

**VILLAGE OF WILMETTE,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2005

Prepared by Department of Finance

Robert Amoruso
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Special Assistant to Administration and Finance

VILLAGE OF WILMETTE, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of Wilmette including the list of principal officials, the table of organization, and the transmittal letter.

VILLAGE OF WILMETTE, ILLINOIS

Principal Officials

December 31, 2005

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Christopher S. Canning, President

Joanne Aggens - Trustee

Jim Griffith - Trustee

John Levin - Trustee

Alan Swanson - Trustee

Mari Terman - Trustee

Lali Watt - Trustee

ADMINISTRATIVE

Michael J. Earl, Village Manager

Maureen M. Barry, Assistant Village Manager

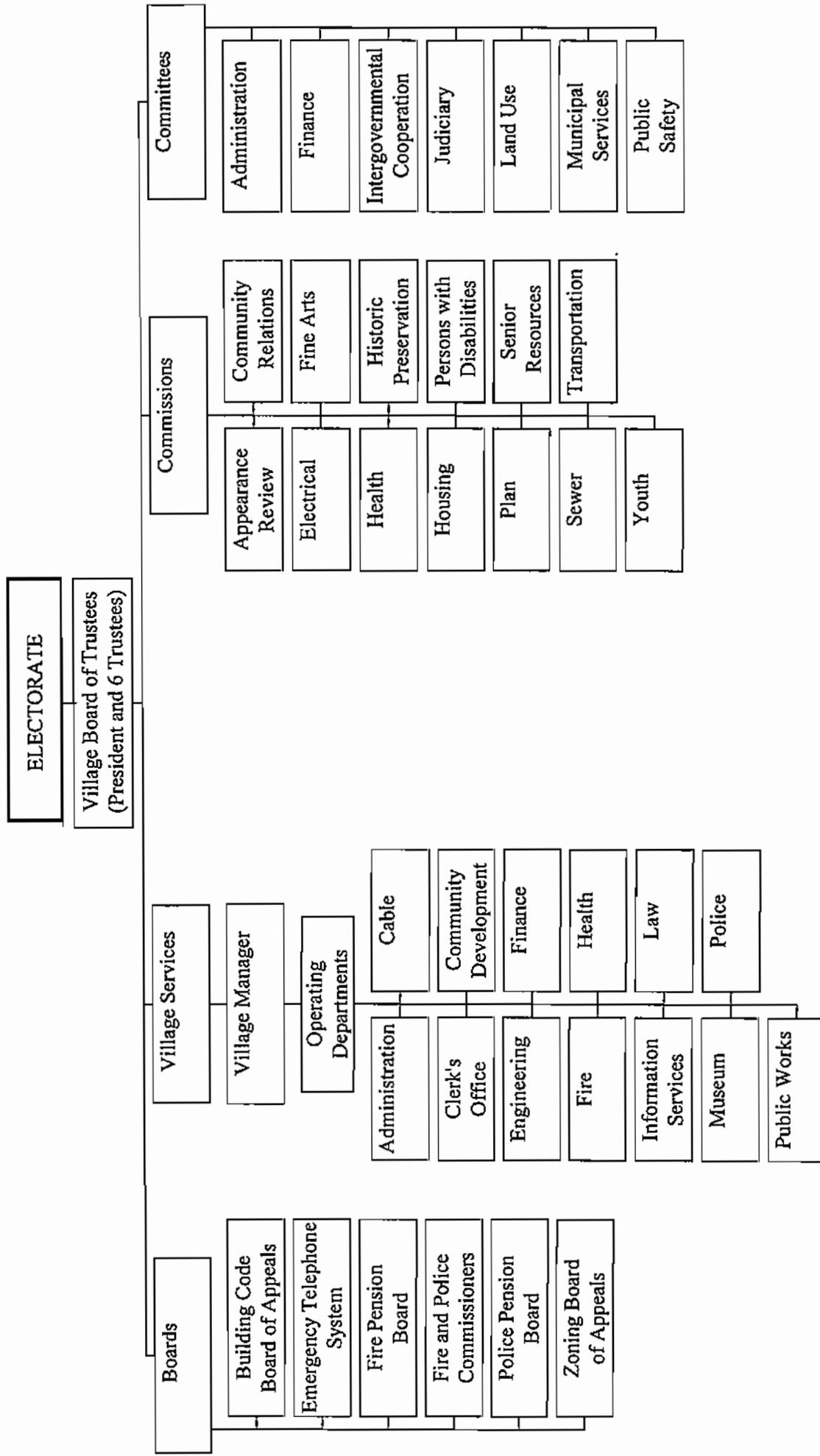
FINANCE DEPARTMENT

Robert Amoruso, Director of Finance

Kathleen Gargano, Special Assistant to Administration and Finance

Blythe Trilling, Assistant Finance Director

VILLAGE OF WILMETTE ORGANIZATIONAL STRUCTURE



June 14, 2006

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, 2005 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue an annual report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP), and that an independent firm of certified public accountants audit this report in accordance with generally accepted auditing standards. Although formally addressed to the elected officials and citizens of Wilmette, this financial report has numerous other users. Foremost among these other users are the bondholders of the Village, financial institutions, credit rating agencies, educational institutions, and other governmental entities.

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

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

The Reporting Entity and its Services

The Village of Wilmette, incorporated in 1872, is located approximately 16 miles from downtown Chicago in New Trier Township. It is one of eight Chicago suburban communities north of Chicago fronting on Lake Michigan and collectively referred to as the "North Shore." The Village operates

under the council/manager form of government with a legislative body consisting of the Village President and Board of six Trustees, all elected on an at-large basis to overlapping four-year terms. The Village Manager is responsible for the day-to-day operation of the Village. The Village occupies a land area of 5.1 square miles and has a population of 27,651 per the 2000 census. The Village is a home rule municipality as defined by the Illinois constitution. Additional demographic information may be found in the statistical section of this report.

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

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

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

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

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, each of which is considered a separate and distinct accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Revenues are allocated to and accounted for in individual funds based upon the purpose for which they are to be expended and the means by which spending activities are

controlled. The accounting records for general governmental operations are maintained on the modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when materials or services are received and the liability incurred. Accounting records for the Village's enterprise funds, internal service funds, agency funds, and pension trust funds are maintained on the accrual basis of accounting.

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

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

Factors Affecting Financial Condition

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

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

In January 2005 a Ford automobile dealership closed its operation and the property was sold later in the year to a group that intends to develop this space with a residential and retail mixed use building. In spite of the reduction in auto sales resulting from this closing, local retail sales increased by 2% over 2004. While this increase is encouraging, the 2005 retail activity level is still below that of 1999. The Village's commercial tax base represents about 13% of the community and sales tax represents 15% of the General Fund revenue. The lack of growth in this revenue has contributed to the need to enhance and create other revenue sources in order to continue providing the high service levels which the community is accustomed.

Property values have continued to increase substantially. In spite of the Village being fully developed, the Village's 2004 equalized assessed valuation is 69% greater than in 2000. Increased construction permit activity reflects the community's desire to continue this trend with a 29% increase in permit revenues in 2005. A low interest rate environment has been a key factor in this regard.

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

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

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

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

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

The Village provides its employees with health care benefits. In 2005, the Village paid the entire insurance premium for employee coverage. Due to significant increases in health insurance premiums, unrepresented employees will begin to pay for a portion of this coverage in 2006. In addition, employees may elect to cover their dependents through a contribution of 20% of the difference in premium cost between single coverage and family coverage. Employees may choose coverage through either of two HMO's or may select PPO coverage through the North Suburban Employee Benefit Cooperative.

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

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

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

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

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

Major Initiatives

Development Initiatives

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

negotiations for a redevelopment and intergovernmental agreement for adaptive reuse of the Mallinckrodt facility. In 2005 a developer was selected and the building was sold under the terms of the adaptive reuse agreement. Construction of 81 senior condominium units with underground parking began in 2005 and will continue through 2006. Twelve of the units will be sold at below market prices in keeping with the Village's desire to provide more affordable housing in Wilmette. The first units should be ready for occupancy near the end of 2006.

Planned Unit Development Ordinance – In 2005 the Plan Commission began a review of the Planned Unit Development (PUD) ordinance. The most significant recommendation is to eliminate the maximum height permitted through the PUD in order to encourage use of the PUD process. It is anticipated that the revised ordinance will be adopted in early 2006.

National-Louis University announced its plans to sell its Sheridan Road campus. The Baker Demonstration School, which is currently located on the property, will be teaming up with Red Seal Development to propose retaining the school and subdividing the remainder of the property into 11 single-family lots.

Depot Property – The restaurant lease held by the Village expired and a commercial real estate broker, Hallmark and Johnson, was retained to search for a new tenant for the approximately 800 square foot space. Hallmark and Johnson has prepared a lease package and is actively seeking interested lessees. It is anticipated that a new tenant will be found in 2006.

Ford Property Redevelopment – The aforementioned Ford site was purchased and the property owners are expected to apply for the first PUD in the Village for a mixed-use building five stories in height with approximately 13,000 square feet of commercial space on the first floor and four floors of condominium units above. It is anticipated that the PUD request will be acted upon during the summer of 2006.

Kohl Property Redevelopment – The Kohl Children's Museum vacated the site on Green Bay Road. The property owner is seeking buyers and it is likely that the future owner will seek to receive PUD approval for redevelopment of this site.

Facility Improvements

Fire Stations – In November 2002, the Village Board approved a contract with FGM, Inc. for the design, bid specification and construction administration of the planned renovations to Fire Station #26 and #27. A construction contract with Doherty Construction was approved in July of 2004 and work commenced at both stations in August 2004. Substantial improvements are being made to the living spaces, motor fleet storage and repair areas, department storage, and administrative offices. The building will also be brought into compliance with Illinois accessibility codes and provide accommodations for female firefighters. All work at both Stations was nearly complete at the end of 2005.

Village Hall – The Village Hall Improvements Project is comprised of three phases. Phase I focused on the Community Development and Engineering Departments and was completed in 2001. Included in the improvements were two new private conference rooms, systems furniture and lighting. In 2004, Phase II continued improvements to the first floor of the Village Hall, focusing on the unimproved areas in the Finance and Information Services Departments and the lobby. Included in the improvements were new lighting and wall covering systems and flooring in the Village Hall lobby, and a new private conference room, systems furniture

and lighting in the Finance and Information Services Departments. The main staircase leading to the second floor was also replaced in this phase which was completed in 2005.

Information Services - Enterprise Resource Planning System (ERP) – In 2005, the Information Services Department continued the final phases of implementation of the ERP that began in 2002. The Police parking ticket module became operational in 2005 and progress continued toward the implementation of the Community Development permitting module. With the parking ticket module the Village began accepting on-line payment processing and utility billing began a direct debit system for residential bill payments.

Regional Dispatch – The Village continued to pursue the feasibility and desirability of regional emergency dispatch alternatives for Fire and Police Emergency Communications. In February 2005 the Village entered into an agreement with the Village of Glenview to have Wilmette's fire and emergency medical service (EMS) calls processed by the Glenview FireComm for a one year trial period. The purpose of the trial period was to provide Wilmette with an opportunity to experience and evaluate a regional approach to fire and EMS communications at minimal expense. FireComm assumed responsibility for dispatching Wilmette's fire and EMS calls on May 23, 2005. Upon satisfactory completion of the trial period, the Village intends to become a permanent FireComm member in 2006. Discussions for regional Police Emergency Communications are ongoing.

Capital Improvements – An aggressive capital improvement schedule continued in 2005 for a number of infrastructure and facility improvement projects. In an effort to take advantage of low interest rates, the Village borrowed \$30.4 million in 2002 to fund much of the Village's capital project needs through 2006. The debt will be retired over a 20-year period. The following is a summary of some the 2005 capital projects activity:

Street Resurfacing Program – In 2005 the Village continued its commitment made in 1999 to pursue an aggressive multi-year street resurfacing enhancement program. This pledge was made after a study by the Engineering Department and an outside consultant indicated that the Village's previous level of spending was not sufficient to maintain the Village's streets in satisfactory condition. In 2005, \$3.6 million in street resurfacing projects were completed in various areas of town. Of this amount, \$1.3 million was funded by the State-shared motor fuel tax.

8 MGD Water Plant Capacity Expansion – The project which expanded the Water Plant's capacity by 8 million gallons per day (MGD) (from 36 MGD to 44 MGD) was placed into service in 2005 at a final cost of \$6.3 million. This project has been almost entirely financed by the Village of Glenview, the Village's primary wholesale customer. Development in Glenview is expected to increase water sales to Glenview by 15-20%, which will annually add approximately \$1.2 million of revenue to Wilmette by 2014.

Water Plant Security Improvements – In 2003, the Water Plant received a \$115,000 grant from the USEPA to conduct a Vulnerability Assessment (V/A) of the water system. The purpose of this assessment was to identify potential weaknesses in the current system of delivering water to our customers. The grant covered the entire service area of the water system – including Wilmette, Glenview, the Glen and portions of Prospect Heights. The V/A study identified the Wilmette Water Plant as a mission critical facility in the water system. In implementing the V/A study's recommendations, the Village has installed new perimeter fencing, an intruder

detection system and additional internal security. The Village is also working with Cook County to install camera monitors for this facility.

Water Main and Sewer improvements_– In conjunction with the aforementioned street resurfacing, \$419,000 in water main improvements and \$808,000 in sewer improvements were completed in 2005. These were financed from the Water and Sewer Funds' portions of the 2002 and 2004 bond issues. The Village Board continues to support programs aimed at improving the capacity and reliability of the Village's sewer system—either through continued maintenance, new relief sewers or rehabilitation of existing sewers.

Automatic Meter Readers – The Village continued the fifth year of a 14 year program to install automatic meter reading devices which allow the transmission of meter readings via radio wave transmissions from the water meter. The ERP software integrates with these automations to more quickly produce water bills. This project is currently on schedule to be completed in 2011 – three years ahead of original projections.

Independent Audit

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

Awards

The Village was awarded the Distinguished Budget Presentation Award by the GFOA for its 2005 budget document. This was the sixth consecutive year that the Village has achieved this honor. In order to receive the Distinguished Budget Presentation Award the document must meet specific criteria as an operations guide, a policy document, a financial plan and a communications device. This award is also valid for a one-year period. The fiscal year 2006 budget has been submitted to the GFOA to determine its eligibility for another award.

Acknowledgments

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

Respectfully submitted,



Robert N. Amoruso
Finance Director

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

May 18, 2006

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, business-type activities, each major fund, and the aggregate remaining fund information for the Village of Wilmette, as of and for the year ended December 31, 2005, which collectively comprise the Village of Wilmette's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Wilmette, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

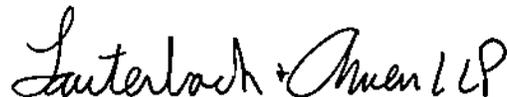
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining,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

In our opinion, the basic financial statements referred to above present fairly, in all material aspects, the financial position of the Village of Wilmette, Illinois, as of December 31, 2005, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining and individual fund financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds of the Village of Wilmette, Illinois, as of December 31, 2005, and the results of operations of such funds and cash flows of individual proprietary funds for the year then ended.

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

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

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


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF WILMETTE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2005

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, 2005. 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 \$52,481 at December 31, 2005. Of this amount, \$7,763 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets increased \$4,718 (9.9%) during the fiscal year ended December 31, 2005. A prior period adjustment from a decrease in the liability for compensated absences provided \$944 of this increase and current year activity provided the remaining \$3,774. The prior period adjustment only impacted governmental net assets and had no effect on business-type net assets.
- In addition to the prior period adjustment, governmental net assets increased \$1,602. Of this increase, the Village's investment in capital assets, net of related debt increased \$1,198 and all other net assets increased \$404. Business-type net assets increased \$2,172 consisting of a \$929 increase in net capital assets a \$1,243 increase in all other net assets. The increases net capital assets are as expected due to the continuation of an aggressive capital improvements program that began in 1999. The increases in other net assets were primarily the result of revenue growth in building permits, property and other taxes and from water sales.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$5,756 or 23% of General Fund expenditures. This \$1,401 increase represents 32% growth over the prior year.
- Total unrestricted net assets increased \$2,669. Of the increase in governmental unrestricted net assets of \$1,426, the aforementioned prior period adjustment for compensated absences under the Village's Section 105 Plans accounted for \$944 and

revenue growth provided the remainder. Business-type unrestricted net assets increased \$1,243. The accounting change for compensated absences (which created the previously noted prior period adjustment) resulted in \$155 of this increase. The remainder is largely attributable increased water sales due to drought conditions in the summer of 2005.

- The Village's total debt decreased \$3,446 (4.2%) at December 31, 2005. Following substantial bond issues in 2002 and 2004, no new debt was issued in 2005 and none is planned for 2006.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

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

The Governmental Activities reflect the Village's basic services, including public safety (police and fire), streets and sanitation, other public works, public health, community development and general government. Property taxes, shared State sales taxes, local utility taxes, shared State income taxes, and local real estate transfer taxes finance the majority of these activities. The Business-Type Activities reflect private sector-type operations (Water Fund, Sewer Fund and

Parking Meter Fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

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

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

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

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

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

contributions). As Internal Service Funds serve governmental rather than business-type functions, they have been included with Governmental Activities in the Government-Wide Financial Statements.

Proprietary Fund Financial Statements (see pages 27-31) provide the same type of information as the Government-Wide Financial Statements, only in more detail. The Water and Sewer Funds are considered to be major funds of the Village and are presented in separate columns in the Fund Financial Statements. Currently, the Parking Meter Fund is the only nonmajor enterprise fund. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for nonmajor enterprise and internal service funds are presented elsewhere in this report.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside of the government (see pages 32-33). Fiduciary funds are not reflected in the government-wide financial statements because these assets are restricted in purpose and do not represent discretionary assets of the government. The Village maintains two types of fiduciary funds: two pension trust funds (Police Pension Fund and Firefighters Pension Fund) and one agency fund (Foreign Fire Insurance Tax Fund).

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found on pages 34-78 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including budgetary basis schedules (with reconciliations to GAAP basis information) and the Village's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 34-78 of this report.

Infrastructure Assets

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Wilmette, assets exceed liabilities by \$52,481 as of December 31, 2005.

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

Table 1: Statement of Net Assets as of December 31, 2005

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Assets						
Current Assets	\$ 25,432	\$ 28,796	\$ 11,213	\$ 11,973	\$ 36,645	\$ 40,769
Noncurrent Assets	37,164	32,317	73,800	73,653	110,964	105,970
Total Assets	\$ 62,596	\$ 61,113	\$ 85,013	\$ 85,626	\$ 147,609	\$ 146,739
Liabilities						
Current Liabilities	\$ 15,220	\$ 14,059	\$ 3,110	\$ 3,389	\$ 18,330	\$ 17,448
Long-Term Liabilities	33,711	35,935	43,087	45,593	76,798	81,528
Total Liabilities	\$ 48,931	\$ 49,994	\$ 46,197	\$ 48,982	\$ 95,128	\$ 98,976
Net Assets:						
Investment in Capital Assets, Net of Related Debt	\$ 8,166	\$ 6,968	\$ 35,476	\$ 34,547	\$ 43,642	\$ 41,515
Restricted	1,076	1,154	-	-	1,076	1,154
Unrestricted	4,423	2,997	3,340	2,097	7,763	5,094
Total Net Assets	\$ 13,665	\$ 11,119	\$ 38,816	\$ 36,644	\$ 52,481	\$ 47,763

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

The component of the Village's net assets labeled as restricted represent resources held for specific purposes. Nearly all of this is restricted for future capital spending for roadway improvements. The final component of the Village's net assets, the unrestricted net assets, in the amount of \$7,763 may be used to meet the Village's ongoing obligations to citizens and creditors.

