ 18,211,850	19,547,732	20,076,053	21,272,393
Licenses, Permits and Fees	1,606,897	2,094,575	2,172,187	2,824,120
Intergovernmental	2,038,342	2,171,534	200,560	1,177,017
Charges for Services	4,456,680	1,605,341	1,640,957	1,946,356
Fines and Forfeitures	297,992	350,291	363,871	340,006
Investment Income	816,990	368,368	220,809	390,758
Miscellaneous	880,594	554,442	513,999	684,793
Total	28,309,345	26,692,283	25,188,436	28,635,443

Note: 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

2006	2007	2008	2009	2010	2011
21,860,799	23,125,922	23,199,988	22,817,131	23,624,837	23,802,163
2,678,714	3,382,726	3,034,314	2,661,327	3,005,663	3,043,066
999,520	2,935,791	1,955,443	1,532,053	997,955	1,942,760
2,168,121	2,278,003	2,413,363	2,557,660	2,823,915	2,855,787
312,035	274,026	391,347	301,546	391,372	355,358
538,001	497,251	273,773	33,656	25,329	24,006
617,410	1,384,310	1,049,103	878,187	1,114,283	1,078,140
29,174,600	33,878,029	32,317,331	30,781,560	31,983,354	33,101,280

## VILLAGE OF WILMETTE, ILLINOIS

### General Governmental Expenditures By Function - Last Ten Fiscal Years December 31, 2011 (Unaudited)

Function	2002	2003	2004	2005
General Government	\$ 2,748,934	3,575,237	3,195,919	3,330,649
Public Safety	10,323,232	13,224,840	12,681,422	13,334,526
Streets and Sanitation	5,563,500	8,086,777	6,408,770	7,460,718
Other Public Works	899,030	1,012,646	1,073,884	1,051,838
Public Health	148,368	145,857	154,543	160,447
Community Development	846,395	869,963	964,234	1,116,566
Capital Outlay	8,741,902	-	-	-
Debt Service				
Principal Retirement	2,306,600	-	-	-
Interest and Fiscal Charges	2,333,643	1,590,316	1,570,605	1,447,678
Total	33,911,604	28,505,636	26,049,377	27,902,422

Note: 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

2006	2007	2008	2009	2010	2011
3,466,888	3,147,259	3,195,090	2,892,303	2,925,964	2,818,641
13,727,439	14,863,098	15,844,052	16,155,101	16,900,426	17,591,397
7,445,005	6,795,616	6,346,863	5,807,962	5,567,467	5,761,344
1,687,224	2,149,004	1,759,034	2,479,331	1,811,305	2,341,132
193,970	177,824	170,243	187,046	205,787	215,689
1,137,139	1,451,671	1,386,238	1,120,856	1,267,654	1,174,544
-	5,068,278	5,178,517	6,795,273	1,147,720	2,910,803
-	1,254,235	2,208,316	1,578,609	1,588,176	2,020,000
1,404,556	1,501,513	1,703,656	1,635,271	1,228,122	1,415,931
29,062,221	36,408,498	37,792,009	38,651,752	32,642,621	36,249,481