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

An extensive infrastructure improvement program has been ongoing since 1999. This has included numerous road resurfacing and reconstruction projects as well as sewer and water main improvements. Additionally, significant building improvements have occurred at the Village Hall, Water Plant, both of the Village's fire stations and its museum. As the Water Plant expansion is primarily for the benefit of the Village of Glenview (Wilmette's only wholesale customer at this time) it has been financed from contributions from the Village of Glenview. The museum addition was financed from a State grant in conjunction with donations and most of the infrastructure and other building improvements have been debt financed. In 2005, capital spending and debt principal repayments exceeded depreciation, resulting in a net gain of \$2,127 (5.1%) in the Village's investment in capital assets, net of related debt.

An accounting change in recording the actuarial value of compensated absences for accrued sick leave increased unrestricted net assets by \$944. The remaining increase of \$482 for unrestricted governmental net assets resulted from revenue growth in property taxes, other taxes and building permits. The same accounting change resulted in an increase of \$155 in business-type unrestricted net assets. The remaining increase of \$1,088 resulted from increased water sales attributed to drought conditions during much of 2005. These revenue increases will be addressed in greater detail with the statement of activities.

Statement of Activities

Governmental Activities. Program revenues increased \$1,122 in 2005. A low interest rate environment combined with the high Wilmette real estate values produced substantial building permit activity. Total permit revenues in 2005 were \$556 greater than in 2004. While one large development (the Mallinckrodt property) produced \$237 of this increase the remaining \$319 still represents a 27% increase. Service charges for refuse collection increased \$254 commensurate with the 25% fee increase instituted in 2005. An increase in the annual vehicle license rate produced \$81 in additional revenue while a change in the structure of ambulance fees increased revenues by \$54. Most of the remaining increase in program revenues was from the awarding of additional public safety grants.

General Revenues increased \$2,054 (9.7%) in 2005. An 8.4% levy increase produced additional revenue of \$771. This was in line with expectations as the 2004 tax levy incorporated a growth factor of 6.4% for operations and an additional 2% for increased debt service related to the Village's capital improvements program. The Village adopted a home rule sales tax in 2005 that

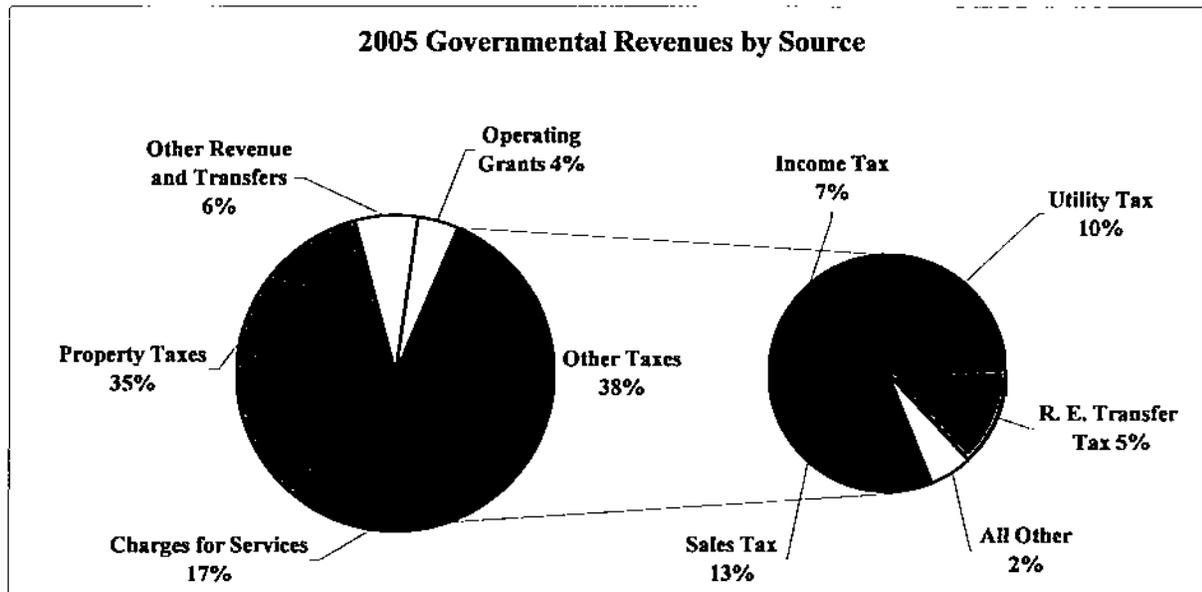
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produced new revenue of \$583. The State of Illinois enacted legislation in 2004 that has increased state-wide collections of its income tax. Municipalities in Illinois receive 10% of this tax (on a per capita basis). In 2005 the Village's income tax revenue increased \$306 due to this improved collection effort. Utility tax revenue is often predicated on weather. In 2005, colder winter months and hotter summer months both occurred compared to 2004 and the result was an increase of \$205 in utility tax revenue.

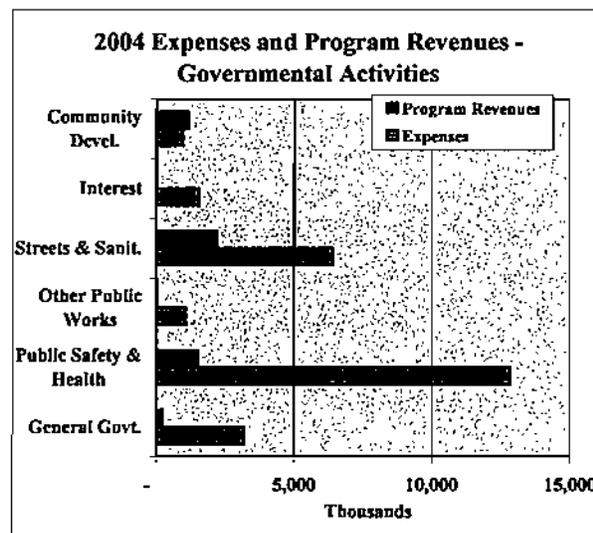
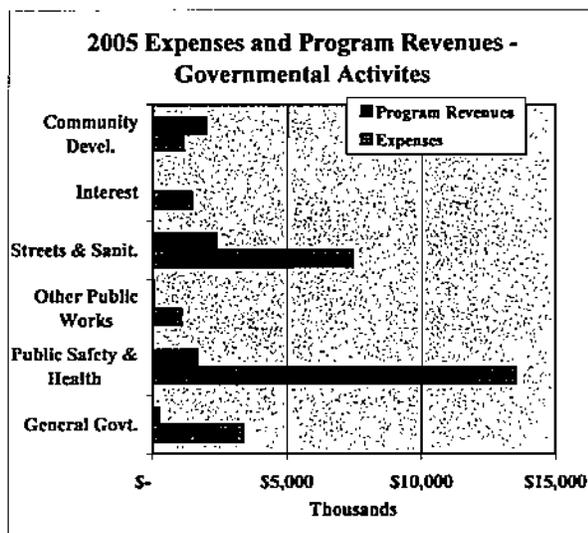
Table 2: Changes in Net Assets for the Fiscal Year Ended December 31, 2005

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2004	2005	2004	2005	2004
Revenues						
Program Revenues						
Charges for Services	\$ 5,111	\$ 4,177	\$ 10,763	\$ 8,886	\$ 15,874	\$ 13,063
Operating Grants	1,177	881	101	-	1,278	881
Capital Grants	-	108	-	427	-	535
General Revenues						
Property Taxes	10,190	9,419	-	-	10,190	9,419
Other Taxes	11,082	9,868	-	-	11,082	9,868
Other Revenue and Transfers	1,944	1,875	(189)	(503)	1,755	1,372
Total Revenues	\$ 29,504	\$ 26,328	\$ 10,675	\$ 8,810	\$ 40,179	\$ 35,138
Expenses						
General Government	\$ 3,330	\$ 3,196	\$ -	\$ -	\$ 3,330	\$ 3,196
Public Safety	13,334	12,681	-	-	13,334	12,681
Streets and Sanitation	7,461	6,409	-	-	7,461	6,409
Other Public Works	1,052	1,074	-	-	1,052	1,074
Public Health	160	154	-	-	160	154
Community Development	1,117	964	-	-	1,117	964
Interest	1,448	1,571	-	-	1,448	1,571
Water	-	-	5,635	5,254	5,635	5,254
Sewer	-	-	2,436	2,147	2,436	2,147
Parking	-	-	432	417	432	417
Total Expenses	\$ 27,902	\$ 26,049	\$ 8,503	\$ 7,818	\$ 36,405	\$ 33,867
Changes in Net Assets	1,602	279	2,172	992	3,774	1,271
Net Assets January 1, as restated	12,063	10,840	36,644	35,652	48,707	46,492
Net Assets December 31	<u>\$ 13,665</u>	<u>\$ 11,119</u>	<u>\$ 38,816</u>	<u>\$ 36,644</u>	<u>\$ 52,481</u>	<u>\$ 47,763</u>

The composition of the Village's 2005 governmental revenues is similar to 2004.

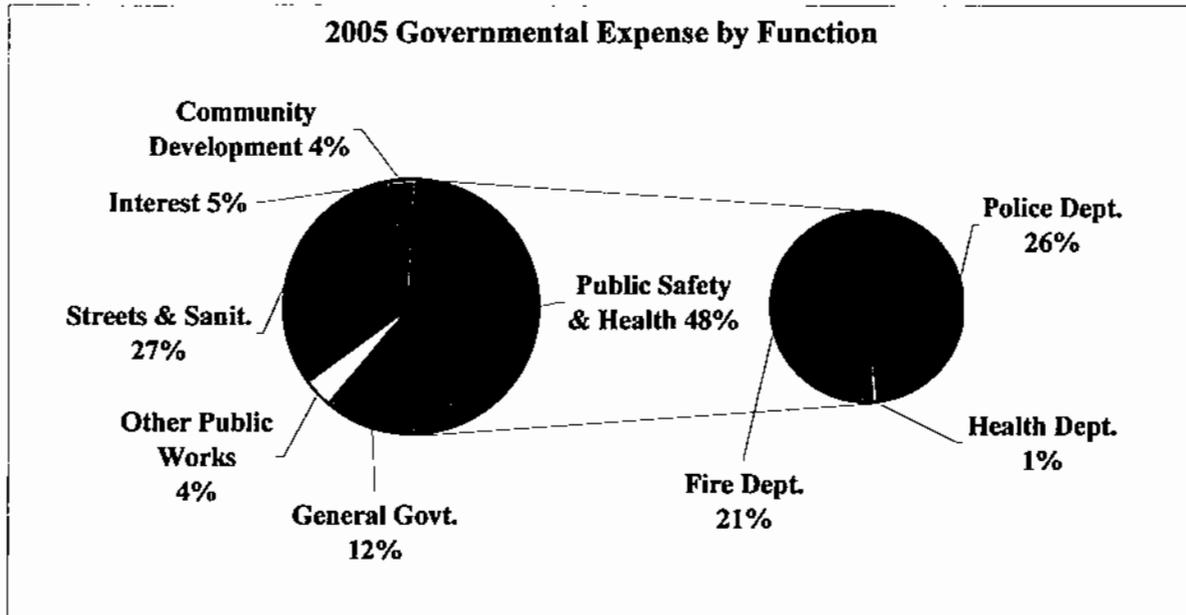


For governmental activities, program revenues covered approximately 22.5% of expenses. This is an increase from 2004 when the ratio was 19.8% and is attributable to the aforementioned increases in building permits and refuse collection charges. In both years, only Community Development program revenues were sufficient to cover all expenses. All other categories are substantially subsidized by general revenues.



Governmental expenses. Due to the union contracts that were in place in 2005 along with expected growth in pension contributions and health care costs, the Village expected growth in personnel expenses of about 7.7% and an overall operating expense growth of about 7%. Year to year comparisons of individual categories may fluctuate due to the level of capital and other expenses that may occur irregularly.

Personnel costs account for nearly 70% of the General Fund expenditures. The growth in personnel costs has been driven by a 14% increase in health insurance and a 28% increase in pension contributions.



Total governmental expenses increased \$1,853 (7.1%) in 2005. As noted above, this increase has been driven by the rising cost of employee health insurance and increased contributions to the Village's three pension plans. The 14% increase in health insurance costs accounted for a \$241 expense increase in 2005 and the 28% increase in pension contributions resulted in \$421 additional expense. Another \$602 increase is due to additional depreciation expense as the Village's capital improvements initiative that has increase the investment in capital assets also results in greater depreciation expense. The remaining \$589 (2.3%) expense increase is considered normal.

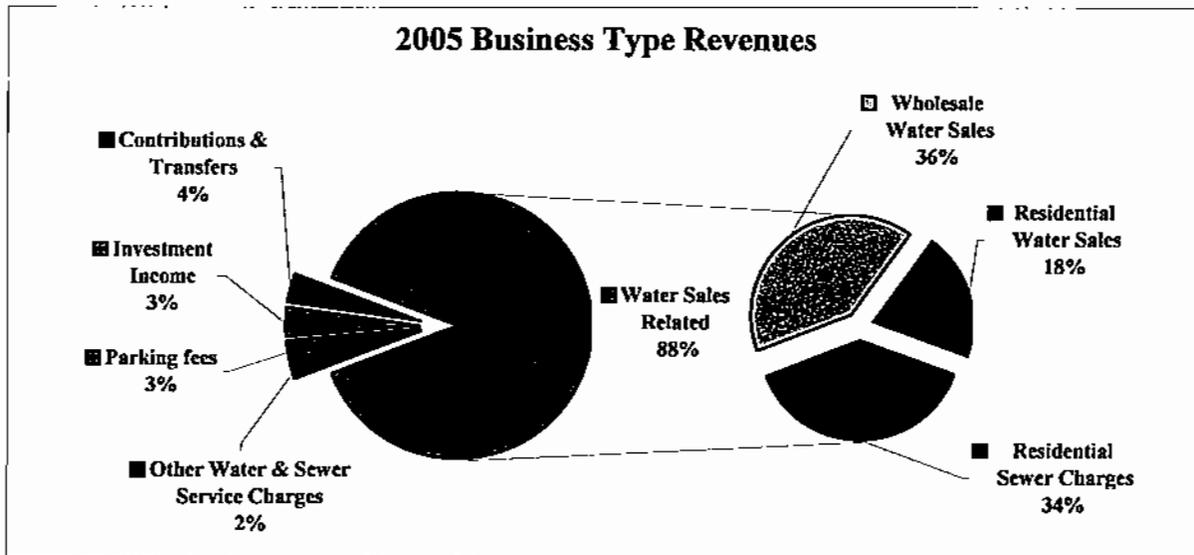
Public safety and health represent nearly half of the Village's governmental expenses. Overall, this category increased \$653 (5.2%) in 2005. This is in line with expectations given the personnel factors noted above.

Streets and sanitation (reflecting 27% of the Village's governmental expenses) increased \$1,052 (16.4%) in 2005. The increased depreciation expense noted above accounted for \$517 of this increase (as infrastructure capital improvements are depreciated in this category). Capital expenses that did not meet the Village's capitalization guidelines reflected another \$100 of the increase in this category. The remaining \$435 increase is in line with the personnel factors noted previously.

The \$123 decrease in interest expense is reflective of the overall decrease in long-term debt with no additional borrowing occurring in 2005.

The \$153 (15.8%) increase in community development expenses reflect \$32 in additional consulting studies, \$22 for contractual plan reviews and inspections for the Mallinckrodt development and another \$13 in professional services (for a staffing shortage). The remaining increase is consistent with personnel expense growth expectations.

Business Type Activities



Charges for services totaling \$10,762,555 represent 93% of total business-type activity revenues with contributions and transfers accounting for 4% and investment earnings the remaining 3%. Water sales provide 88% of this amount. Total service charge revenues and the water and sewer rates in effect for 2003 and 2004 are shown as follows:

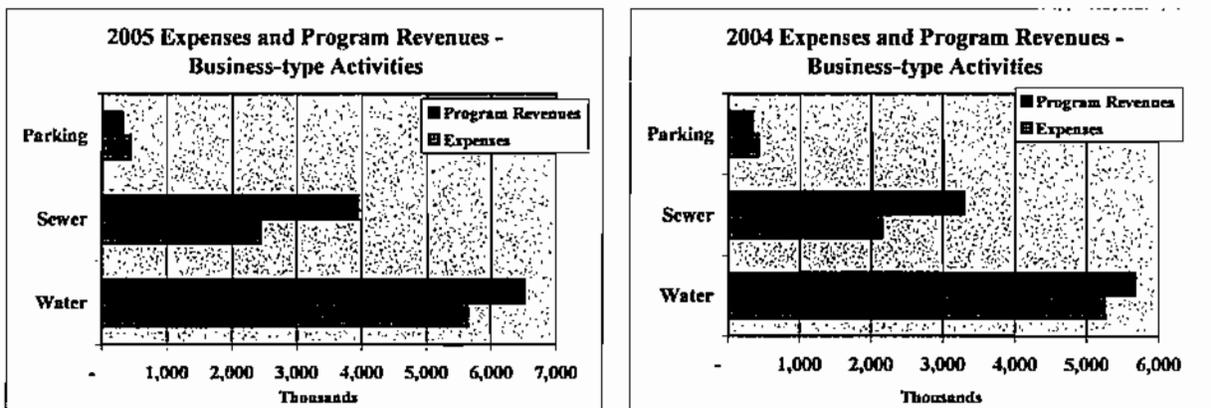
	<u>2005</u>	<u>2004</u>	<u>% Change</u>
Wholesale Water Sales	4,172,356	\$ 3,508,404	18.9%
Residential Water Sales	2,125,134	1,714,562	23.9%
Residential Sewer Charges	3,940,943	3,296,314	19.6%
Other water & Sewer revenues	211,340	110,758	90.8%
Parking fees	312,782	256,235	22.1%
	<u>\$ 10,762,555</u>	<u>\$ 8,886,273</u>	<u>21.1%</u>

Wholesale Water Rate	\$.839 / ccf	\$.783 / ccf	7.2%
Residential Water Rate	\$ 1.27 / ccf	\$ 1.17 / ccf	8.5%
Residential Sewer Rate	\$ 2.37 / ccf	\$ 2.28 / ccf	3.9%
Commuter Parking Rates	\$ 1.50 per day	\$ 1.25 per day	20.0%

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

The summer of 2005 produced drought conditions that significantly boosted the volume of water sales by 10% above projections over the course of the year (and by as much as 50% over estimates during the summer months). The weather conditions in conjunction with the above noted rate increases resulted in 20% revenue growth from water sales (note that sewer charges are based upon the consumption of water).

In other business-type activities, the 22% growth in parking revenue is consistent with the new daily parking rate in effect in 2005. Remodeling projects often require new water service lines and new meters which generate revenue in the Water Fund. The growth in other water revenues correlates to the building permit increase noted previously.



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

Water Fund depreciation expense increased by \$169 resulting from the water plant expansion project being placed into service in 2005. Most of this \$6,314 capital asset was recorded as construction in progress in prior years. The remaining \$212 (4.0%) increase in 2005 Water Fund expenses over 2004 is in line with personnel expense growth as well as expectations of increased operating expenses relative to the increased volume of water sales.

Sewer expenses increased \$289 (13.5%) in comparison with 2004. Contractual sewer repairs and non-recurring sewer flow monitoring will fluctuate from year to year. In 2004, these expenses were unusually low and the costs in 2005 resulted in a \$127 expense increase. Note that in spite of this growth, 2005 was a more "normal year" in that the expense in these areas was still less than in 2003 and 2002. Growth in Sewer Fund interest expense of \$41 resulted from the first full year of the 2004 bond issue. The remaining growth of \$121 (5.6%) is consistent with expectations resulting from personnel expense growth, increased depreciation and other expense growth. The \$15 (3.6%) growth in the Parking Meter Fund's expenses was also anticipated.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Table 3: General Fund Budgetary Highlights – I

	Original and Final <u>Budget</u>	Actual GAAP <u>Basis</u>
Revenues	\$ 23,920	\$ 25,023
Expenditures	25,478	24,402
Excess (Deficiency) of Revenues over Expenditures	(1,557)	621
Other Financing Sources (Uses):		
Transfers in	850	900
Transfers out	(160)	(700)
Net Changes in Fund Balance	\$ (867)	\$ 821

General Fund revenues were \$1,089 (4.6%) greater than the 2005 budget. This large variance is mainly attributed to the net of (1) building permit fees at \$333 more than budget; (2) income taxes at \$455 more than budget; (3) sales taxes at \$143 more than budget; (4) real estate transfer taxes at \$122 more than budget; (5) a workers compensation insurance recovery of \$137; and (6) property taxes at \$64 below budget.

This is the fourth consecutive year that permit revenues have exceeded the budget. This positive variance continues to be a function of the high property values in Wilmette and the significant improvements that residents continue to make to their properties. As previously noted, the State's distributions of income tax and personal property replacement tax (another form of corporate income taxes) have increased due to the State's improved collection efforts.

The positive variance in sales taxes was the result of under-estimating the first year's revenue of the new home rule sales tax netted against a drop in the general sales tax attributed to the closing

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of the Ford dealership in the Village. The positive variance in the real estate transfer tax correlates to the increase in building permit activity.

Cook County issues and collects the Village's property tax levy. The County's collections have lagged in recent years and the Village has had to recognize a portion of its levy in the following fiscal year. This resulted in a negative \$64 variance in 2005.

The 2005 General Fund expenditure budget amounts represent the total appropriations. However in developing the cash flow projections savings are factored into certain expenditure categories that historically do not spend 100% of the appropriation. Additionally, due to ongoing contract negotiations, some expenditure budgets are based on existing contracts but the cash flow projections allow for the expected increases from contract settlements. The following table reflects the original 2005 budget broken down by category of expense, the expected actual amounts originally projected, and the "true" variances that the actual expenditure amounts produced.

Table 4: General Fund Budgetary Highlights - II

	Original and Final Budget	Actual Budgetary Basis	Variance Original and Final Budget to Actual
Personnel	\$ 17,410	\$ 17,275	\$ 135
Refuse	1,978	1,963	15
Other Recurring	3,980	3,707	273
Capital Outlay	1,123	904	219
Contingency	500	124	376
Other Nonrecurring	487	429	58
Transfers	160	701	(541)
	<u>\$ 25,529</u>	<u>\$ 25,103</u>	<u>\$ (535)</u>

Personnel expenditures exceeded expectations resulting from the aforementioned pension contribution increases, health insurance increases and low employee turnover in 2005. The savings in the capital outlay category consisted of \$166 in items that were deferred to the 2006 budget plus a \$33 cumulative reduction in the Village's annual curb and sidewalk replacement programs and street and alley maintenance program. The other recurring category contains the most line items in the General Fund budget and the savings are not as definitive as in the capital outlay category. Professional services and contractual services occur irregularly and, in 2005, a number of these line items were under budget.

When projecting cash flows during the budget process, the Village never anticipates expending the contingency budget. Therefore, the "expected actual" expense for this budget is zero. In 2005 a class action lawsuit with telecommunications firms was resolved and the \$124 contingency item noted in Table 4 was the payment of this settlement. The Village had escrowed \$97 toward this payment in previous years. The variance noted for transfers resulted from the revenues exceeding budget noted above. The General Fund transferred \$400 to the Capital Projects Fund that was not originally budgeted. This is consistent with the Village's budget policies that provide for such transfers in order to reduce the need for future debt issuance.

The savings in other non-recurring expense consisted primarily of the net of four large items. A \$216 savings occurred when the grant to finance the purchase of new SCBA equipment in the Fire Department was not awarded. This purchase has been deferred to 2006. Contractual inspections of about \$71 for the Mallinckrodt Development will carry over into 2006 as well. Non-budgeted business development consulting studies resulted in a negative variance of \$58 and a \$51 purchase of laptop computers for Police squad cars was also not budgeted. Both of these items were funded from State grants (that were also not budgeted).

CAPITAL ASSETS

The Village's capital assets for its Government and Business-Type Activities at December 31, 2005 total \$110,144. This includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a net increase of \$4,561 (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 .

The Governmental Activities net capital assets increased from last year by \$4,414. This is primarily the result of expenditures for street improvements and building improvements from the 2002 general obligation bond issue. Business-Type Activities net capital assets increased by \$147. This is mostly from water and sewer main improvements that are taking place in conjunction with the aforementioned street improvements and are being financed from the 2002 and 2004 bond issues. The \$6,314 water plant expansion (paid by the Village of Glenview and most of which was recorded as construction in progress in prior years) was placed into service in 2005.

DEBT OUTSTANDING

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

Table 5: Bonded and Similar Indebtedness

	Outstanding at December 31, 2004	Issued in 2005	Retired in 2005	Outstanding at December 31, 2005
General Obligation Bonds \$	61,310	-	(1,690)	59,620
E.P.A. Loans	19,906	-	(1,639)	18,267
Installment Contracts	584	-	(117)	467
Totals	81,800	-	(3,446)	78,354
Governmental Activities	34,174	-	(1,262)	32,912
Business-Type Activities	47,626	-	(2,184)	45,442
Totals	81,800	-	(3,446)	78,354

No new debt was undertaken in 2005 and none is currently planned for 2006. The general obligation bond and E.P.A. Loan principal retired in 2005 was per the required amortization schedules for this debt.

In 2004, the Village arranged an installment contract (line of credit) to assist the Wilmette Historical Society in building an addition to the Village's Museum. The Society financed 100% of the cost of this project through their own donations and an Illinois State Grant. The installment contract was put in place to provide the Society with adequate cash flow through the construction. This building addition was completed and placed into service in 2005 at a final cost of \$996. The Society made no further draws on the line of credit in 2005 to complete this project. The Society is paying for all debt service on this loan and in 2005 the Society repaid \$105 in principal, leaving a balance on this debt of \$276.

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

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

The Illinois economy has improved in 2005 relative to the previous four years and, because of this, there appears to be a more optimistic outlook toward the future. The Village has seen substantial growth in state-shared income taxes and it is projected that this will continue at a 5% growth rate in 2006 as well. While sales tax continued to lag expenditure growth in 2005 the potential redevelopment of properties along Green Bay Road provides an improved outlook on the local retail economy. It is expected that fees and taxes will be increased in line with expenditure growth in keeping with the Village's policies for indexing its revenues.

The closing of a Ford dealership in January 2005 and the vacating of the property occupied by the Kohl's Children's Museum have left a void along the Green Bay Road corridor. However, it is expected that redevelopment of the Ford property will begin in 2005 and the Kohl property in early 2006. The Village believes that both of these redevelopments will enhance retail activity in Wilmette and substantially increase the property tax base.

The increasing cost of health insurance (due to the nationwide increases in health care expense) and from pension contributions (due to legislation that enhances defined benefits as well as lagging investment performance in recent years) are expected to have the greatest impact on the Village's operating expenses in the near future. Additional capital expenditures may also have a large impact in the next few years as the Village Board is considering a 2007 bond issue.

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, 2005**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Net Assets
December 31, 2005**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 5,235,455	2,948,749	8,184,204
Receivables - Net	12,279,883	1,475,396	13,755,279
Due from Other Governments	1,532,473	-	1,532,473
Internal Balances	591,495	(591,495)	-
Inventories/Prepays	82,264	58,834	141,098
Deposits	485,876	-	485,876
Restricted Assets - Cash and Investments	5,224,274	7,321,464	12,545,738
Total Current Assets	25,431,720	11,212,948	36,644,668
Capital Assets			
Land	5,312,151	1,415,851	6,728,002
Depreciable Capital Assets	46,746,613	93,409,394	140,156,007
Depreciation	(15,715,429)	(21,024,566)	(36,739,995)
Total Capital Assets	36,343,335	73,800,679	110,144,014
Other Assets			
Long-term Note Receivable	425,565	-	425,565
Net Pension Asset	395,168	-	395,168
Total Other Assets	820,733	-	820,733
Total Assets	62,595,788	85,013,627	147,609,415

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

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 1,090,205	493,397	1,583,602
Accrued Wages and Benefits	585,912	88,636	674,548
Accrued interest payable	115,284	175,862	291,146
Deposits Payable	565,594	1,996	567,590
Unearned Revenues	11,290,749	-	11,290,749
Compensated Absences Payable	516,724	26,900	543,624
Current Portion Long-Term Debt	1,055,000	2,323,360	3,378,360
Total Current Liabilities	15,219,468	3,110,151	18,329,619
Noncurrent Liabilities			
Compensated Absences Payable	2,066,894	107,600	2,174,494
Notes Payable	467,100	-	467,100
EPA Loans Payable	-	16,573,910	16,573,910
General Obligation Bonds Payable - Net	31,176,903	26,405,697	57,582,600
Total Noncurrent Liabilities	33,710,897	43,087,207	76,798,104
Total Liabilities	48,930,365	46,197,358	95,127,723
NET ASSETS			
Invested in Capital Assets -			
Net of Related Debt	8,166,032	35,475,772	43,641,804
Restricted			
Highways and Streets	680,990	-	680,990
Pensions	395,168	-	395,168
Unrestricted	4,423,233	3,340,497	7,763,730
Total Net Assets	13,665,423	38,816,269	52,481,692

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, 2005

	Expenses	Program Revenues	
		Charges for Services	Operating Grants/ Contributions
Governmental Activities			
General Government	\$ 3,330,649	247,917	153,234
Public Safety	13,334,526	1,533,081	152,441
Streets and Sanitation	7,460,718	1,552,340	805,445
Other Public Works	1,051,838	38,000	-
Community Development	1,116,566	1,726,586	219,131
Public Health	160,447	12,558	-
Interest on long-term debt	1,447,678	-	-
Total Governmental Activities	27,902,422	5,110,482	1,330,251
Business-Type Activities			
Water	5,634,646	6,508,780	101,377
Sewer	2,436,380	3,940,993	-
Parking	432,340	312,782	-
Total Business-Type Activities	8,503,366	10,762,555	101,377
	36,405,788	15,873,037	1,431,628

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

Change in Net Assets

Net Assets - Beginning as Restated

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
(2,929,498)	-	(2,929,498)
(11,649,004)	-	(11,649,004)
(5,102,933)	-	(5,102,933)
(1,013,838)	-	(1,013,838)
829,151	-	829,151
(147,889)	-	(147,889)
(1,447,678)	-	(1,447,678)
(21,461,689)	-	(21,461,689)
-	975,511	975,511
-	1,504,613	1,504,613
-	(119,558)	(119,558)
-	2,360,566	2,360,566
(21,461,689)	2,360,566	(19,101,123)
10,190,069	-	10,190,069
3,940,023	-	3,940,023
2,063,436	-	2,063,436
2,913,414	-	2,913,414
1,512,987	-	1,512,987
652,464	-	652,464
398,842	408,845	807,687
795,150	-	795,150
597,455	(597,455)	-
23,063,840	(188,610)	22,875,230
1,602,151	2,171,956	3,774,107
12,063,272	36,644,313	48,707,585
13,665,423	38,816,269	52,481,692

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

VILLAGE OF WILMETTE, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2005

	General	Debt Service	2002 General Obligation Bond	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 4,287,127	16,940	-	615,901	4,919,968
Receivables - Net of Allowances				-	
Property Taxes	8,565,662	2,478,312	-	-	11,043,974
Other Taxes	134,887	-	-	-	134,887
Accounts	1,052,507	-	48,180	-	1,100,687
Due from Other Governments	1,465,918	-	-	66,555	1,532,473
Due from Other Funds	591,495	-	-	-	591,495
Prepays	82,264	-	-	-	82,264
Deposits	485,876	-	-	-	485,876
Restricted Assets - Cash and Investments	121,908	-	5,102,366	-	5,224,274
Long-term Note Receivable	425,565	-	-	-	425,565
Total Assets	17,213,209	2,495,252	5,150,546	682,456	25,541,463
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	428,057	300	628,846	-	1,057,203
Accrued Wages and Benefits	585,912	-	-	-	585,912
Deposits Payable	565,594	-	-	-	565,594
Unearned Revenue	9,314,425	2,461,865	-	-	11,776,290
Total Liabilities	10,893,988	2,462,165	628,846	-	13,984,999
Fund Balances					
Reserved - Note Receivable	425,565	-	-	-	425,565
Reserved - Prepays	82,264	-	-	-	82,264
Reserved - Encumbrances	44,176	-	-	-	44,176
Reserved - Cable TV	11,154	-	-	-	11,154
Reserved - Debt Service	-	33,087	-	1,466	34,553
Unreserved - Nonmajor Special Revenue	-	-	-	680,990	680,990
Unreserved	5,756,062	-	4,521,700	-	10,277,762
Total Fund Balances	6,319,221	33,087	4,521,700	682,456	11,556,464
Total Liabilities and Fund Balances	17,213,209	2,495,252	5,150,546	682,456	25,541,463

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, 2005

Total Governmental Fund Balances	\$ 11,556,464
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.	36,343,335
Certain revenues that are deferred in the governmental funds are available revenues in the statement of net assets.	485,876
A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	395,168
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.	(1,415,333)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Current portion of long-term debt	(1,232,160)
Compensated absences payable	(708,640)
General obligation bonds payable - net	(31,176,903)
Notes payable	(467,100)
Accrued interest payable	(115,284)
	<hr/>
Net Assets of Governmental Activities	<u>13,665,423</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2005

	General	Debt Service	2002 General Obligation Bond	Nonmajor Funds	Total Governmental Funds
Revenues					
Taxes	\$ 18,914,414	2,357,979	-	-	21,272,393
Licenses, Permits and Fees	2,824,120	-	-	-	2,824,120
Intergovernmental	192,572	-	179,000	805,445	1,177,017
Charges for Services	1,946,356	-	-	-	1,946,356
Fines and Forfeitures	340,006	-	-	-	340,006
Investment Earnings	120,903	-	225,947	43,908	390,758
Miscellaneous	684,793	-	-	-	684,793
Total Revenues	25,023,164	2,357,979	404,947	849,353	28,635,443
Expenditures					
Current					
General Government	2,989,626	-	-	-	2,989,626
Public Safety	13,184,417	-	-	-	13,184,417
Streets and Sanitation	5,327,047	-	-	-	5,327,047
Other Public Works	1,107,204	-	-	-	1,107,204
Community Development	1,116,566	-	-	-	1,116,566
Public Health	160,447	-	-	-	160,447
Capital Outlay	397,685	-	5,061,217	1,275,790	6,734,692
Debt service					
Principal Retirement	116,869	1,145,000	-	-	1,261,869
Interest and Fiscal Charges	2,183	1,227,760	200,000	-	1,429,943
Total Expenditures	24,402,044	2,372,760	5,261,217	1,275,790	33,311,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	621,120	(14,781)	(4,856,270)	(426,437)	(4,676,368)
Other Financing Sources (Uses)					
Transfers In	900,000	-	400,000	-	1,300,000
Transfers Out	(700,585)	-	-	-	(700,585)
	199,415	-	400,000	-	599,415
Net Change in Fund Balances	820,535	(14,781)	(4,456,270)	(426,437)	(4,076,953)
Fund Balances - Beginning	5,498,686	47,868	8,977,970	1,108,893	15,633,417
Fund Balances - Ending	6,319,221	33,087	4,521,700	682,456	11,556,464

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, 2005

Net Change in Fund Balances - Total Governmental Funds \$ (4,076,953)

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	6,859,140
Depreciation expense	(2,445,289)

Certain revenues are not available in the governmental funds
but are reported as revenues in the statement of activities. 110,357

An increase in a net pension asset is not considered to be an increase in a
financial asset in the governmental funds. 8,007

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. (57,744)

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	(39,501)
Retirement of debt	1,261,869

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. (17,735)

Changes in Net Assets of Governmental Activities 1,602,151

VILLAGE OF WILMETTE, ILLINOIS

Statement of Net Assets - Proprietary Funds
December 31, 2005

	Business-Type Activities			Totals	Governmental
	Water	Sewer	Nonmajor Parking Meter		Activities Internal Service
ASSETS					
Current Assets					
Cash and Investments	\$ 1,120,577	1,340,134	488,038	2,948,749	315,487
Receivables - Net of Allowances					
Accounts	690,703	784,693	-	1,475,396	335
Inventory	57,889	-	-	57,889	-
Prepays	945	-	-	945	-
Restricted Assets					
Cash and Investments	5,896,711	1,424,753	-	7,321,464	-
	<u>7,766,825</u>	<u>3,549,580</u>	<u>488,038</u>	<u>11,804,443</u>	<u>315,822</u>
Capital Assets					
Nondepreciable Capital Assets	696,960	59,787	659,104	1,415,851	-
Depreciable Capital Assets	41,037,711	47,420,507	4,951,176	93,409,394	-
Depreciation	(11,334,252)	(8,866,530)	(823,784)	(21,024,566)	-
	<u>30,400,419</u>	<u>38,613,764</u>	<u>4,786,496</u>	<u>73,800,679</u>	<u>-</u>
Total Assets	<u>38,167,244</u>	<u>42,163,344</u>	<u>5,274,534</u>	<u>85,605,122</u>	<u>315,822</u>