**VILLAGE OF WILMETTE, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
December 31, 2011 (Unaudited)**

	2002	2003	2004	2005
<b>Revenues</b>				
Taxes	\$ 18,211,850	18,762,978	19,286,895	21,272,393
Licenses and Permits	1,606,897	2,094,575	2,172,187	2,824,120
Intergovernmental	2,038,342	2,816,192	989,718	1,177,017
Charges for Services and Fees	4,456,680	1,605,341	1,640,957	1,946,356
Fines and Forfeits	297,992	350,291	363,871	340,006
Investment Income	816,990	274,252	260,765	390,758
Miscellaneous	880,594	694,537	513,999	684,793
<b>Total Revenues</b>	<b>28,309,345</b>	<b>26,598,166</b>	<b>25,228,392</b>	<b>28,635,443</b>
<b>Expenditures</b>				
General Government	2,748,934	2,769,169	2,934,612	2,989,626
Public Safety	10,323,232	11,527,958	12,272,889	13,184,417
Streets and Sanitation	5,563,500	5,181,212	4,857,268	5,327,047
Other Public Works	899,030	1,012,646	1,043,884	1,107,204
Public Health	148,368	145,857	154,543	160,447
Community Development	846,395	869,963	964,234	1,116,566
Capital Outlay	8,741,902	6,104,435	5,303,393	6,734,692
Debt Service				
Principal	2,306,600	885,000	1,010,000	1,261,869
Interest and Fiscal Charges	2,333,643	1,593,255	1,581,375	1,429,943
<b>Total Expenditures</b>	<b>33,911,604</b>	<b>30,089,495</b>	<b>30,122,198</b>	<b>33,311,811</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(5,602,259)</b>	<b>(3,491,329)</b>	<b>(4,893,806)</b>	<b>(4,676,368)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Bonds	25,156,952	-	9,300,000	-
Proceeds from I.E.P.A. Loan	-	-	-	-
Proceeds from Installment Contract	165,000	65,586	314,979	-
Premium on Proceeds	-	-	-	-
Payments to Escrow Agent	(1,914,886)	-	(9,269,407)	-
Transfers In	700,000	757,886	800,000	1,300,000
Transfers Out	(284,329)	(158,692)	(138,053)	(700,585)
<b>Total Other Financing Sources (Uses)</b>	<b>23,822,737</b>	<b>664,780</b>	<b>1,007,519</b>	<b>599,415</b>
<b>Net Change in Fund Balances</b>	<b>18,220,478</b>	<b>(2,826,549)</b>	<b>(3,886,287)</b>	<b>(4,076,953)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>18.44%</b>	<b>10.33%</b>	<b>10.44%</b>	<b>10.18%</b>

Note: 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

2006	2007	2008	2009	2010	2011
21,860,799	23,125,922	23,199,988	22,817,131	23,624,837	23,802,163
2,678,714	3,382,726	3,034,314	2,661,327	3,005,663	3,043,066
999,520	2,935,791	1,955,443	1,532,053	997,955	1,942,760
2,168,121	2,278,003	2,413,363	2,557,660	2,823,915	2,855,787
312,035	274,026	391,347	301,546	391,372	355,358
538,001	497,251	273,773	33,656	25,329	24,006
617,410	1,384,310	1,049,103	878,187	1,114,283	1,078,140
29,174,600	33,878,029	32,317,331	30,781,560	31,983,354	33,101,280
3,073,424	3,147,259	3,195,090	2,892,303	2,925,964	2,818,641
13,859,888	14,863,098	15,844,052	16,155,101	16,900,426	17,591,397
5,237,550	6,795,616	6,346,863	5,807,962	5,567,467	5,761,344
1,687,224	2,149,004	1,759,034	2,479,331	1,811,305	2,341,132
193,970	177,824	170,243	187,046	205,787	215,689
1,137,139	1,451,671	1,386,238	1,120,856	1,267,654	1,174,544
4,468,596	5,068,278	5,178,517	6,795,273	1,147,720	2,910,803
1,167,764	1,254,235	2,208,316	1,578,609	1,588,176	2,020,000
1,386,148	1,501,513	1,703,656	1,635,271	1,228,122	1,415,931
32,211,703	36,408,498	37,792,009	38,651,752	32,642,621	36,249,481
(3,037,103)	(2,530,469)	(5,474,678)	(7,870,192)	(659,267)	(3,148,201)
-	11,673,827	-	1,590,000	23,280,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	8,317	16,635	-
-	(1,773,457)	-	-	(21,725,661)	-
1,302,029	600,000	850,000	950,000	1,000,000	1,050,000
(536,444)	(480,764)	(141,510)	-	-	-
765,585	10,019,606	708,490	2,548,317	2,570,974	1,050,000
(2,271,518)	7,489,137	(4,766,188)	(5,321,875)	1,911,707	(2,098,201)
9.30%	9.07%	12.13%	10.58%	9.08%	10.62%

**VILLAGE OF WILMETTE, ILLINOIS**

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years  
December 31, 2011 (Unaudited)**

Tax Levy Year	Real Property New Trier Township	Real Property Northfield Township	Railroad Property New Trier Township	Total Estimated Assessed Value	Total Estimated Actual Value	Equalization Factor	Direct Tax Rate
2001	\$ 1,127,562,716	\$ 4,164,954	\$ 139,261	\$ 1,131,866,931	\$ 3,395,600,793	2.3098	\$ 0.748
2002	1,210,079,062	4,432,414	158,585	1,214,670,061	3,644,010,183	2.4689	0.739
2003	1,202,287,401	4,377,864	167,938	1,206,833,203	3,620,499,609	2.4598	0.788
2004	1,492,689,803	5,056,436	184,479	1,497,930,718	4,493,792,154	2.5757	0.689
2005	1,623,962,496	5,472,282	174,078	1,629,608,856	4,888,826,568	2.7320	0.671
2006	1,616,506,819	5,577,543	172,349	1,622,256,711	4,866,770,133	2.7076	0.728
2007	2,049,171,401	6,942,143	185,588	2,056,299,132	6,168,897,396	2.8439	0.597
2008	2,186,269,851	7,865,829	199,495	2,194,335,175	6,583,005,525	2.9786	0.593
2009	2,319,401,711	8,654,170	234,590	2,328,290,471	6,984,871,413	3.3701	0.581
2010	2,071,594,749	7,677,648	285,675	2,079,558,072	6,238,674,216	3.3000	0.674

2011 Data - Currently Not Available

Data Source: Cook County Clerk

**VILLAGE OF WILMETTE, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years  
December 31, 2011 (Unaudited)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Village of Wilmette</b>										
General Corporate Rate	\$ 0.614	0.584	0.608	0.530	0.521	0.530	0.432	0.448	0.449	0.530
Debt Service Rate	0.134	0.155	0.180	0.159	0.150	0.159	0.165	0.145	0.132	0.144
<b>Total Direct Tax Rate</b>	<b>0.748</b>	<b>0.739</b>	<b>0.788</b>	<b>0.689</b>	<b>0.671</b>	<b>0.689</b>	<b>0.597</b>	<b>0.593</b>	<b>0.581</b>	<b>0.674</b>
<b>Overlapping</b>										
School District #39	2.742	2.610	2.707	2.238	2.151	2.238	1.848	1.812	1.716	2.314
School District #203	1.611	1.935	1.799	1.621	1.577	1.621	1.299	1.290	1.237	1.474
Community College #535	0.186	0.179	0.186	0.161	0.158	0.161	0.141	0.140	0.140	0.160
Wilmette Park District	0.425	0.510	0.526	0.440	0.413	0.440	0.360	0.348	0.332	0.390
Wilmette Public Library	0.309	0.315	0.352	0.315	0.283	0.315	0.245	0.241	0.230	0.266
Cook County	0.778	0.690	0.659	0.593	0.547	0.593	0.458	0.415	0.415	0.423
Sanitary District	0.401	0.371	0.361	0.347	0.315	0.347	0.263	0.252	0.261	0.274
Forest Preserve District	0.067	0.061	0.059	0.060	0.060	0.060	0.053	0.051	0.049	0.051
New Trier Township	0.046	0.045	0.048	0.039	0.039	0.039	0.034	0.034	0.033	0.041
Suburban T.B. Sanitarium	0.007	0.006	0.004	0.001	0.005	0.001	-	-	-	-
Mosquito Abatement Dist.	0.010	0.009	0.009	0.008	0.008	0.008	0.008	0.008	0.008	0.009
<b>Total Tax Rate</b>	<b>7.330</b>	<b>7.470</b>	<b>7.498</b>	<b>6.512</b>	<b>6.227</b>	<b>6.512</b>	<b>5.306</b>	<b>5.184</b>	<b>5.002</b>	<b>6.076</b>