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

	Business-Type Activities			Totals	Governmental
	Water	Sewer	Nonmajor Parking Meter		Internal Service
LIABILITIES					
Current Liabilities					
Accounts Payable	464,507	13,290	15,600	493,397	33,002
Accrued Wages and Benefits	71,397	13,950	3,289	88,636	-
Accrued Interest Payable	83,485	90,637	1,740	175,862	-
Due to Other Funds	-	591,495	-	591,495	-
Deposits Payable	1,996	-	-	1,996	-
Unearned Revenue	-	-	-	-	335
Compensated Absences Payable	23,540	3,360	-	26,900	339,564
EPA Loans Payable	-	1,693,360	-	1,693,360	-
General Obligation Bonds Payable	470,000	45,000	115,000	630,000	-
	<u>1,114,925</u>	<u>2,451,092</u>	<u>135,629</u>	<u>3,701,646</u>	<u>372,901</u>
Noncurrent Liabilities					
Compensated Absences Payable	94,160	13,440	-	107,600	1,358,254
EPA Loans Payable	-	16,573,910	-	16,573,910	-
General Obligation Bonds Payable	21,320,000	4,670,000	555,000	26,545,000	-
Unamortized Loss on Refunding	(135,178)	-	(4,125)	(139,303)	-
	<u>21,278,982</u>	<u>21,257,350</u>	<u>550,875</u>	<u>43,087,207</u>	<u>1,358,254</u>
Total Liabilities	<u>22,393,907</u>	<u>23,708,442</u>	<u>686,504</u>	<u>46,788,853</u>	<u>1,731,155</u>
NET ASSETS					
Invested in Capital Assets - Net of Related Debt					
	14,298,904	17,056,247	4,120,621	35,475,772	-
Unrestricted	<u>1,474,433</u>	<u>1,398,655</u>	<u>467,409</u>	<u>3,340,497</u>	<u>(1,415,333)</u>
Total Net Assets	<u>15,773,337</u>	<u>18,454,902</u>	<u>4,588,030</u>	<u>38,816,269</u>	<u>(1,415,333)</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds
Year Ended December 31, 2005

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Nonmajor	Totals	Activities
			Parking Meter		Internal Service
Operating Revenues					
Charges for Services	\$ 6,508,780	3,940,993	312,782	10,762,555	-
Interfund Services	-	-	-	-	4,743,930
Total Operating Revenues	6,508,780	3,940,993	312,782	10,762,555	4,743,930
Operating Expenses					
Administration	636,383	-	-	636,383	6,474
Operations	3,144,666	929,295	283,460	4,357,421	4,801,324
Depreciation	825,212	680,618	124,017	1,629,847	-
Total Operating Expenses	4,606,261	1,609,913	407,477	6,623,651	4,807,798
Operating Income (Loss)	1,902,519	2,331,080	(94,695)	4,138,904	(63,868)
Nonoperating Revenues (Expenses)					
Investment Earnings	341,961	66,884	-	408,845	8,084
Interest Expense	(1,018,717)	(826,467)	(24,038)	(1,869,222)	-
Amortization of Bond Discount	(9,668)	-	(825)	(10,493)	-
	(686,424)	(759,583)	(24,863)	(1,470,870)	8,084
Income (Loss) Before Contributions and Transfers	1,216,095	1,571,497	(119,558)	2,668,034	(55,784)
Contributions	101,377	-	-	101,377	-
Transfers In	178,000	-	147,144	325,144	176,040
Transfers Out	(918,482)	(4,117)	-	(922,599)	(2,480,000)
Change in Net Assets	576,990	1,567,380	27,586	2,171,956	(2,359,744)
Net Assets - Beginning as Restated	15,196,347	16,887,522	4,560,444	36,644,313	944,411
Net Assets - Ending	15,773,337	18,454,902	4,588,030	38,816,269	(1,415,333)

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, 2005**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2005

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 6,428,819
Receipts from Interfund Services	-
Payments to Employees	(1,731,019)
Payments to Suppliers	(2,274,254)
	<u>2,423,546</u>
Cash flows from Non-Capital Financing Activities	
Transfers In	178,000
Transfers Out	(918,482)
Change in Interfund Activity	(2,111,927)
	<u>(2,852,409)</u>
Cash flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(868,330)
Principal Paid on General Obligation Bonds	(385,000)
Interest Paid on General Obligation Bonds	(1,020,121)
	<u>(2,273,451)</u>
Cash Flows from Investing Activities	
Interest Received	341,961
	<u>341,961</u>
Net Change in Cash and Cash Equivalents	(2,360,353)
Cash and Cash Equivalents - Beginning	9,377,641
Cash and Cash Equivalents - Ending	<u>7,017,288</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	1,902,519
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation Expense	825,212
(Increase) Decrease in Current Assets	(79,961)
Increase (Decrease) in Current Liabilities	(224,224)
	<u>2,423,546</u>
Net Cash Provided by Operating Activities	<u>2,423,546</u>

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

Business-Type Activities - Enterprise Funds			Governmental
	Nonmajor		Activities
Sewer	Parking Meter	Totals	Internal Service
3,837,665	315,547	10,582,031	-
-	-	-	4,746,378
(341,755)	(93,212)	(2,165,986)	(556,553)
(969,543)	(187,962)	(3,431,759)	(4,085,445)
2,526,367	34,373	4,984,286	104,380
-	147,144	325,144	176,040
(4,117)	-	(922,599)	(2,448)
(934,430)	-	(3,046,357)	-
(938,547)	147,144	(3,643,812)	173,592
(807,596)	-	(1,675,926)	-
(1,683,862)	(115,000)	(2,183,862)	-
(832,117)	(24,325)	(1,876,563)	-
(3,323,575)	(139,325)	(5,736,351)	-
66,884	-	408,845	8,084
(1,668,871)	42,192	(3,987,032)	286,056
4,433,758	445,846	14,257,245	29,431
2,764,887	488,038	10,270,213	315,487
2,331,080	(94,695)	4,138,904	(63,868)
680,618	124,017	1,629,847	-
(103,328)	2,765	(180,524)	3,348
(382,003)	2,286	(603,941)	164,900
2,526,367	34,373	4,984,286	104,380

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, 2005

	Pension Trust	Agency
Assets		
Cash and Cash Equivalents	\$ 4,756,300	465,820
Investments		
U.S. Government and Agency Securities	14,336,476	-
Mutual Funds	31,525,435	-
Receivables		
Accrued Interest	201,612	-
Total Assets	50,819,823	465,820
Liabilities		
Accounts Payable	20,054	-
Deposits Payable	-	465,820
Total Liabilities	20,054	465,820
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial schedules)	50,799,769	-

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, 2005

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 1,868,208
Contributions - Plan Members	<u>683,172</u>
Total Contributions	<u>2,551,380</u>
Investment Income	
Investment Earnings	1,407,696
Net Change in Fair Value	<u>817,856</u>
	2,225,552
Less Investment Expenses	<u>90,735</u>
	<u>2,134,817</u>
Total Additions	<u>4,686,197</u>
Deductions	
Administration	17,383
Benefits and Refunds	<u>3,203,020</u>
Total Deductions	<u>3,220,403</u>
Change in Net Assets	1,465,794
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>49,333,975</u>
Ending	<u><u>50,799,769</u></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, 2005

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VILLAGE OF WILMETTE, ILLINOIS

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December 31, 2005**

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VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

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

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

Blended Component Units

Police Pension Employees Retirement System

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Blended Component Units – Continued

Police Pension Employees Retirement System – Continued

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

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney and Fire Chief, one elected pension beneficiary and three elected firefighters 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 FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a pension trust fund.

BASIS OF PRESENTATION

Government-Wide Statements

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

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

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

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

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

Fund Financial Statements

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

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

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

Governmental Funds

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

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

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

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, 2005

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, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

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

Receivables

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

Inventories

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

Restricted Assets

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Interfund Receivables, Payables and Activity

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

Prepays

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

Capital Assets

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

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

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

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 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.

Fund Equity

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity – Continued

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

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

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

All departments of the Village submit requests for appropriation to the Village’s manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

All departments of the Village submit requests for appropriation to the Village’s manager so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

Annual appropriated budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service, and pension trust funds. All annual appropriations lapse at fiscal year end.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

<u>Fund</u>	<u>Excess</u>
Motor Fuel Tax	\$ 503,585
Municipal Gargage	4,518
Illinois Municipal Retirement	8,236
Section 105 Sick Leave	138,703
Firefighters' Pension	5,628

DEFICIT FUND EQUITY

At year-end the Section 105 Sick Leave Fund had deficit fund equity of \$1,415,333.

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Village Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Village's deposits for governmental and business-type activities totaled \$20,895,623 and the bank balances totaled \$20,860,290.

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

Investment Type	Fair Value	Less Than 1	1-5	6-10
U.S. Treasury Obligation	\$ 297,288	297,288	-	-
Illinois Funds	2,851	2,851	-	-
Total	300,139	300,139	-	-

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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

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, 2005, the Village's investments in U.S. Treasuries and 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, 2005, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Village's investment policy further limits the custodial credit risk for deposits as follows: The Village requires that its primary depository pledge collateral for all deposits in excess of \$100,000. This collateral is to be held by the Village or by a third party in the Village's name and may not be released or modified without Village approval. The value of the collateral shall be determined by the Village or by the third party custodian. The necessary amount (ranging from 102% to 115% of excess FDIC insured deposits) of collateral is determined under the Village's custodial agreement with its depository bank.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2005, the U.S. Government Securities are categorized as insured, registered, or held by the Village or its agent in the Village's name.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village does not have a formal written policy with regards to concentration credit risk for investments. At December 31, 2005, 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, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end the carrying amount of the Police Pension Fund’s deposits totaled \$1,923,114 and the bank balances totaled \$1,923,114.

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
U.S. Treasury Obligations	\$ 4,760,568	-	2,332,784	2,427,784
U.S Agency Obligations	2,499,105	-	2,264,015	235,090
Mutual Funds	15,632,727	15,632,727	-	-
Total	22,892,400	15,632,727	4,596,799	2,662,874

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

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

Custodial Credit Risk – Deposits. The Fund’s investment policy does not limit custodial credit risk for deposits. At December 31, 2005, 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, 2005, 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, 2005, 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 (\$10,681,275) and the Intermediate US Govt. SL Fund (\$2,976,316).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end the carrying amount of the Firefighters' Pension Fund's deposits totaled \$2,833,186 and the bank balances totaled \$2,833,186.

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
U.S. Treasury Obligations	\$ 4,663,060	-	2,235,276	2,427,784
U.S. Agency Obligations	2,413,743	-	2,194,848	218,895
Mutual Funds	15,892,708	15,892,708	-	-
Total	22,969,511	15,892,708	4,430,124	2,646,679

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

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

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2005, 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, 2005, 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, 2005, 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 (\$10,941,257) and the Intermediate US Govt. SL Fund (\$2,455,017).

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

PROPERTY TAXES

Property taxes for 2005 attach as an enforceable lien on January 1, 2005, 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, 2005, and September 1, 2005. The County collects such taxes and remits them periodically. Since the 2005 levy is intended to finance the 2006 fiscal year, the levy has been recorded as receivable and deferred revenue.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets- Nondepreciable				
Land	\$ 1,570,240	-	-	1,570,240
Construction in Progress	2,803,778	938,133	-	3,741,911
	<u>4,374,018</u>	<u>938,133</u>	<u>-</u>	<u>5,312,151</u>
Other Capital Assets				
Buildings	8,645,637	1,751,691	-	10,397,328
Improvements Other Than Buildings	24,826,994	3,727,781	-	28,554,775
Motor Equipment	5,981,190	425,040	436,633	5,969,597
Office Furniture and Equipment	822,768	-	-	822,768
Other Equipment	985,650	16,495	-	1,002,145
	<u>41,262,239</u>	<u>5,921,007</u>	<u>436,633</u>	<u>46,746,613</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities – Continued

	Beginning Balances	Increases	Decreases	Ending Balances
Less Accumulated Depreciation				
Buildings	\$ 1,958,729	393,346	-	2,352,075
Improvements Other Than Buildings	6,355,881	1,313,667	-	7,669,548
Motor Equipment	4,355,158	597,803	436,633	4,516,328
Office Furniture and Equipment	494,897	65,048	-	559,945
Other Equipment	542,108	75,425	-	617,533
	<u>13,706,773</u>	<u>2,445,289</u>	<u>436,633</u>	<u>15,715,429</u>
 Total Other Capital Assets	 <u>27,555,466</u>	 <u>3,475,718</u>	 <u>-</u>	 <u>31,031,184</u>
 Total Capital Assets	 <u>31,929,484</u>	 <u>4,413,851</u>	 <u>-</u>	 <u>36,343,335</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 201,722
Streets and Sanitation	1,871,029
Public Safety - Police	205,623
Public Safety - Fire	<u>166,915</u>
	<u>2,445,289</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
Capital Assets - Nondepreciable				
Land	\$ 832,453	-	-	832,453
Landscaping	60,232	-	-	60,232
Construction in Progress	7,507,433	100,911	7,085,178	523,166
	<u>8,400,118</u>	<u>100,911</u>	<u>7,085,178</u>	<u>1,415,851</u>
Other Capital Assets				
Water System Improvements	21,764,328	947,633	-	22,711,961
Sewer System Improvements	44,323,435	825,596	-	45,149,031
Storm Water Pump Stations	2,271,475	-	-	2,271,475
Buildings	4,300,888	6,650,280	-	10,951,168
Machinery, Equipment, and Vehicles	7,171,704	338,062	135,182	7,374,584
Parking Facilities/Improvements	4,951,175	-	-	4,951,175
	<u>84,783,005</u>	<u>8,761,571</u>	<u>135,182</u>	<u>93,409,394</u>
Less Accumulated Depreciation				
Water System Improvements	4,535,219	358,471	-	4,893,690
Sewer System Improvements	7,496,627	680,618	-	8,177,245
Storm Water Pump Stations	689,285	-	-	689,285
Buildings	2,916,704	162,768	-	3,079,472
Machinery, Equipment, and Vehicles	3,192,299	303,973	135,182	3,361,090
Parking Facilities/Improvements	699,767	124,017	-	823,784
	<u>19,529,901</u>	<u>1,629,847</u>	<u>135,182</u>	<u>21,024,566</u>
Total Other Capital Assets	<u>65,253,104</u>	<u>7,131,724</u>	<u>-</u>	<u>72,384,828</u>
Total Capital Assets	<u>73,653,222</u>	<u>7,232,635</u>	<u>7,085,178</u>	<u>73,800,679</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

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	\$ 825,212
Sewer	680,618
Parking Meter	<u>124,017</u>
	<u>1,629,847</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	Sewer	<u>\$ 591,495</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer Out	Transfer In	Amount
Water	General	\$ 900,000
Water	Section 105 Sick Leave	18,482
Sewer	Section 105 Sick Leave	4,117
General	Nonmajor Enterprise	147,144
General	2002 General Obligation Bond	400,000
General	Section 105 Sick Leave	153,441
Section 105 Sick Leave	Water	178,000
Section 105 Sick Leave	Governmental Long-Term Debt	<u>2,302,000</u>
		<u>4,103,184</u>

During the current year, the Village transferred the liability relating to the Section 105 Sick Leave from the Water Fund and the Governmental Long-Term Debt to an Internal Service Fund.

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, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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
\$10,000,000 General Obligation Bond Series of 1999, due in annual installments of \$100,000 to \$1,240,000 plus interest at 3.20% to 4.45% through December 1, 2014.	Debt Service	\$ 200,000	-	100,000	100,000
	Water	5,950,000	-	-	5,950,000
\$8,900,000 General Obligation Refunding Bond Series of 2000, due in annual installments of \$345,000 to \$1,000,000 plus interest at 5.00% to 5.50% through December 1, 2021.	Debt Service	1,950,000	-	50,000	1,900,000
	Water	6,335,000	-	240,000	6,095,000

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds - Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$5,000,000 General Obligation Bond Series of 2001, due in annual installments of \$75,000 to \$125,000 plus interest at 4.00% to 5.00% through December 1, 2008.	Debt Service	\$ 100,000	-	25,000	75,000
	Water	250,000	-	50,000	200,000
\$30,400,000 General Obligation Bond Series of 2002, due in annual installments of \$125,000 to \$2,700,000 plus interest at 4.00% to 5.00% through December 1, 2023.	Debt Service	22,040,000	-	655,000	21,385,000
	Sewer	1,960,000	-	20,000	1,940,000
	Water	5,000,000	-	-	5,000,000
\$17,525,000 General Obligation Bond Series of 2004, due in annual installments of \$530,000 to \$1,645,000 plus interest at 3.00% to 4.00% through December 1, 2020.	Debt Service	9,300,000	-	315,000	8,985,000
	Sewer	2,800,000	-	25,000	2,775,000
	Water	4,640,000	-	95,000	4,545,000
	Parking Meter	785,000	-	115,000	670,000
		<u>61,310,000</u>	<u>-</u>	<u>1,690,000</u>	<u>59,620,000</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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:

<u>Issue</u>	<u>Fund Debt Retired By</u>	<u>Beginning Balances</u>	<u>Issuances</u>	<u>Retirements</u>	<u>Ending Balances</u>
IEPA Revenue Bond Series of 1993, due in annual installments of \$327,951 to \$638,703 plus interest of 3.58% through December 1, 2013.	Sewer	\$ 4,855,756	-	498,227	4,357,529
IEPA Revenue Bond Series of 1993, due in annual installments of \$335,386 to \$654,240 plus interest of 3.58% through January 1, 2014.	Sewer	5,507,894	-	501,150	5,006,744
IEPA Revenue Bond Series of 1996, due in annual installments of \$155,031 to \$303,636 plus interest of 2.815% through December 1, 2016.	Sewer	3,070,720	-	229,590	2,841,130

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Revenue Bonds - Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bond Series of 1997, due in annual installments of \$422,907 to \$596,423 plus interest of 3.150% through September 8, 2017.	Sewer	\$ 6,471,760	-	409,894	6,061,866
		<u>19,906,130</u>	<u>-</u>	<u>1,638,861</u>	<u>18,267,269</u>

Installment Contracts/Notes Payable

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Installment contract through November 2010 plus interest at 3.4%.	General	\$ 48,403	\$ -	\$ 6,869	\$ 41,534
\$165,000 Village Manager housing allowance note payable due in June 2007 plus interest at 3.4%.	General	155,000	-	5,000	150,000
Historical Society improvements note due in October 2006 plus interest at 3.25%	General	380,566	-	105,000	275,566
		<u>583,969</u>	<u>-</u>	<u>116,869</u>	<u>467,100</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT -- Continued

Installment Contracts/Notes Payable – Continued

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, 2005, the line of credit outstanding balance is \$275,556.

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

Long-Term Liability Activity

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

Type of Debt	Beginning Balances As Restated	Additions and Transfers	Deductions and Transfers	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 2,203,889	581,458	201,729	2,583,618	516,724
General Obligation Bonds	33,590,000	-	1,145,000	32,445,000	1,055,000
Unamortized Loss on Refunding	(234,407)	-	(21,310)	(213,097)	-
Installment Contracts/ Notes Payable	583,969	-	116,869	467,100	-
	<u>36,143,451</u>	<u>581,458</u>	<u>1,442,288</u>	<u>35,282,621</u>	<u>1,571,724</u>
Business-type Activities					
Compensated Absences	301,000	23,000	189,500	134,500	26,900
General Obligation Bonds	27,720,000	-	545,000	27,175,000	630,000
Unamortized Bond Discount	(149,795)	-	(10,492)	(139,303)	-
EPA Loans	19,906,130	-	1,638,861	18,267,269	1,693,360
	<u>47,777,335</u>	<u>23,000</u>	<u>2,362,869</u>	<u>45,437,466</u>	<u>2,350,260</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity - Continued

During the current year the Village transferred the compensated absences liability relating to the Section 105 sick leave program from the Water Fund and the Governmental Long-Term Debt to an internal service fund. Additionally, the total beginning liability at December 31, 2005 of \$3,148,300 was decreased by \$944,411 to correct the prior year balance. See also Note 3 – Interfund Transfers on page 51 and Note 3 - Fund Balance Restatement on page 63.