Data Source: Cook County Clerk

**VILLAGE OF WILMETTE, ILLINOIS**

**Principal Property Tax Payers - Current Year and Nine Years Ago  
December 31, 2011 (Unaudited)**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Joseph Freed & Associates	\$ 32,246,950	1	1.55%	\$ 26,439,114	1	2.34%
1630 Sheridan Corp.	13,498,709	2	0.65%	8,781,606	3	0.78%
Plaza del Lago, Inc.	11,384,129	3	0.55%	10,023,834	2	0.89%
Albertson's	7,306,312	4	0.35%			
Landau & Heyman	6,490,813	5	0.31%	3,302,151	6	0.29%
L.J. Thalmann & Co.	5,882,999	6	0.28%	5,230,422	4	0.46%
William C. Kagan	5,397,827	7	0.26%	3,612,724	5	0.32%
Beth Corp.	3,981,311	8	0.19%	2,238,180	10	0.20%
Avgeris & Assoc.	3,725,806	9	0.18%	3,029,806	7	0.27%
Manor Health Care Corp.	3,621,239	10	0.17%	2,723,896	9	0.24%
Michigan Shores Club	3,453,153	11	0.17%	2,022,426	12	0.18%
Wolin-Levin	3,357,813	12	0.16%	1,133,788	15	0.10%
Rambler Hill, LLC	3,267,086	13	0.16%			
Westmoreland Country Club	3,189,678	14	0.15%	2,843,726	8	0.25%
Wilmette Imports	2,757,081	15	0.13%			
Walgreen's	2,716,907	16	0.13%			
Kretchmar	2,509,059	17	0.12%			
Wil-Ridge Plaza	2,226,731	18	0.11%			
Polan	1,980,000	19	0.10%			
Ivankovich	1,917,300	20	0.09%			
Jeffrey Strange				1,977,683	13	0.17%
Ameritech				2,107,254	11	0.19%
Premiere Bank				1,194,169	14	0.11%
	<u>120,910,903</u>		<u>5.81%</u>	<u>76,660,779</u>		<u>6.77%</u>

Data Source: Village Records

**VILLAGE OF WILMETTE, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Tax Levy Years  
December 31, 2011 (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
2001	\$ 8,461,616	\$ 8,384,855	99.09%	\$ 14,153	\$ 8,399,008	99.26%
2002	8,968,044	8,855,063	98.74%	37,862	8,892,925	99.16%
2003	9,505,136	9,039,215	95.10%	390,582	9,429,797	99.21%
2004	10,306,726	10,082,058	97.82%	78,195	10,160,253	98.58%
2005	10,925,600	10,681,712	97.77%	94,415	10,776,127	98.63%
2006	11,801,600	10,492,759	88.91%	1,187,052	11,679,811	98.97%
2007	12,272,800	11,841,358	96.48%	241,945	12,083,303	98.46%
2008	12,999,000	12,742,685	98.03%	144,787	12,887,472	99.14%
2009	13,513,000	13,232,984	97.93%	229,520	13,462,504	99.63%
2010	14,016,100	13,801,603	98.47%	*	13,801,603	98.47%
2011	14,533,400	*	*	*	*	*