The Debt Service Fund, Water Fund, Sewer Fund, and Parking Meter Funds make payments on the general obligation bonds. Payments on the notes payable are made by the General Fund. The Sewer Fund makes payments on the EPA loans. Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year end, \$1,697,818 of internal service funds compensated absences are included in the above amounts. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

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>
2006	\$ 1,055,000	1,383,411
2007	1,180,000	1,348,582
2008	1,500,000	1,310,908
2009	980,000	1,260,770
2010	1,305,000	1,224,451
2011	2,315,000	1,174,783
2012	2,895,000	1,087,565
2013	3,280,000	973,098
2014	3,120,000	837,403
2015	2,555,000	703,348
2016	2,200,000	586,355
2017	2,310,000	484,055
2018	2,160,000	375,485
2019	2,060,000	272,885
2020	1,760,000	172,975
2021	1,760,000	86,735
2022	10,000	495
Total	<u>32,445,000</u>	<u>13,283,304</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

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
2006	\$ 630,000	1,298,963	1,693,360	581,302
2007	725,000	1,273,426	1,749,681	524,982
2008	815,000	1,244,365	1,807,886	466,776
2009	845,000	1,130,601	1,868,039	406,625
2010	1,040,000	1,098,365	1,930,207	344,457
2011	1,020,000	1,059,395	1,994,453	280,210
2012	1,280,000	1,017,485	2,060,851	213,812
2013	1,625,000	962,029	1,795,651	145,190
2014	2,070,000	892,405	1,173,695	92,302
2015	2,135,000	805,539	863,920	61,058
2016	2,325,000	715,677	733,103	34,662
2017	2,430,000	615,339	596,423	14,127
2018	1,925,000	507,509	-	-
2019	2,010,000	414,771	-	-
2020	2,120,000	316,900	-	-
2021	2,240,000	212,090	-	-
2022	1,340,000	96,330	-	-
2023	600,000	30,000	-	-
Total	27,175,000	13,691,189	18,267,269	3,165,503

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

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

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

Advance Refunding

General Obligation Bonds of 1999

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

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

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 1999 -- Continued

The following is a schedule of future requirements for the General Obligation Bond Series of 1997 to be paid from escrow:

Fiscal Year Ending December 31	Interest Rate	Principal
2005	4.75%	\$ 170,000
2006	4.80%	185,000
2007	4.90%	200,000
2008	5.00%	280,000
2009	5.00%	325,000
2010	5.15%	345,000
2011	5.20%	425,000
2012	5.25%	525,000
Total		<u>2,455,000</u>

The following is a schedule of future requirements for the General Obligation Bond Series of 1998 to be paid from escrow:

Fiscal Year Ending December 31	Interest Rate	Principal
2005	4.35%	\$ 180,000
2006	4.40%	190,000
2007	4.40%	240,000
2008	4.40%	215,000
2009	4.40%	185,000
2010	4.40%	195,000
2011	4.40%	205,000
2012	4.40%	215,000
2013	4.40%	225,000
Total		<u>1,850,000</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2004

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

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

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

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

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>
2008	4.15%	\$ 300,000
2009	4.20%	500,000
2010	4.25%	500,000
2011	4.35%	600,000
2012	4.40%	600,000
2013	4.45%	600,000
2014	4.45%	<u>350,000</u>
Total		<u><u>3,450,000</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>
2010	4.20%	\$ 400,000
2011	4.25%	6,500,000
2012	4.40%	600,000
2013	4.50%	700,000
2014	4.60%	550,000
2015	4.75%	200,000
2016	4.80%	200,000
2017	4.90%	300,000
2018	4.90%	300,000
2019	5.00%	300,000
2020	5.00%	<u>300,000</u>
Total		<u><u>10,350,000</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

FUND BALANCE RESTATEMENT

During the current year the Village transferred the compensated absences liability relating to the Section 105 sick leave from the Water Fund and the Governmental Long-Term Debt to an internal service fund. Beginning net assets were established in the internal service fund through a restatement of \$944,411. See also Note 3 – Interfund Transfers on page 51 and Note 3 – Long Term Liability Activity on page 57.

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, 2005

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

North Suburban Employee Benefit Cooperative (NSEBC)

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

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

Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of NSEBC beyond its representation on the Board of Directors.

For the year ended April 30, 2005, NSEBC had a total equity of \$166,106. The Village's total payments for the year ended December 31, 2005 were \$1,469,941.

POSTEMPLOYMENT BENEFITS

Post-Employment Health Care Benefits

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

- a. Employees who retired prior to 1989 may elect to continue health insurance coverage (single or family) through the Village's carriers, and the Village pays 25 percent of the premium cost and the retiree pays the balance. For the year ended December 31, 2005, there was one retiree in this category and the Village's expense totaled \$3,624.
- 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, 2005, there were thirteen retirees in this category and the Village's expense totaled \$14,622.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 4 – OTHER INFORMATION – Continued

POSTEMPLOYMENT BENEFITS - Continued

Post-Employment Health Care Benefits - Continued

- c. Employees retiring after February 1989 who are eligible to receive an immediate pension under the Village's pension plan and have at least fifteen years of pension service and ten years of service with the Village may elect to continue health insurance coverage (single or family) through the Village's carriers. In these instances, the entire premium cost is paid by the employee.
- d. On three occasions since 1995, the Village offered an early retirement incentive program to employees with twenty years of service with the Village who were eligible to retire with an immediate pension under any of the Village's three pension plans. Under this offering, the Village pays 100 percent of the single employee premium for up to eight years or until the employee becomes age 65, whichever occurs first. For the year ended December 31, 2005, eighteen employees are covered in this category and the Village's expense totaled \$93,428.

Retirees may only continue participation in the health care plan until age 65. Surviving spouses of these retirees who have not reached age 65 may continue their participation (until they become age 65) but must pay the entire premium expense. There were five retiree spouses in this category for the year ended December 31, 2005. 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, 2005 five retirees are receiving benefits under these Plans (one under the Police Union Plan, one under the Fire Union Plan, and three under the Non-represented Plan).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements

December 31, 2005

NOTE 4 – OTHER INFORMATION – Continued

POSTEMPLOYMENT BENEFITS - Continued

Medical Savings Plan - Continued

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

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

CONTINGENT LIABILITIES

Litigation

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

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is not issued for the Police Pension Plan and Firefighters' Pension Plan. IMRF also issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefit, 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, 2005

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

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

Employees participating in the IMRF are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2005 was 7.78 percent for IMRF.

Police Pension Plan

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

At December 31, 2005 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	36
Current Employees	
Vested	28
Nonvested	<u>18</u>
	<u>82</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan - Continued

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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

Firefighters' Pension Fund

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

At December 31, 2005 the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	44
Inactive Members	1
Current Employees	
Vested	30
Nonvested	13
	<u>88</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2005

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

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

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement.

The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

Significant Investments

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

Related Party Transactions

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

Annual Pension Cost and Net Pension Obligation

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

	Police Pension	Firefighters' Pension	Total
Annual Required Contribution	\$ 789,384	1,078,808	1,868,192
Interest on Net Pension Obligation	(14,704)	(14,333)	(29,037)
Adjustment to Annual Required Contribution	10,803	10,531	21,334
Annual Pension Cost	785,483	1,075,006	1,860,489
Actual Contribution	789,544	1,078,952	1,868,496
(Increase) Decrease in the NPA	(4,061)	(3,946)	(8,007)
NPA - Beginning of Year	(196,049)	(191,112)	(387,161)
NPA - End of Year	(200,110)	(195,058)	(395,168)

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2005**

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	7.78%	25.08%	34.43%
Employee	4.50%	9.91%	9.46%
Annual Required Contribution	\$568,877	\$789,384	\$1,078,808
Contributions Made	\$568,877	\$789,400	\$1,078,808
Actuarial Valuation Date	12/31/2003	12/31/2004	12/31/2004
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	27	28 Years	28 Years
Asset Valuation Method	5-Year Smoothed Market	3-Year Smoothed Market	3-Year Smoothed Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
Projected Salary Increases	.4 to 11.6%	5.00%	5.00%
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, 2005

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual required contributions (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	2003	\$ 127,141	623,471	747,981
Contribution (APC)	2004	373,520	774,290	818,345
	2005	568,877	785,483	1,075,006
Actual Contributions	2003	127,141	624,000	748,000
	2004	373,520	774,300	818,350
	2005	568,877	789,400	1,078,808
Percentage of APC	2003	100.00%	100.08%	100.00%
Contributed	2004	100.00%	100.00%	100.00%
	2005	100.00%	100.50%	100.35%
Net Pension Asset	2003	-	(192,004)	(187,173)
	2004	-	(196,049)	(191,112)
	2005	-	(200,110)	(195,058)

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

- **Budgetary Comparison Schedules – General Fund**

Notes to the Required Supplementary Information

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

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2005

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)
2000	\$ 18,481,193	\$ 15,762,606	117.25%	\$ (2,718,587)	\$ 5,991,602	(45.37)%
2001	19,736,331	16,242,977	121.51%	(3,493,354)	5,856,478	(59.65)%
2002	20,586,498	18,457,187	111.54%	(2,129,311)	6,286,492	(33.87)%
2003	20,260,965	19,072,095	106.23%	(1,188,870)	6,520,073	(18.23)%
2004	21,208,124	20,966,987	101.15%	(241,137)	6,878,824	(3.51)%

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

Required Supplementary Information
 Schedule of Funding Progress
 December 31, 2005

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)
2000	\$ 23,532,006	\$ 24,049,870	97.85%	\$ 517,864	\$ 2,378,719	21.77%
2001	23,363,594	26,490,419	88.20%	3,126,825	2,324,998	134.49%
2002	23,349,649	27,857,561	83.82%	4,507,912	2,550,669	176.73%
2003	23,975,682	30,016,766	79.87%	6,041,084	2,972,254	203.25%
2004	25,256,500	30,875,862	81.80%	5,619,362	3,147,169	178.55%
2005	26,804,907	33,910,192	79.05%	7,105,285	3,318,829	214.09%

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2005

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)
2000	\$ 24,972,230	\$ 26,505,527	94.22%	\$ 1,533,297	\$ 2,592,509	59.14%
2001	24,686,816	27,499,449	89.77%	2,812,633	2,611,026	107.72%
2002	24,493,712	29,166,669	83.98%	4,672,957	2,848,799	164.03%
2003	25,010,118	30,450,103	82.13%	5,439,985	2,993,008	181.76%
2004	26,087,672	35,218,576	74.07%	9,130,904	3,133,245	291.42%
2005	27,609,198	37,315,512	73.99%	9,706,314	3,171,222	306.07%

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

December 31, 2005

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ 425,404	\$ 425,404	100.00%
2001	272,326	272,326	100.00%
2002	223,799	223,799	100.00%
2003	127,141	127,141	100.00%
2004	373,520	373,520	100.00%
2005	568,877	568,877	100.00%

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Employer Contributions

December 31, 2005

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ 277,000	\$ 279,905	98.96%
2001	378,000	373,051	101.33%
2002	511,000	510,760	100.05%
2003	624,000	623,471	100.08%
2004	774,300	774,290	100.00%
2005	789,400	789,384	100.00%

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Employer Contributions

December 31, 2005

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ 465,000	\$ 467,458	99.47%
2001	541,000	536,584	100.82%
2002	638,000	637,344	100.10%
2003	748,000	747,981	100.00%
2004	818,350	818,345	100.00%
2005	1,078,808	1,078,808	100.00%

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 18,173,900	18,914,414
Licenses, Permits and Fees	2,481,950	2,824,120
Intergovernmental	219,400	192,572
Charges for Services	2,013,450	1,946,356
Fines and Forfeitures	351,000	340,006
Investment Earnings	102,500	120,903
Miscellaneous	578,400	684,793
Total Revenues	23,920,600	25,023,164
Expenditures		
General Government	3,488,190	2,989,626
Public Safety	13,628,151	13,184,417
Streets and Sanitation	5,427,671	5,327,047
Other Public Works	1,167,545	1,107,204
Public Health	172,895	160,447
Community Development	1,154,459	1,116,566
Capital Outlay	430,000	397,685
Debt Service		
Principal Retirement	6,869	116,869
Interest Expense	2,231	2,183
Total Expenditures	25,478,011	24,402,044
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,557,411)	621,120
Other Financing (Uses)		
Transfers In	850,000	900,000
Transfers Out	(160,000)	(700,585)
	690,000	199,415
Net Change in Fund Balance	(867,411)	820,535
Fund Balance - Beginning		5,498,686
Fund Balance - Ending		6,319,221

GENERAL FUND

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

SPECIAL REVENUE FUND

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

Motor Fuel Tax Fund

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

War Memorial Fund

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUNDS

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

2002 General Obligation Bond Fund

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

ENTERPRISE FUNDS

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

Water Fund

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

Sewer Fund

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

Parking Meter Fund

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

INTERNAL SERVICE FUNDS

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

Municipal Garage Fund

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

Employee Insurance Fund

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

INTERNAL SERVICE FUNDS - Continued

Workers' Compensation Fund

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

Illinois Municipal Retirement Fund

The Illinois Municipal Retirement Fund is used to account for employer Social Security and Medicare contributions as well as employer pension contributions to the Illinois Municipal Retirement Fund (the statewide pension plan for the Village's full-time employees other than sworn police and fire personnel.) User departments are charged a proportionate share of this expense determined by the employees in each department.

Section 105 Sick Leave Fund

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

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

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

Firefighters' Pension Fund

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

TRUST AND AGENCY FUNDS - Continued

AGENCY FUND

Fire Insurance Tax Fund

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

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Taxes		
Property Taxes	\$ 7,896,300	7,832,090
Municipal Sales Tax	3,496,600	3,374,780
Municipal Sales Tax - Home Rule	300,000	565,243
State Income Tax	1,699,800	2,063,436
Real Estate Transfer Tax	1,390,500	1,512,987
Utility Tax	2,835,000	2,913,414
E-911 Surcharge	327,600	308,656
Wireless 911 Tax	85,000	110,787
Personal Property Replacement Tax	140,000	230,792
Municipal Auto Lease Tax	3,100	2,229
Total Taxes	18,173,900	18,914,414
Licenses, Permits and Fees		
Licenses		
Animal	1,600	1,490
Business	130,000	145,755
Vehicle	862,500	870,650
Taxi	12,350	11,698
Liquor Licenses	44,000	40,475
Permits		
Building	1,210,000	1,505,922
Electric	60,000	72,265
Plumbing	52,000	50,280
Other	33,400	50,575
Fees		
Plan Review	48,000	45,648
Filing	17,700	23,163
Permit Penalties	10,400	6,199
Total Licenses, Permits, and Fees	2,481,950	2,824,120

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
Intergovernmental Revenue		
Police Grants	\$ 25,000	152,441
Greenbay Road Corridor Grant	-	40,131
Fire Grant	194,400	-
Total Intergovernmental	219,400	192,572
Charges for Services		
Refuse Collection Charges	1,420,000	1,404,337
Ambulance Transport Charges	290,000	269,409
Fire Alarms	7,600	7,651
Burglar Alarms	30,000	27,137
Elevator Inspections	11,000	10,534
Sanitarian Services	11,300	12,558
Animal Control Services	5,050	5,040
Damage to Village Property	38,000	31,400
Maintenance of State Routes	15,800	16,905
Shore Line Place Services	10,500	12,485
Fairfield Court Services	49,200	49,202
Sales of Yard Waste Bags	125,000	99,698
Total Charges for Services	2,013,450	1,946,356
Fines and Forfeitures		
Court Fines	75,200	81,643
Vehicle License and Parking	275,000	257,755
Animal and Impounding Fees	800	608
Total Fines and Forfeitures	351,000	340,006
Interest		
Investment Earnings	102,500	120,903

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
Miscellaneous		
Rental Income		
Wilmette Park District	\$ 44,500	46,655
Cellular Antennae Leases	160,000	147,144
Depot Rental	6,000	(15,179)
3545 Lake Avenue	2,400	2,400
Sale of General Capital Assets	30,000	22,464
Cable TV Franchise Fees	250,000	275,245
Interest Payments from Property Tax Collections	20,000	18,804
Other	30,400	34,314
Sale of Private Activity Bond Volume Cap	31,100	-
Donations	-	1,000
Section 125 Plan Liability Write-offs	-	1,935
Stop-Loss Insurance Reimbursement	-	137,719
Contribution from Wilmette Historical Society	4,000	12,292
Total Miscellaneous	<u>578,400</u>	<u>684,793</u>
 Total Revenues	 <u>23,920,600</u>	 <u>25,023,164</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
General Government		
Legislative		
Salaries - Regular	\$ 3,990	3,990
Employee Benefits	310	305
Memberships	22,360	21,893
Professional Services	10,000	7,765
Annual Audit	17,600	12,150
Incidentals	5,000	6,350
Training	1,200	-
Total Legislative	60,460	52,453
General Administration		
Salaries - Regular	351,350	356,621
Salaries - Overtime	300	-
Employee Benefits	91,020	92,028
Memberships	4,080	4,892
Professional Services	3,775	3,330
Lease/Purchase - Copier	13,000	9,929
Pre-employment Exams	4,600	1,450
Employee Assistance Program	5,325	6,125
Maintenance of Office Equipment	1,500	82
Office Supplies	10,000	8,577
Automotive	4,000	4,017
Incidentals	2,500	1,723
Training	6,500	7,110
Personnel Training	5,000	3,154
Employee Recognition Program	6,900	7,048
Newsletters	32,000	28,411
Publishing Legal Notices	2,000	5,306
Classified Advertisements	6,500	16,076
Total General Administration	550,350	555,879
Information Services		
Salaries - Regular	204,625	204,775
Employee Benefits	59,220	52,156
Memberships	350	-
Professional Services	5,000	8,334