\* 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, 2011 (Unaudited)**

Fiscal Year Ended Dec 31	Governmental Activities		Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Contracts	Water General Obligation Bonds	Sewer General Obligation Bonds	Parking Meter General Obligation Bonds	IEPA Revolving Loans			
2002	\$ 35,210,000	\$ 227,650	\$ 20,440,000	\$ 2,000,000	\$ 975,000	\$ 22,836,334	\$ 81,688,984	5.31%	\$ 2,954
2003	34,330,000	281,232	20,150,000	1,980,000	880,000	21,492,258	79,113,490	5.14%	2,861
2004	33,590,000	583,969	22,175,000	4,760,000	785,000	19,906,130	81,800,099	5.32%	2,958
2005	32,445,000	467,100	21,790,000	4,715,000	670,000	18,267,269	78,354,369	5.10%	2,834
2006	31,390,000	354,336	21,320,000	4,670,000	555,000	16,972,126	75,261,462	4.89%	2,722
2007	40,195,000	280,101	20,880,000	7,070,000	435,000	15,827,763	84,687,864	5.51%	3,063
2008	38,030,000	236,785	20,215,000	7,020,000	310,000	14,031,016	79,842,801	5.19%	2,888
2009	38,090,000	188,176	19,550,000	8,540,000	190,000	12,129,729	78,687,905	5.12%	2,846
2010	39,950,000	40,000	20,075,000	9,805,000	65,000	10,326,541	80,261,541	4.27%	2,963
2011	37,950,000	20,000	19,575,000	16,850,000	-	1,793,691	76,188,691	4.06%	2,813

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.  
See Demographic and Economic Statistics schedule for personal income and population data.

Data Source: Village Records

**VILLAGE OF WILMETTE, ILLINOIS**

**Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years  
December 31, 2011 (Unaudited)**

Fiscal Year Ended Dec. 31	Gross General Obligation Bonds	Debt Payable From Other Sources	Net General Obligation Bonds	Total Estimated Actual Value	Percentage of Actual Taxable Value of Property	Per Capita
2002	\$ 58,625,000	\$ 55,720	\$ 58,569,280	\$ 3,395,600,793	1.72%	\$ 2,120
2003	57,340,000	48,994	57,291,006	3,644,010,183	1.57%	2,074
2004	61,310,000	49,334	61,260,666	3,620,499,609	1.69%	2,217
2005	59,620,000	34,553	59,585,447	4,493,792,154	1.33%	2,156
2006	57,935,000	28,366	57,906,634	4,888,826,568	1.18%	2,095
2007	68,580,000	-	68,580,000	4,866,770,133	1.41%	2,480
2008	65,575,000	-	65,575,000	6,168,897,396	1.06%	2,372
2009	66,370,000	-	66,370,000	6,583,005,525	1.01%	2,400
2010	69,895,000	340,915	69,554,085	6,984,871,413	1.00%	2,580
2011	74,375,000	-	74,375,000	6,238,674,216	1.19%	2,746

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

See Demographic and Economic Statistics schedule for personal income and population data.

Data Source: Village Records

**VILLAGE OF WILMETTE, ILLINOIS**

**Schedule of Direct and Overlapping Bonded Debt  
December 31, 2011 (Unaudited)**

Governmental Unit	Gross Debt	*Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Wilmette	\$ 37,950,000	100.000 %	\$ 37,950,000
School Districts:			
Avoca School District #37	2,390,804	37.280 %	891,292
Kenilworth School District #38	10,235,000	2.464 %	252,190
Wilmette School District #39	15,120,000	95.074 %	14,375,189
Community College #535	27,245,000	8.033 %	2,188,591
New Trier Township High School District #203	18,601,854	34.353 %	6,390,295
<b>Total School Districts</b>	<b>73,592,658</b>		<b>24,097,557</b>
Other Agencies:			
Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago	3,484,835,000	1.220 %	42,514,987
Wilmette Park District	1,804,668,000	1.246 %	22,486,163
Glenview Park District	25,814,000	100.000 %	25,814,000
Wilmette Public Library District	12,340,000	.139 %	17,153
Wilmette Public Library District	-	100.000 %	-
<b>Total Other Agencies</b>	<b>5,327,657,000</b>		<b>90,832,303</b>
<b>Total Overlapping Debt</b>	<b>5,401,249,658</b>		<b>114,929,860</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 5,439,199,658</b>		<b>\$ 152,879,860</b>

\* 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, 2011 (Unaudited)

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The Government is a home rule municipality.