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
General Government - Continued		
Information Services - Continued		
Network Security Audit	\$ 7,500	-
Contractual Hardware Support	16,960	4,861
Contractual Software Support	83,250	69,829
Contractual Internet Expenditures	8,900	9,283
Computer Communications	15,190	14,403
Computer Parts	16,500	16,447
Computer Software	6,500	4,976
Office Supplies	500	273
Incidentals	500	171
Training	18,550	4,470
Office Furniture and Equipment	35,000	35,204
Total Information Services	<u>478,545</u>	<u>425,182</u>
Finance Department		
Salaries - Regular	442,050	432,332
Salaries - Overtime	6,500	2,113
Employee Benefits	128,120	122,798
Memberships	1,575	1,696
Professional Services	14,800	15,375
Lease/Purchase - Copier	28,850	28,812
Bank Charges	15,000	25,865
Postage - General Office	37,500	29,539
Contractual Services	10,000	7,345
Maintenance of Office Equipment	2,650	2,192
Telephone - Office Service	92,000	72,951
Telephone - Maintenance	10,200	15,161
Telephone - Cellular Service	23,475	20,286
Telephone - Long Distance	2,850	3,563
Office Supplies	21,000	19,120
Supplies Other than Office	7,000	8,318
Incidentals	550	247
Training	3,525	2,418
Publishing Legal Notices	1,000	848
Total Finance Department	<u>848,645</u>	<u>810,979</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
General Government - Continued		
Law Department		
Salaries - Regular	\$ 188,900	215,373
Employee Benefits	48,070	46,168
Memberships	1,300	1,485
Code Revision service	3,000	6,372
Special Attorney Fees	50,000	30,696
On-line Legal Research Services	8,000	13,101
Supplies - Legal	2,500	2,954
Incidentals	500	1,185
Training	4,500	3,669
Litigation Costs	7,500	-
Total Law Department	314,270	321,003
Boards and Commissions		
Incidentals	1,700	2,207
Housing Commission	83,200	66,218
Senior Resources Commission	500	88
Community Relations Commission	5,500	2,508
Fine Arts Commission	1,850	688
Historic Preservation Commission	1,400	1,384
Persons with Disabilities Commission	500	-
Total Boards and Commissions	94,650	73,093
Historical Museum		
Salaries - Regular	63,600	72,008
Employee Benefits	16,680	17,518
Total Historical Museum	80,280	89,526
Youth Advisory Commission		
Incidentals	500	66
Youth Recognition Program	550	200
Youth Commission Grants	25,000	25,000
Total Youth Advisory Commission	26,050	25,266

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
General Government - Continued		
Cable Programming Services		
Salaries - Regular	\$ 68,700	66,447
Salaries - Other	6,000	3,290
Employee Benefits	18,920	18,210
Memberships	175	175
Maintenance - Office Equipment	7,500	3,606
Supplies - Office	600	328
Supplies - Video	2,500	2,437
Incidentals	800	750
Training	600	473
Office Space Rent	10,400	10,394
Office Furniture and Equipment	6,500	8,334
Total Cable Programming Services	<u>122,695</u>	<u>114,444</u>
Insurance		
Retiree Health Insurance	110,000	111,674
General Liability and Property Insurance		
Fixed Premiums	244,000	243,870
Deductible Payments	50,000	34,188
Total General Liability	<u>294,000</u>	<u>278,058</u>
Total Insurance	<u>404,000</u>	<u>389,732</u>
Contingencies		
Regular	400,000	122,827
Atrium Condo Resales	100,000	997
Total Contingencies	<u>500,000</u>	<u>123,824</u>
Total General Government	3,479,945	2,981,381
Less NonGAAP Activity		
Plus Prior Year Encumbrances	8,245	8,245
Total General Government	<u><u>3,488,190</u></u>	<u><u>2,989,626</u></u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Public Safety		
Fire and Police Commission		
Salaries - Regular	\$ 26,450	27,024
Employee Benefits	6,530	6,090
Memberships	780	-
Professional Services	32,000	10,550
Classified Advertisements	10,000	5,496
Total Fire and Police Commission	75,760	49,160
Police		
General Operations		
Salaries - Regular	3,319,250	3,283,864
Salaries - Overtime	130,000	184,446
Employee Benefits	1,573,240	1,452,708
Memberships	1,165	950
Physical Exams	12,000	10,319
Contractual Animal Observation	1,000	1,010
Maintenance - Equipment	9,350	7,004
Maintenance - Radios	22,600	26,303
Undercover Vehicle Rental	300	-
Uniforms	39,500	33,635
Range Supplies	4,000	5,052
Supplies Other than Office	10,400	12,208
Crime Prevention Materials	10,100	8,240
Automotive	225,700	226,730
Incidentals	6,200	6,911
Training	50,610	49,230
Crime Lab Contributions	38,000	39,686
NIPAS Contribution	3,800	5,244
Major Crimes Task Force	2,700	2,891
NIPSTA Contribution	10,500	10,076
Building Improvements	-	5,845
Motor Equipment	165,000	189,779
Other Equipment	27,350	21,440
Total General Operations	5,662,765	5,583,571

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
General Services		
Salaries - Regular	\$ 1,072,000	1,021,521
Salaries - Overtime	30,000	50,871
Employee Benefits	338,070	345,332
Memberships	945	870
Professional Services	15,450	17,382
Regional Dispatch	50,000	11,468
Lease/Purchase - Copier	6,400	6,463
Maintenance - Office Equipment	11,000	7,014
Maintenance - E-911 System	57,900	58,137
Maintenance - NORCOM Network	24,100	39,308
Reaccreditation Fees	4,030	5,580
L.E.A.D.S./P.I.M.S. Program	31,600	29,163
Professional Services - Police Grant Work	-	30,402
Towing - Contractual	750	1,352
Pager Rental	2,000	1,855
Computer Communications	3,450	3,279
Uniforms	8,000	6,299
Office Supplies	22,100	21,450
Supplies Other than Office	4,150	6,449
Incidentals	400	226
Training	9,495	6,058
Care of Prisoners	1,500	883
Other Equipment	35,000	-
Total General Services	<u>1,728,340</u>	<u>1,671,362</u>
School Crossing Protection		
Salaries - Regular	140,000	146,766
Employee Benefits	13,800	14,079
Uniforms	750	919
Supplies Other than Office	850	806
Total School Crossing Protection	<u>155,400</u>	<u>162,570</u>
Total Police	<u>7,546,505</u>	<u>7,417,503</u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Public Safety - Continued		
Emergency Fire and Medical Services		
Salaries - Regular	\$ 3,346,050	3,300,859
Salaries - Overtime	300,000	377,295
Salaries - Off-Duty Response	26,000	19,887
Employee Benefits	1,731,760	1,716,162
Memberships	3,985	3,372
Professional Services	5,500	16,628
Lease/Purchase - Copier	2,980	2,893
Physical Exams	18,200	17,947
Maintenance - Office Equipment	1,440	1,891
Maintenance - Equipment	12,000	59,983
Maintenance - Radios	3,450	3,008
Maintenance - Breathing Equipment	6,085	6,259
Maintenance - Special Rescue Equipment	8,500	6,592
Reaccreditation Fees	1,500	895
Pager Rental	4,870	4,294
Uniforms	22,430	21,715
Protective Clothing	11,835	9,900
Supplies - Automotive Parts	19,400	23,740
Supplies - Auto Shop	1,500	1,192
Supplies - Office	5,000	4,985
Supplies - Other than Office	14,700	15,550
Materials - Public Education Programming	7,750	8,445
Gasoline and Oil	24,630	19,483
Incidentals	750	786
Training	40,450	24,130
NIPSTA Contribution	10,300	10,076
MABAS Contribution	9,500	9,308
Rent - Commonwealth Edison	1,500	1,500
Motor Equipment	116,000	-
Other Equipment	253,700	34,858
Total Emergency Fire and Medical Services	6,011,765	5,723,633
Total Public Safety	13,634,030	13,190,296
Less NonGAAP Activity		
Less Current Year Encumbrances	(5,879)	(5,879)
Total Public Safety	13,628,151	13,184,417

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Streets and Sanitation		
Streets Department		
Salaries - Regular	\$ 873,775	855,142
Salaries - Overtime	64,975	79,208
Employee Benefits	288,840	296,953
Memberships	1,100	938
Professional Services	1,500	-
Lease/Purchase - Copier	7,140	7,342
Contractual Services	33,500	33,272
Contractual Snow Removal	10,690	8,149
Maintenance - Office Equipment	950	1,013
Holiday Light Decorations	36,775	35,394
J.U.L.I.E. Expenditures	3,625	4,246
Landscaping and Maintenance of Public		
Right of Way	38,230	20,057
Lease Leaf Packers	108,150	86,049
Leaf Disposal	86,270	78,776
Pager Rental	1,710	1,497
Uniforms	6,985	5,499
Supplies - Miscellaneous Tools and Equipment	2,500	2,383
Supplies - Office	5,000	2,956
Supplies - Other than Office	1,500	1,416
Materials - Traffic Signs	33,805	33,702
Materials - Salt	73,500	76,337
Materials - Street Repair and Landscaping	33,250	27,509
Automotive	418,395	420,247
Incidentals	1,540	783
Training	9,875	7,409
Building Improvements	23,720	23,011
Motor Equipment	153,500	134,560
Other Equipment	20,955	22,220
Total Street Department	2,341,755	2,266,068
Refuse Collection and Disposal		
Contractual Refuse Collection	823,920	809,923
Recycling Collection	339,505	335,180
Landfill Tipping Fees	579,040	607,426

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Refuse Collection and Disposal - Continued		
Contractual Yard Waste Collection	\$ 183,935	173,533
Yard Waste Disposal	43,115	29,216
Supplies - Sharps Disposal Containers	765	929
Yard Waste Supplies	2,250	2,169
Promotional and Educational	1,000	497
Other Equipment	4,000	3,989
Total Refuse Collection and Disposal	<u>1,977,530</u>	<u>1,962,862</u>
Maintenance of Trees		
Salaries - Regular	179,025	178,237
Salaries - Overtime	6,150	11,002
Employee Benefits	61,390	59,778
Contractual Services	13,875	10,784
Tree Planting Program	54,625	55,432
Contractual Tree Pruning	183,140	183,457
Tree Fertilization	3,000	2,993
Uniforms	2,080	1,512
Tree Inventory Software Upgrade	3,000	2,325
Materials	5,700	5,293
Automotive	44,100	44,328
Training	1,875	1,109
Total Maintenance of Trees	<u>557,960</u>	<u>556,250</u>
Street Lighting		
Salaries - Regular	181,000	183,323
Salaries - Overtime	9,000	2,925
Employee Benefits	66,820	58,612
Contractual Services	3,235	2,290
Maintenance & Disposal of Transformers	1,400	248
Uniforms	2,115	1,322
Supplies	25,415	27,113
Commonwealth Edison Leased Lighting	17,550	16,014
Street Light Power - Village System	96,700	107,504

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Street Lighting - Continued		
Automotive	\$ 26,100	26,206
Training	1,440	1,057
Other Equipment	20,000	15,602
Total Street Lighting	<u>450,775</u>	<u>442,216</u>
Total Street and Sanitation	5,328,020	5,227,396
Less NonGAAP Activity		
Plus Prior Year Encumbrances	<u>99,651</u>	<u>99,651</u>
Total Street and Sanitation	<u>5,427,671</u>	<u>5,327,047</u>
Other Public Works		
Village Engineer		
Salaries - Regular	392,350	394,357
Salaries - Overtime	1,300	-
Employee Benefits	126,260	123,640
Memberships	1,455	1,812
Professional Services	30,000	17,483
Microfilming	5,000	150
Update of Water/Sewer Atlases	3,000	2,980
Maintenance - Office Equipment	2,500	2,092
Maintenance - Traffic Signals	21,500	17,744
Pager Rental	150	181
Supplies - Office	3,250	3,027
Supplies - Other than Office	2,750	2,057
Automotive	15,000	15,117
Incidentals	2,100	2,522
Training	3,275	3,116
Total Village Engineer	<u>609,890</u>	<u>586,278</u>
Building and Grounds		
Salaries - Regular	169,975	158,531
Salaries - Overtime	12,200	15,790
Employee Benefits	56,670	57,050

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005**

	Original and Final Budget	Actual
Other Public Works - Continued		
Building and Grounds - Continued		
Memberships	\$ 300	297
Contractual Services	36,150	25,986
Contractual Custodial Services	56,900	56,565
Heating and Cooling System Repairs	29,800	33,111
Uniforms	1,935	1,355
Supplies - Building	31,825	37,471
Supplies - Grounds	3,000	2,623
Supplies - Printing	5,500	6,231
Building and Furniture Repairs	30,000	30,831
Heating - Electric	20,600	-
Heating - Gas	40,000	48,400
Automotive	10,000	10,078
Training	800	-
Building Improvements	49,500	34,560
Other Equipment	2,500	2,047
Total Building and Grounds	557,655	520,926
Total Other Public Works	1,167,545	1,107,204
Public Health		
Salaries - Regular	110,750	110,772
Employee Benefits	46,570	46,044
Memberships	315	330
Lab Services - Contractual	200	(3,991)
Maintenance - Office Equipment	200	-
Supplies - Laboratory	800	(5,123)
Supplies - Office	300	57
Automotive	10,000	10,078
Incidentals	460	127
Training	2,700	1,868
C.P.R. Program	600	285
Total Public Health	172,895	160,447

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Community Development		
Community Development		
Salaries - Regular	\$ 645,000	636,802
Salaries - Overtime	17,300	9,899
Employee Benefits	201,840	195,357
Memberships	3,370	3,426
Professional Services	16,580	35,666
Building Code Review	13,200	12,600
Microfilming	4,210	3,780
Plan Review Inspection Services	135,000	52,540
Maintenance - Office Equipment	1,675	781
Supplies - Office	2,500	2,439
Supplies - Other than Office	5,000	3,244
Automotive	35,600	35,773
Incidentals	360	467
Training	5,650	2,924
Publishing Legal Notices	4,635	5,337
Total Community Development	<u>1,091,920</u>	<u>1,001,035</u>
Business Development		
Salaries - Regular	28,950	29,004
Employee Benefits	8,850	7,873
Memberships	10,425	10,900
Greenbay Road Corridor Study	-	56,091
Village Market Analysis	-	1,366
Business Promotion Activities	6,000	2,662
Incidentals	1,500	821
Total Business Development	<u>55,725</u>	<u>108,717</u>
Total Community Development	1,147,645	1,109,752
Less NonGAAP Activity		
Plus Prior Year Encumbrances	<u>6,814</u>	<u>6,814</u>
Total Community Development	<u><u>1,154,459</u></u>	<u><u>1,116,566</u></u>

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Capital Outlay		
Sidewalk Replacement Program	\$ 110,000	92,609
Curb Repair Program	75,000	66,718
Street and Alley Maintenance Program	200,000	194,338
Brick Street Maintenance	30,000	29,300
Pavement Marking Program	15,000	14,720
Total Capital Outlay	430,000	397,685
Debt Service		
Historical Museum Principal Retirement	6,869	6,869
Historical Museum Interest Expense	2,231	2,183
Housing Subsidy Installment Contract Principal Retirement	-	5,000
Historical Society Installment Contract Principal Retirement	-	105,000
Total Debt Service	9,100	119,052

VILLAGE OF WILMETTE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 2,385,600	2,357,979
Expenditures		
Debt Service		
Principal Retirement	1,080,000	1,145,000
Interest and Fiscal Charges	1,317,500	1,227,760
Total Expenditures	2,397,500	2,372,760
Net Change in Fund Balance	<u>(11,900)</u>	(14,781)
Fund Balance - Beginning		<u>47,868</u>
Fund Balance - Ending		<u>33,087</u>

VILLAGE OF WILMETTE, ILLINOIS

Series 2002 General Obligation Bond - Capital Projects Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Sheridan Road Bicycle Underpass Grant	\$ 91,000	-
Sheridan Road Improvements Grant	150,000	179,000
Soil Remediation Grant	45,000	-
Investment Earnings	180,000	225,947
Total Revenues	<u>466,000</u>	<u>404,947</u>
Expenditures		
Capital Outlay	12,295,980	5,061,217
Debt Service		
Interest and Fiscal Charges	200,000	200,000
Total Expenditures	<u>12,495,980</u>	<u>5,261,217</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,029,980)	(4,856,270)
Other Financing Sources		
Transfers In	-	400,000
Net Change in Fund Balance	<u>(12,029,980)</u>	(4,456,270)
Fund Balance - Beginning		<u>8,977,970</u>
Fund Balance - Ending		<u>4,521,700</u>

VILLAGE OF WILMETTE, ILLINOIS

Series 2002 General Obligation Bond - Capital Projects Fund

Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Capital Outlay		
Fire Station Improvements	\$ 1,553,500	2,035,512
Police Station Improvements	6,000,000	-
Public Works Space Study & Design	68,700	50,400
Public Works Garage Flooring	40,700	37,579
Public Works Office Work Stations	42,000	-
Village Hall Improvements	476,220	385,904
Replacement Fire Department - Ladder Truck	425,000	-
Replacement Street Department - Catch Basin Cleaner	200,000	224,387
E.R.P. - Phase I	14,700	35,932
Regional Dispatch Capital Contribution	500,000	-
Fairway / Bunker Street Lighting Improvements	-	4,916
Streetscape Improvements	50,000	1,290
Howard Park Soil Remediation	110,000	17,199
Village Yard Soil Remediation	-	22,189
15th & Lake Pedestrian Signal	100,000	15,221
Greenbay Road Traffic Signal Improvements	80,000	15,618
Traffic Calming Program	20,000	15,215
Brick Street Renovation Program	200,000	188,521
Sheridan Road Improvements	189,500	(40,536)
Sheridan Road Bicycle Underpass	180,000	11,821
Enhanced Street Resurfacing Program	2,300,000	2,294,389
Total Capital Outlay	12,550,320	5,315,557
Less NonGAAP Activity		
Less Current Year Encumbrances	(254,340)	(254,340)
Total Capital Outlay	12,295,980	5,061,217
Debt Service		
Interest and Fiscal Charges	200,000	200,000
Total Expenditures	12,495,980	5,261,217

VILLAGE OF WILMETTE, ILLINOIS

Combining Balance Sheet

**Nonmajor Governmental Funds
December 31, 2005**

	Special Revenue		Debt Service	
	Motor Fuel	War	Special	
	Tax	Memorial	Service Area	Totals
			Number Two	
ASSETS				
Cash and Investments	\$ 613,872	563	1,466	615,901
Due from Other Governments	66,555	-	-	66,555
Total Assets	680,427	563	1,466	682,456
FUND BALANCES				
Fund Balances				
Reserved for Debt Service	-	-	1,466	1,466
Unreserved	680,427	563	-	680,990
Total Fund Balances	680,427	563	1,466	682,456

VILLAGE OF WILMETTE, ILLINOIS

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

NonMajor Governmental Funds
Year Ended December 31, 2005

	Special Revenue		Debt Service	Totals
	Motor Fuel Tax	War Memorial	Special Service Area Number Two	
Revenues				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 805,445	-	-	805,445
Investment Earnings	43,852	56	-	43,908
Total Revenues	849,297	56	-	849,353
Expenditures				
Capital Outlay	1,273,585	2,205	-	1,275,790
Net Change in Fund Balances	(424,288)	(2,149)	-	(426,437)
Fund Balances - Beginning	1,104,715	2,712	1,466	1,108,893
Fund Balances - Ending	680,427	563	1,466	682,456

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, 2005

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 780,000	805,445
Investment Earnings	20,000	43,852
Total Revenues	<u>800,000</u>	<u>849,297</u>
Expenditures		
Capital Outlay		
2005 Street Resurfacing Program	<u>770,000</u>	<u>1,273,585</u>
Net Change in Fund Balance	<u>30,000</u>	(424,288)
Fund Balance - Beginning		<u>1,104,715</u>
Fund Balance - Ending		<u>680,427</u>