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

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

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

Data Source: Village Records

**VILLAGE OF WILMETTE, ILLINOIS**

**Pledged-Revenue Coverage - Last Ten Fiscal Years  
December 31, 2011 (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	
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
2007	10,157,318	5,538,804	4,618,514	2,483,118	1,780,847	1.08
2008	10,214,433	5,603,520	4,610,913	2,679,063	1,682,119	1.06
2009	10,999,815	5,770,446	5,229,369	2,756,585	1,604,963	1.20
2010	11,698,482	5,455,208	6,243,274	2,925,216	1,410,464	1.44
2011	12,011,914	5,796,545	6,215,369	14,617,985	1,429,651	0.39

\*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, 2011 (Unaudited)**

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Fiscal Year Ended December 31	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2002	27,651	\$ 1,537,700	\$ 55,611	42.2	8,383	4.40%
2003	27,651	1,537,700	55,611	42.2	8,383	4.30%
2004	27,651	1,537,700	55,611	42.2	8,383	3.90%
2005	27,651	1,537,700	55,611	42.2	8,383	3.70%
2006	27,651	1,537,700	55,611	42.2	8,383	2.80%
2007	27,651	1,537,700	55,611	42.2	8,383	3.00%
2008	27,651	1,537,700	55,611	42.2	8,383	3.80%
2009	27,651	1,537,700	55,611	42.2	8,383	6.30%
2010	27,087	1,878,800	69,363	44.5	8,401	6.40%
2011	27,087	1,878,800	69,363	44.5	8,401	5.70%

Data Source: 2000 and 2010 census data

**VILLAGE OF WILMETTE, ILLINOIS**

**Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago  
December 31, 2011 (Unaudited)**

Employer	2011			2002		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Wilmette School District #39	567	1	N/A	507	1	N/A
Loyola Academy	275	2	N/A	250	3	N/A
Jewel	212	3	N/A			
Carson, Pirie, Scott & Co.	200	4	N/A	300	2	N/A
Village of Wilmette	196	5	N/A	204	4	N/A
Chalet Nursery	100	6	N/A			
Koenig & Strey, Inc.	100	7	N/A	75	6	N/A
ManorCare Health Services	90	8	N/A	80	5	N/A
Wilmette Park District	72	9	N/A			
Westmoreland Country Club	70	10	N/A	75	6	N/A
Regina Dominican				75	6	N/A
Bed, Bath & Beyond				75	6	N/A
Loyola University				50	10	N/A
	<u>1,882</u>		<u>-</u>	<u>1,691</u>		<u>-</u>

N/A - Not Available

Data Source: Village Records

**VILLAGE OF WILMETTE, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years  
December 31, 2011 (Unaudited)**

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Government</b>										
Administration & Law	7.15	7.15	7.15	7.15	7.15	7.25	7.10	7.03	6.03	6.03
Finance & Information										
Services	12.43	13.38	12.63	12.53	12.51	12.51	12.51	11.75	11.45	11.45
Other	3.18	3.05	3.05	2.55	3.05	3.15	3.15	3.15	3.10	3.10
<b>Police</b>										
Officers	45.00	45.00	45.00	46.00	46.00	46.00	45.00	45.00	44.00	44.00
Telecommunicators	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	8.50	9.00
Other Civilians	17.50	17.50	17.50	17.50	17.50	17.50	17.50	16.50	14.80	14.70
<b>Fire</b>										
Firefighters and Officers	45.00	45.00	45.00	45.00	44.00	44.00	45.00	44.00	45.00	45.00
Civilians	2.25	2.25	2.25	2.00	3.00	2.45	2.45	2.25	2.25	2.25
<b>Health</b>										
	2.00	2.00	1.75	1.75	1.75	1.88	1.88	1.88	1.88	2.00
<b>Public Works</b>										
Streets and Sanitation	31.42	29.10	28.85	30.10	30.60	32.10	32.10	29.55	27.55	27.55
Water and Sewer	29.25	29.50	29.50	30.00	30.00	31.00	30.00	30.00	29.00	28.00
Engineering	7.55	7.55	7.55	7.55	7.55	7.55	7.55	7.05	5.85	5.85
Other	3.75	3.75	3.75	3.75	3.75	3.50	3.50	3.50	3.50	3.50
<b>Community Development</b>										
	11.25	11.25	11.25	11.25	11.25	12.25	12.20	11.60	10.75	9.95
<b>Total</b>	<b>226.73</b>	<b>225.48</b>	<b>224.23</b>	<b>226.13</b>	<b>226.11</b>	<b>229.14</b>	<b>227.94</b>	<b>221.26</b>	<b>213.66</b>	<b>212.38</b>

Data Source: Village Records

**VILLAGE OF WILMETTE, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
December 31, 2011 (Unaudited)**

Function/Program	2002	2003	2004
<b>Police</b>			
Part I Offenses	N/A	N/A	N/A
Other Offenses	N/A	N/A	N/A
Calls for Service	N/A	N/A	N/A
Felonies	521	465	488
Misdemeanors (Part II Crimes)	1,549	2,010	2,026
Miscellaneous Offenses (Incidents Reported)	16,494	17,246	17,612
Traffic Accidents	1,092	1,054	1,006
<b>Fire</b>			
Emergency Responses	3,226	3,108	2,981
Fires Extinguished	35	48	50
Inspections	638	475	400
<b>Public Works</b>			
Street Resurfacing (Miles)	3.87	3.07	4.00
Potholes Repaired	784	1,031	2,153
<b>Water</b>			
New Connections			
Average Daily Consumption (Thousands of Gallons)	12,715	13,026	12,430
Peak Daily Consumption (Thousands of Gallons)	27,829	24,477	20,905

N/A - Not Available

Data Source: Village Records

2005	2006	2007	2008	2009	2010	2011
N/A	N/A	N/A	513	427	390	318
N/A	N/A	N/A	630	485	512	486
N/A	N/A	N/A	18,040	15,594	18,930	20,178
486	423	367	N/A	N/A	N/A	N/A
1,843	1,912	1,703	N/A	N/A	N/A	N/A
16,162	15,046	15,116	N/A	N/A	N/A	N/A
1,021	964	959	1,115	826	797	771
3,195	3,180	4,104	3,679	3,221	3,095	3,154
57	51	59	43	47	35	51
610	618	1,250	1,037	720	856	975
3.25	3.50	2.10	0.75	3.79	1.68	1.19
2,811	1,909	1,590	2,058	2,000	1,553	1,943
13,941	11,931	12,207	11,931	11,244	11,458	11,149
29,540	24,474	22,545	24,474	19,325	20,029	22,979

**VILLAGE OF WILMETTE, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
December 31, 2011 (Unaudited)**

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	19	19	19	20	20	20	20	20	20
Fire Stations	2	2	2	2	2	2	2	2	2	2
<b>Public Works</b>										
Streets (Miles)	86.5	87.8	87.8	87.8	87.8	87.8	87.8	89.4	89.4	89.4
Streetlights	2,429	2,510	2,510	2,510	2,510	2,580	2,580	2,580	2,580	2,580
Traffic Signals:										
Village Owned	7	7	8	8	9	9	9	10	10	10
Other	18	18	17	17	17	17	17	16	16	16
<b>Water</b>										
Water Mains (Miles)	91	91	91	91	91	91	91	91	91	91
Fire Hydrants	975	975	975	975	977	982	982	983	984	984
System Capacity (Millions of Gallons)	34	34	42	44	44	44	44	44	44	44

Data Source: Village Records