VILLAGE OF WILMETTE, ILLINOIS

War Memorial - Special Revenue Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ 50	56
Expenditures		
Miscellaneous	2,750	2,205
Net Change in Fund Balance	<u>(2,700)</u>	(2,149)
Fund Balance - Beginning		<u>2,712</u>
Fund Balance - Ending		<u>563</u>

VILLAGE OF WILMETTE, ILLINOIS

Special Service Area Number Two - Debt Service Fund

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2005**

	Original and Final Budget	Actual
Revenues		
Investment Earnings	\$ -	-
Expenditures		
Debt Service	-	-
Net Change in Fund Balance	<u>-</u>	-
Fund Balance - Beginning		<u>1,466</u>
Fund Balance - Ending		<u>1,466</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales		
Residential	\$ 2,015,000	2,113,134
Unbilled Water Sales	-	12,000
Village of Glenview	3,008,500	3,301,220
Illinois American Water Company	895,400	871,136
Other	125,000	211,290
Total Charges for Services	<u>6,043,900</u>	<u>6,508,780</u>
Operating Expenses		
Administration		
General	168,940	165,009
Administrative	486,320	471,374
Operations		
Water Plant Operations	2,038,195	2,013,607
Distribution	865,495	795,886
Meter and Reservoir Maintenance	335,985	335,173
Depreciation	-	825,212
Total Operating Expenses	<u>3,894,935</u>	<u>4,606,261</u>
Operating Income	<u>2,148,965</u>	<u>1,902,519</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	250,000	341,961
Interest Expense	(1,060,900)	(1,018,717)
Amortization of Bond Discount	-	(9,668)
	<u>(810,900)</u>	<u>(686,424)</u>
Income Before Contributions and Transfers	1,338,065	1,216,095
Contributions	-	101,377
Transfer In	-	178,000
Transfers Out	(850,000)	(918,482)
Change in Net Assets	<u>488,065</u>	576,990
Net Assets - Beginning		<u>15,196,347</u>
Net Assets - Ending		<u>15,773,337</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Administration		
General		
Salaries - Regular	\$ 60,050	61,241
Salaries - Overtime	1,375	1,121
Employee Benefits	24,240	24,565
Annual Audit	12,350	9,350
Bank Charges	15,000	24,766
Postage	17,000	10,867
Contractual Meter Reading	29,000	25,158
Uniforms	450	154
Supplies - Office - Administrative	6,000	4,778
Supplies - Office - Water Plant	2,200	2,222
Incidentals	100	114
Training	1,175	673
Total General	168,940	165,009
Administrative		
Salaries - Regular	245,735	244,554
Employee Benefits	70,810	67,155
Memberships	8,300	7,750
Contractual Grounds Maintenance	1,700	-
Telephone - Regular Service	32,000	25,901
Telephone - Maintenance	3,200	2,378
Telephone - Cellular	7,825	6,767
Telephone - Long Distance	750	1,175
Supplies - Building	8,500	10,088
Building Furniture and Repairs	7,000	8,140
Training	7,500	4,516
General Liability and Property Insurance	93,000	92,950
Total Administrative	486,320	471,374

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operations		
Water Plant Operations		
Salaries - Regular	\$ 894,725	888,720
Salaries - Accrued Vacation	-	11,000
Salaries - Overtime	24,900	23,050
Employee Benefits	313,970	304,641
Contractual Services	32,000	27,693
Contractual Custodial Services	12,500	12,104
Maintenance of Equipment	20,000	34,506
Uniforms	4,500	4,082
Supplies	28,500	29,545
Supplies - Computer Parts	2,000	1,292
Supplies - Laboratory	11,000	9,980
Equipment Repairs	30,000	35,506
Power	360,000	351,011
Heating Gas	60,000	59,542
Chemicals	115,000	118,371
Automotive	18,100	18,142
Incidentals	1,000	1,025
Water Reclamation District User Charges	110,000	83,397
Pumping Improvements	155,000	122,314
Other Equipment	36,000	24,859
	<u>2,229,195</u>	<u>2,160,780</u>
Less Nonoperating Items		
Capital Outlay	(191,000)	(147,173)
Total Water Plant Operations	<u>2,038,195</u>	<u>2,013,607</u>
Distribution		
Salaries - Regular	345,225	338,743
Salaries - Overtime	25,500	36,839
Employee Benefits	138,960	135,800
Contractual Services	101,430	93,845
Unidirectional Main Flushing	60,000	-
Maintenance - Distribution System	11,000	10,654

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operations - Continued		
Distribution - Continued		
Uniforms	\$ 4,530	3,353
Supplies - Miscellaneous Tools and Equipment	2,500	2,331
Materials	63,600	63,987
Automotive	89,300	89,678
Incidentals	200	61
Training	3,250	1,427
Distribution Improvements	60,000	53,449
Replacement Fire Hydrants	20,000	19,168
Glenview Meter Replacement	20,000	14,646
Motor Equipment	68,750	54,214
	<u>1,014,245</u>	<u>918,195</u>
Less Nonoperating Items		
Capital Outlay	(148,750)	(122,309)
Total Distribution	<u>865,495</u>	<u>795,886</u>
Meter and Reservoir Maintenance		
Salaries - Regular	135,675	136,819
Salaries - Overtime	540	88
Employee Benefits	41,570	42,079
Contractual Services	8,000	10,567
Maintenance - Reservoir/Pumping Station	3,500	1,907
Maintenance - Standpipe	1,200	-
Uniforms	1,200	688
Supplies	2,200	2,043
Supplies - Reservoir	3,500	2,310
Water Meters - Cost of Sales	30,000	30,284
Water Meters - Repair Parts	12,000	5,218
Water Meter Replacement Program	1,500	1,500
Automatic Meter Reading Program	77,000	84,001
Automotive	17,600	17,641
Training	500	28
Total Meter and Reservoir Maintenance	<u>335,985</u>	<u>335,173</u>

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operations - Continued		
Capital Outlay		
Water Plant Security Improvements	\$ 200,000	-
Basins #5 and #6 Flocculators	-	32,906
Basins #1 and #2 Improvements	25,000	-
Filter Repairs - 1971 / 1933	30,000	22,238
Repair Drain Line	100,000	14,500
Water Plant Site Improvements	40,000	86,855
Standpipe Reconditioning	870,000	10,902
Lake Avenue 12" Water Main	60,000	48,270
Sheridan Road Water Main	75,000	-
Fairway/Bunker Water Main	-	18,363
Isabella/Woodbine Water Main	-	19,847
Wilmette Avenue Water Main	110,000	232,305
Linden Avenue Water Main	140,000	74,852
Mallinckrodt Water Main	40,000	5,000
16th Street Water Main Extension	-	20,558
Facility Expansion Improvement	-	46,301
	<u>1,690,000</u>	<u>632,897</u>
Less Nonoperating Items		
Capital Outlay	(1,690,000)	(632,897)
Total Capital Outlay	<u>-</u>	<u>-</u>
Debt Service		
Principal Retirement	350,000	385,000
Interest Expense	1,060,900	1,018,717
Amortization of Bond Discount	-	9,668
	<u>1,410,900</u>	<u>1,413,385</u>
Less Nonoperating Items		
Debt Service	(1,410,900)	(1,413,385)
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	-	825,212
Total Operating Expenses	<u>3,894,935</u>	<u>4,606,261</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Sewer Charges	\$ 3,800,000	3,934,943
Unbilled Sewer Charges	-	6,000
Other	-	50
Total Operating Revenues	<u>3,800,000</u>	<u>3,940,993</u>
Operating Expenses		
Operations		
Maintenance of Sewers	981,715	892,145
Storm Water Pumping Station	22,090	37,150
Depreciation	-	680,618
Total Operating Expenses	<u>1,003,805</u>	<u>1,609,913</u>
Operating Income	<u>2,796,195</u>	<u>2,331,080</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	70,000	66,884
Interest Expense	(976,848)	(826,467)
	<u>(906,848)</u>	<u>(759,583)</u>
Income Before Transfers	1,889,347	1,571,497
Transfers Out	-	(4,117)
Change in Net Assets	<u>1,889,347</u>	1,567,380
Net Assets - Beginning		<u>16,887,522</u>
Net Assets - Ending		<u>18,454,902</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operations		
Maintenance of Sewers		
Salaries - Regular	\$ 349,875	330,477
Salaries - Accrued Vacation	-	500
Salaries - Overtime	7,200	5,148
Employee Benefits	135,140	124,358
Contractual Services	108,695	76,056
Contractual Sewer Improvements	200,000	148,501
Flow Monitoring	45,000	13,315
N.P.D.E.S. Phase II	5,000	11,000
Uniforms	4,530	3,363
Supplies - Miscellaneous Tools and Equipment	2,500	2,500
Materials	32,775	30,958
Automotive	89,300	89,678
Incidentals	200	10
Training	1,500	1,205
Motor Equipment	218,750	213,076
	1,200,465	1,050,145
Less Nonoperating Items		
Capital Outlay	(218,750)	(158,000)
Total Maintenance of Sewers	981,715	892,145
Storm Water Pumping Station		
Salaries - Overtime	7,200	7,450
Employee Benefits	590	1,702
Contractual Services	1,600	318
Maintenance - Equipment	3,000	19,709
Supplies	1,000	2,445
Supplies - Outfall Control	500	96
Power	8,200	5,430
Total Storm Water Pumping Station	22,090	37,150

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operations - Continued		
Capital Outlay		
Highland Avenue Relief Sewer	\$ -	1,457
Central Avenue Sewer	-	21,048
Sheridan Road Sewer	50,000	-
Sewer Lining and Rehabilitation	400,000	134,623
Sewer Maintenance	100,000	100,000
Sewer Improvement Project	350,000	550,468
	<u>900,000</u>	<u>807,596</u>
Less Nonoperating Items		
Capital Outlay	(900,000)	(807,596)
Total Capital Outlay	<u>-</u>	<u>-</u>
Debt Service		
Bond Issue Proceeds	(2,370,000)	-
Principal Retirement	1,665,318	1,683,862
Interest Expense	976,848	826,467
	<u>272,166</u>	<u>2,510,329</u>
Less Nonoperating Items		
Debt Service	(272,166)	(2,510,329)
Total Debt Service	<u>-</u>	<u>-</u>
Depreciation	<u>-</u>	<u>680,618</u>
Total Operating Expenses	<u>1,003,805</u>	<u>1,609,913</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, 2005

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Parking fees	\$ 255,125	312,782
Operating Expenses		
Operations		
Central Business District	191,555	178,419
CTA Station	94,735	93,718
Burmeister Parking Facility	15,420	11,323
Depreciation	-	124,017
Total Operating Expenses	301,710	407,477
Operating Income (Loss)	(46,585)	(94,695)
Nonoperating Revenues (Expenses)		
Investment Earnings	(38,748)	(24,038)
Amortization of Bond Discount	-	(825)
	(38,748)	(24,863)
Income (Loss) Before Transfers	(85,333)	(119,558)
Transfers In	160,000	147,144
Change in Net Assets	74,667	27,586
Net Assets - Beginning		4,560,444
Net Assets - Ending		4,588,030

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2005**

	Original and Final Budget	Actual
Charges for Services		
Central Business District		
Parking Meter Revenue	\$ 57,000	52,486
Debit Card Revenue	74,000	91,554
Permit Fees	22,160	21,810
METRA Station Rent	2,765	2,765
Total Central Business District	<u>155,925</u>	<u>168,615</u>
CTA Station		
Commuter Daily Drop Box	63,000	100,665
Commuter Permit Fees	13,300	15,730
Merchant Permit Fees	2,800	4,212
Residential Permit Fees	4,100	3,520
Total CTA Station	<u>83,200</u>	<u>124,127</u>
Burmeister Parking Facility		
Permit Fees	<u>16,000</u>	<u>20,040</u>
Total Operating Revenues	<u><u>255,125</u></u>	<u><u>312,782</u></u>

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operations		
Central Business District		
Salaries - Regular	\$ 62,800	63,069
Salaries - Overtime	1,825	550
Employee Benefits	23,880	22,652
Contractual Services - Railroad Property	27,265	21,572
Contractual Snow Plowing	16,700	11,068
Building Supplies - Railroad Property	-	923
Grounds Supplies - Village Property	4,370	-
Grounds Supplies - Railroad Property	2,000	-
Power - METRA Station	4,035	2,930
Heating Gas - Railroad Property	-	5,327
Lighting	5,540	6,684
Parking Meter Parts - Village Property	400	-
Parking Meter Parts - Railroad Property	5,550	2,337
Rent - Commuter Lot	31,000	35,523
Rent - Poplar Drive Lots	4,000	3,949
Rent - St. Augustine Lot	1,400	1,580
Rent - Masonic Temple Lot	790	255
Total Central Business District	191,555	178,419
CTA Station		
Salaries - Regular	29,475	29,245
Salaries - Overtime	2,600	278
Employee Benefits	12,630	11,086
Contractual Services	1,200	787
Contractual Grounds Maintenance	11,070	2,480
Contractual Snow Plowing	7,960	4,824
Materials	2,800	1,604
Rent - CTA	27,000	43,414
Total CTA Station	94,735	93,718

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2005

	Original and Final Budget	Actual
Operations - Continued		
Burmeister Parking Facility		
Contractual Services	\$ 6,420	3,273
Materials	500	508
Lighting	8,500	7,542
Total Burmeister Parking Facility	15,420	11,323
Debt Service		
Principal Retirement	105,000	115,000
Interest Expense	38,748	24,038
Interest Expense - Bond Discount Amortization	-	825
	143,748	139,863
Less Nonoperating Items		
Debt Service	(143,748)	(139,863)
Total Debt Service	-	-
Depreciation	-	124,017
Total Operating Expenses	301,710	407,477

VILLAGE OF WILMETTE, ILLINOIS

Combining Schedule of Net Assets

Internal Service Funds

December 31, 2005

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Combining Schedule of Net Assets

**Internal Service Funds
December 31, 2005**

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

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
4,704	1,607	26,691	282,485	315,487
335	-	-	-	335
5,039	1,607	26,691	282,485	315,822
4,704	1,607	26,691	-	33,002
335	-	-	-	335
-	-	-	1,697,818	1,697,818
5,039	1,607	26,691	1,697,818	1,731,155
-	-	-	(1,415,333)	(1,415,333)

VILLAGE OF WILMETTE, ILLINOIS

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

Internal Service Funds
Year Ended December 31, 2005

	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	<u>\$ 1,007,713</u>
Operating Expenses	
Administration	-
Operations	1,007,713
Total Operating Expenses	<u>1,007,713</u>
Operating Income (Loss)	-
Nonoperating Revenues (Expenses)	
Investment Earnings	<u>-</u>
Income (Loss) Before Transfers	-
Transfers In	-
Transfers Out	<u>-</u>
Change in Net Assets	-
Net Assets - Beginning as Restated	<u>-</u>
Net Assets - Ending	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,102,974	301,312	1,227,096	104,835	4,743,930
-	-	-	6,474	6,474
2,102,974	301,312	1,227,096	162,229	4,801,324
2,102,974	301,312	1,227,096	168,703	4,807,798
-	-	-	(63,868)	(63,868)
-	-	-	8,084	8,084
-	-	-	(55,784)	(55,784)
-	-	-	176,040	176,040
-	-	-	(2,480,000)	(2,480,000)
-	-	-	(2,359,744)	(2,359,744)
-	-	-	944,411	944,411
-	-	-	(1,415,333)	(1,415,333)

VILLAGE OF WILMETTE, ILLINOIS

Combining Schedule of Cash Flows

Internal Service Funds

Year Ended December 31, 2005

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 1,007,713
Payments to Employees	(434,778)
Payments to Suppliers	(572,935)
	<u>-</u>
Cash Flows from Noncapital Financing Activities	
Transfers In	-
Change in Interfund Activity	-
	<u>-</u>
Cash Flows from Investing Activities	
Interest	-
	<u>-</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	<u>-</u>
Cash and Cash Equivalents - Ending	<u><u>-</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	-
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) 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
2,105,422	301,312	1,227,096	104,835	4,746,378
(121,775)	-	-	-	(556,553)
(1,976,495)	(305,140)	(1,224,401)	(6,474)	(4,085,445)
7,152	(3,828)	2,695	98,361	104,380
-	-	-	176,040	176,040
(2,448)	-	-	-	(2,448)
(2,448)	-	-	176,040	173,592
-	-	-	8,084	8,084
4,704	(3,828)	2,695	282,485	286,056
-	5,435	23,996	-	29,431
4,704	1,607	26,691	282,485	315,487
-	-	-	(63,868)	(63,868)
3,348	-	-	-	3,348
3,804	(3,828)	2,695	162,229	164,900
7,152	(3,828)	2,695	98,361	104,380

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, 2005**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 796,095	792,573
Sewer Fund Billings	90,100	89,678
Water Fund Billings	126,000	125,462
Total Operating Revenues	<u>1,012,195</u>	<u>1,007,713</u>
Operating Expenses		
Operations		
Maintenance		
Regular Salaries	434,950	433,035
Overtime Salaries	2,050	1,743
Employee Benefits	144,340	138,950
Contractual Services	28,000	31,428
Maintenance - Radios	1,200	885
Contractual Services - Vehicle Washing	4,575	3,042
Automobile Insurance and Claims	65,000	64,970
Uniforms	4,015	3,369
Supplies - Automotive Parts	115,575	111,483
Supplies - Auto Shop	11,400	10,648
Supplies - Vehicle Striping and Safety	2,000	1,939
Gasoline and Oil	158,350	173,209
Mechanics' Tool Allowance	2,200	2,200
Incidentals	75	32
Training	2,700	2,596
Licenses, Titles and Inspection Fees	3,565	4,148
Squad Car Transfer Rehabilitation	5,000	2,956
Other Equipment	18,200	21,080
Total Operating Expenses	<u>1,003,195</u>	<u>1,007,713</u>
Change in Net Assets	<u>9,000</u>	-
Net Assets - Beginning		<u>-</u>
Net Assets - Ending		<u>-</u>

VILLAGE OF WILMETTE, ILLINOIS

Employee Insurance - Internal Service Fund

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2005**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 1,867,602	1,678,154
Municipal Garage Fund Billings	65,100	66,359
Parking Meter Fund Billings	21,490	19,811
Sewer Fund Billings	80,090	66,479
Water Fund Billings	265,250	272,171
Total Operating Revenues	2,299,532	2,102,974
Operating Expenses		
Operations		
Flexible Benefit Program Contributions	126,000	121,775
Employee Health Insurance		
North Suburban Employee Benefit Co-Op	1,708,232	1,469,941
Humana - HMO	84,000	87,541
HMO - Illinois	340,000	385,369
Employee Life Insurance	31,300	32,489
Unemployment Compensation	10,000	5,859
Total Operating Expenses	2,299,532	2,102,974
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, 2005

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 274,900	248,962
Municipal Garage Fund Billings	9,640	8,710
Parking Meter Fund Billings	1,860	1,940
Sewer Fund Billings	7,970	7,230
Water Fund Billings	32,630	34,470
Total Operating Revenues	<u>327,000</u>	<u>301,312</u>
Operating Expenses		
Operations		
Workers' Compensation		
Fixed Premium Portion	258,000	258,445
Payment of Deductibles	69,000	42,867
Total Operating Expenses	<u>327,000</u>	<u>301,312</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, 2005

	Original and Final Budget	Actual
Operating Revenues		
Interfund for Services		
General Fund Billings	\$ 871,770	845,101
Municipal Garage Fund Billings	61,890	61,536
Parking Meter Fund Billings	12,440	11,988
Sewer Fund Billings	53,210	49,537
Water Fund Billings	218,810	256,360
Wilmette Park District Reimbursements	-	2,574
Total Operating Revenues	<u>1,218,120</u>	<u>1,227,096</u>
Operating Expenses		
Operations		
Employer IMRF Contributions	537,640	568,877
Employer FICA Contributions	489,290	472,320
Employer Medicare Contributions	191,930	185,899
Total Operating Expenses	<u>1,218,860</u>	<u>1,227,096</u>
Change in Net Assets	<u>(740)</u>	-
Net Assets - Beginning		<u>-</u>
Net Assets - Ending		<u><u>-</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, 2005**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 91,680	88,436
Municipal Garage Fund Billings	2,105	2,345
Sewer Fund Billings	2,530	2,815
Water Fund Billings	10,985	11,239
Total Operating Revenues	<u>107,300</u>	<u>104,835</u>
Operating Expenses		
Administration	30,000	6,474
Operations		
Sick Leave Accrual	-	162,229
Total Operating Expenses	<u>30,000</u>	<u>168,703</u>
Operating Income (Loss)	77,300	(63,868)
Nonoperating Revenues (Expenses)		
Investment Earnings	-	8,084
Income (Loss) Before Transfers	77,300	(55,784)
Transfers In	-	176,040
Transfers Out	-	(2,480,000)
Change in Net Assets	<u>77,300</u>	(2,359,744)
Net Assets - Beginning as Restated		<u>944,411</u>
Net Assets - Ending		<u>(1,415,333)</u>

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Schedule of Net Plan Assets
December 31, 2005**

	<u>Police Pension</u>	<u>Firefighters' Pension</u>	<u>Totals</u>
Assets			
Cash and Cash Equivalents	\$ 1,923,114	2,833,186	4,756,300
Investments			
U.S. Government and Agency Securities	7,259,673	7,076,803	14,336,476
Mutual Funds	15,632,727	15,892,708	31,525,435
Receivables			
Accrued Interest	101,835	99,777	201,612
Total Assets	<u>24,917,349</u>	<u>25,902,474</u>	<u>50,819,823</u>
Liabilities			
Accounts Payable	<u>9,997</u>	<u>10,057</u>	<u>20,054</u>
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial schedules)	<u>24,907,352</u>	<u>25,892,417</u>	<u>50,799,769</u>

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

**Combining Schedule of Changes in Net Plan Assets
Year Ended December 31, 2005**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 789,400	1,078,808	1,868,208
Contributions - Plan Members	322,475	360,697	683,172
Total Contributions	1,111,875	1,439,505	2,551,380
Investment Income			
Investment Earnings	689,648	718,048	1,407,696
Net Change in Fair Value	403,420	414,436	817,856
	1,093,068	1,132,484	2,225,552
Less Investment Expenses	45,256	45,479	90,735
Net Investment Income	1,047,812	1,087,005	2,134,817
Total Additions	2,159,687	2,526,510	4,686,197
Deductions			
Administration	8,566	8,817	17,383
Benefits and Refunds	1,396,209	1,806,811	3,203,020
Total Deductions	1,404,775	1,815,628	3,220,403
Change in Net Assets	754,912	710,882	1,465,794
Net Plan Assets Held in Trust for Pension Benefits			
Beginning	24,152,440	25,181,535	49,333,975
Ending	24,907,352	25,892,417	50,799,769

VILLAGE OF WILMETTE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual Year Ended December 31, 2005

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 844,000	789,400
Contributions - Plan Members	290,000	322,475
Total Contributions	1,134,000	1,111,875
Investment Income		
Investment Earnings	1,600,000	689,648
Net Change in Fair Value	-	403,420
	1,600,000	1,093,068
Less Investment Expenses	44,000	45,256
Net Investment Income	1,556,000	1,047,812
Total Additions	2,690,000	2,159,687
Deductions		
Administration	10,000	8,566
Benefits and Refunds	1,450,000	1,396,209
Total Deductions	1,460,000	1,404,775
Change in Net Assets	1,230,000	754,912
Net Plan Assets Held in Trust for Pension Benefits		
Beginning		24,152,440
Ending		24,907,352

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2005

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,015,000	1,078,808
Contributions - Plan Members	300,000	360,697
Total Contributions	<u>1,315,000</u>	<u>1,439,505</u>
Investment Income		
Investment Earnings	1,600,000	718,048
Net Change in Fair Value	-	414,436
	<u>1,600,000</u>	<u>1,132,484</u>
Less Investment Expenses	44,000	45,479
Net Investment Income	<u>1,556,000</u>	<u>1,087,005</u>
Total Additions	<u>2,871,000</u>	<u>2,526,510</u>
Deductions		
Administration	10,000	8,817
Benefits and Refunds	1,800,000	1,806,811
Total Deductions	<u>1,810,000</u>	<u>1,815,628</u>
Change in Net Assets	<u>1,061,000</u>	710,882
Net Plan Assets Held in Trust for Pension Benefits		
Beginning		<u>25,181,535</u>
Ending		<u>25,892,417</u>

VILLAGE OF WILMETTE, ILLINOIS

Agency Fund - Fire Insurance Tax

**Combining Schedule of Changes in Assets and Liabilities
Year Ended December 31, 2005**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 427,135	64,760	26,075	465,820
LIABILITIES				
Deposits Payable	427,135	64,760	26,075	465,820

SUPPLEMENTAL SCHEDULES

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 1999
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2006	\$ 100,000	266,315	366,315
2007	-	262,465	262,465
2008	-	262,465	262,465
2009	110,000	262,465	372,465
2010	400,000	257,845	657,845
2011	690,000	240,845	930,845
2012	1,090,000	210,830	1,300,830
2013	1,135,000	162,870	1,297,870
2014	1,185,000	112,363	1,297,363
2015	1,240,000	59,630	1,299,630
2016	100,000	4,450	104,450
	<u>6,050,000</u>	<u>2,102,543</u>	<u>8,152,543</u>
	100,000	General Long-Term Debt	
	<u>5,950,000</u>	Water Fund	
	<u><u>6,050,000</u></u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2000
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2006	\$ 345,000	421,344	766,344
2007	350,000	404,094	754,094
2008	375,000	386,594	761,594
2009	250,000	367,844	617,844
2010	250,000	355,344	605,344
2011	250,000	342,844	592,844
2012	250,000	330,344	580,344
2013	250,000	317,844	567,844
2014	250,000	305,344	555,344
2015	300,000	292,844	592,844
2016	650,000	277,094	927,094
2017	800,000	242,969	1,042,969
2018	850,000	199,969	1,049,969
2019	875,000	154,281	1,029,281
2020	950,000	107,250	1,057,250
2021	1,000,000	55,000	1,055,000
	<u>7,995,000</u>	<u>4,561,003</u>	<u>12,556,003</u>
	1,900,000	General Long-Term Debt	
	<u>6,095,000</u>	Water Fund	
	<u><u>7,995,000</u></u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2001
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2006	\$ 75,000	92,500	167,500
2007	75,000	89,500	164,500
2008	125,000	86,500	211,500
	<u>275,000</u>	<u>268,500</u>	<u>543,500</u>
	75,000	General Long-Term Debt	
	<u>200,000</u>	Water Fund	
	<u><u>275,000</u></u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Bond Series of 2002
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2006	\$ 125,000	1,311,501	1,436,501
2007	175,000	1,306,438	1,481,438
2008	400,000	1,299,350	1,699,350
2009	450,000	1,283,151	1,733,151
2010	450,000	1,264,701	1,714,701
2011	975,000	1,246,026	2,221,026
2012	1,575,000	1,205,563	2,780,563
2013	1,875,000	1,140,201	3,015,201
2014	2,125,000	1,059,576	3,184,576
2015	2,225,000	965,013	3,190,013
2016	2,500,000	863,775	3,363,775
2017	2,700,000	747,525	3,447,525
2018	2,700,000	620,625	3,320,625
2019	2,700,000	492,375	3,192,375
2020	2,400,000	361,425	2,761,425
2021	3,000,000	243,825	3,243,825
2022	1,350,000	96,825	1,446,825
2023	600,000	30,000	630,000
	28,325,000	15,537,895	43,862,895
	21,385,000	General Long-Term Debt	
	1,940,000	Sewer Fund	
	5,000,000	Water Fund	
	28,325,000		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond Series of 2004
December 31, 2005

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
2006	\$ 1,040,000	590,714	1,630,714
2007	1,305,000	559,511	1,864,511
2008	1,415,000	520,364	1,935,364
2009	1,015,000	477,911	1,492,911
2010	1,245,000	444,926	1,689,926
2011	1,420,000	404,463	1,824,463
2012	1,260,000	358,313	1,618,313
2013	1,645,000	314,212	1,959,212
2014	1,630,000	252,525	1,882,525
2015	925,000	191,400	1,116,400
2016	1,275,000	156,713	1,431,713
2017	1,240,000	108,900	1,348,900
2018	535,000	62,400	597,400
2019	495,000	41,000	536,000
2020	530,000	21,200	551,200
	<u>16,975,000</u>	<u>4,504,552</u>	<u>21,479,552</u>
	8,985,000	General Long-Term Debt	
	2,775,000	Sewer Fund	
	4,545,000	Water Fund	
	670,000	Parking Meter Fund	
	<u>16,975,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bond Series of 1993
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2006	\$ 516,224	151,420	667,644
2007	534,870	132,774	667,644
2008	554,189	113,454	667,643
2009	574,207	93,437	667,644
2010	594,948	72,696	667,644
2011	616,437	51,207	667,644
2012	638,703	28,941	667,644
2013	327,951	5,871	333,822
	<u>4,357,529</u>	<u>649,800</u>	<u>5,007,329</u>
	<u>4,357,529</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bond Series of 1995
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December			
	Principal	Interest	Totals
2006	\$ 518,131	163,910	682,041
2007	535,686	146,355	682,041
2008	553,836	128,205	682,041
2009	572,602	109,440	682,042
2010	592,003	90,039	682,042
2011	612,061	69,980	682,041
2012	632,799	49,242	682,041
2013	654,240	27,802	682,042
2014	335,386	5,634	341,020
	<u>5,006,744</u>	<u>790,607</u>	<u>5,797,351</u>
	<u>5,006,744</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bond Series of 1996
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2006	\$ 236,098	78,328	314,426
2007	242,791	71,635	314,426
2008	249,674	64,752	314,426
2009	256,751	57,675	314,426
2010	264,030	50,396	314,426
2011	271,515	42,911	314,426
2012	279,211	35,215	314,426
2013	287,127	27,299	314,426
2014	295,266	19,160	314,426
2015	303,636	10,790	314,426
2016	155,031	2,182	157,213
	<u>2,841,130</u>	<u>460,343</u>	<u>3,301,473</u>
	<u>2,841,130</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bond Series of 1997
December 31, 2005**

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2006	\$ 422,907	187,644	610,551
2007	436,334	174,218	610,552
2008	450,187	160,365	610,552
2009	464,479	146,073	610,552
2010	479,226	131,326	610,552
2011	494,440	116,112	610,552
2012	510,138	100,414	610,552
2013	526,333	84,218	610,551
2014	543,043	67,508	610,551
2015	560,284	50,268	610,552
2016	578,072	32,480	610,552
2017	596,423	14,127	610,550
	<u>6,061,866</u>	<u>1,264,753</u>	<u>7,326,619</u>
	<u>6,061,866</u>	Sewer Fund	

STATISTICAL SECTION

(Unaudited)

This section includes selected financial and demographic information, generally presented on a multi-year basis.

VILLAGE OF WILMETTE, ILLINOIS

**Net Assets by Component - Last Three Fiscal Years
December 31, 2005 (Unaudited)**

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Changes in Net Assets - Last Three Fiscal Years - Continued
December 31, 2005 (Unaudited)**

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

VILLAGE OF WILMETTE, ILLINOIS

**Changes in Net Assets - Last Three Fiscal Years - Continued
December 31, 2005 (Unaudited)**

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2005 (Unaudited)**

	1996	1997	1998
General Fund			
Reserved	\$ 430,708	428,439	516,926
Unreserved	3,523,349	3,377,302	3,384,445
Total General Fund	<u>3,954,057</u>	<u>3,805,741</u>	<u>3,901,371</u>
All Other Governmental Funds			
Reserved	1,423,665	543,673	336,199
Unreserved, Reported in:			
Special Revenues Funds	1,550,589	1,607,573	2,249,876
Debt Service Funds	147,466	138,845	112,948
Capital Projects Funds	-	12,737	304,570
Total All Other Governmental Funds	<u>3,121,720</u>	<u>2,302,828</u>	<u>3,003,593</u>

Data Source: Village Records

1999	2000	2001	2002	2003	2004	2005
425,404	591,673	625,531	900,743	500,461	771,163	563,159
4,217,227	4,546,813	3,590,642	3,979,211	4,687,146	4,727,523	5,756,062
4,642,631	5,138,486	4,216,173	4,879,954	5,187,607	5,498,686	6,319,221
83,053	11,127	30,971	1,918,991	5,257	-	-
2,236,638	1,653,575	1,463,717	1,917,625	1,056,168	1,107,427	680,990
90,480	95,003	55,802	55,720	48,994	49,334	34,553
2,467,973	1,947,704	658,054	15,926,988	13,221,678	8,977,970	4,521,700
4,878,144	3,707,409	2,208,544	19,819,324	14,332,097	10,134,731	5,237,243

VILLAGE OF WILMETTE, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years
December 31, 2005 (Unaudited)

Source	1996	1997	1998
Taxes	\$ 14,014,983	14,666,116	15,960,723
Licenses and Permits	1,295,996	1,562,699	1,380,545
Intergovernmental	2,991	2,489	2,743
Charges for Services and Fees	2,702,975	3,157,407	3,129,073
Fines and Forfeits	313,054	313,530	341,324
Investment Income	338,257	285,034	277,865
Miscellaneous	753,077	1,193,514	707,262
Total	19,421,333	21,180,789	21,799,535

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

Data Source: Village Records

1999	2000	2001	2002	2003	2004	2005
16,966,482	17,796,767	17,985,396	18,211,850	19,547,732	20,076,053	21,272,393
1,594,893	1,526,400	1,570,827	1,606,897	2,094,575	2,172,187	2,824,120
3,524	3,526	3,080	2,038,342	2,171,534	200,560	1,177,017
3,212,219	3,133,083	3,151,875	4,456,680	1,605,341	1,640,957	1,946,356
320,254	286,133	267,000	297,992	350,291	363,871	340,006
423,464	560,906	399,686	816,990	368,368	220,809	390,758
771,058	692,720	739,168	880,594	554,442	513,999	684,793
23,291,894	23,999,535	24,117,032	28,309,345	26,692,283	25,188,436	28,635,443

VILLAGE OF WILMETTE, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years
December 31, 2005 (Unaudited)

Function	1996	1997	1998
General Government	\$ 3,285,511	4,024,244	2,184,618
Public Safety	7,382,473	7,617,506	8,512,787
Streets and Sanitation	4,418,409	4,517,413	5,030,217
Other Public Works	785,545	785,151	1,098,276
Public Health	110,921	116,398	151,632
Community Development	563,411	688,861	744,974
Capital Outlay	6,319,664	8,437,288	3,464,201
Debt Service			
Principal	1,361,427	1,651,904	1,856,977
Interest and Fiscal Charges	1,021,311	1,207,234	1,291,398
Total	25,248,672	29,045,999	24,335,080

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

Data Source: Village Records

1999	2000	2001	2002	2003	2004	2005
2,223,336	2,223,039	2,577,904	2,748,934	3,575,237	3,195,919	3,330,649
9,043,787	9,630,599	10,330,474	10,323,232	13,224,840	12,681,422	13,334,526
5,405,380	5,822,727	5,831,953	5,563,500	8,086,777	6,408,770	7,460,718
927,023	983,121	933,645	899,030	1,012,646	1,073,884	1,051,838
156,271	162,908	163,634	148,368	145,857	154,543	160,447
709,525	785,065	782,215	846,395	869,963	964,234	1,116,566
3,418,887	3,788,753	6,032,847	8,741,902	-	-	-
1,945,881	2,047,229	2,166,972	2,306,600	-	-	-
1,442,871	1,410,160	1,564,737	2,333,643	1,590,316	1,570,605	1,447,678
25,272,961	26,853,601	30,384,381	33,911,604	28,505,636	26,049,377	27,902,422

VILLAGE OF WILMETTE, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2005 (Unaudited)

	1996	1997	1998
Revenues			
Taxes	\$ 14,014,983	14,666,116	15,960,723
Licenses and Permits	1,295,996	1,562,699	1,380,545
Intergovernmental	2,991	2,489	2,743
Charges for Services and Fees	2,702,975	3,157,407	3,129,073
Fines and Forfeits	313,054	313,530	341,324
Investment Income	338,257	285,034	277,865
Miscellaneous	753,077	1,193,514	707,262
Total Revenues	19,421,333	21,180,789	21,799,535
Expenditures			
General Government	3,285,511	4,024,244	2,184,618
Public Safety	7,382,473	7,617,506	8,512,787
Streets and Sanitation	4,418,409	4,517,413	5,030,217
Other Public Works	785,545	785,151	1,098,276
Public Health	110,921	116,398	151,632
Community Development	563,411	688,861	744,974
Capital Outlay	6,319,664	8,437,288	3,464,201
Debt Service			
Principal	1,361,427	1,651,904	1,856,977
Interest and Fiscal Charges	1,021,311	1,207,234	1,291,398
Total Expenditures	25,248,672	29,045,999	24,335,080
Excess of Revenues Over (Under) Expenditures	(5,827,339)	(7,865,210)	(2,535,545)
Other Financing Sources (Uses)			
Proceeds from Bonds	-	480,000	2,460,000
Proceeds from I.E.P.A. Loan	3,560,568	5,990,288	406,712
Proceeds from Installment Contract	-	-	-
Payments to Escrow Agent	-	-	-
Transfers In	700,000	700,000	700,000
Transfers Out	-	(272,286)	(234,772)
Total Other Financing Sources (Uses)	4,260,568	6,898,002	3,331,940
Net Change in Fund Balances	(1,566,771)	(967,208)	796,395
Debt Service as a Percentatge of Noncapital Expenditures	12.59%	13.87%	15.09%

Note: 1996 through 2002 includes General, Special Revenue, Capital Projects and Debt Service Funds.

2003 GASB 34 was implemented. Includes all Governmental Funds.

With the implementation of GASB 34, the Sewer Fund was reclassified as a Proprietary Fund from a Special Revenue Fund.

Data Source: Village Records

1999	2000	2001	2002	2003	2004	2005
16,966,482	17,796,767	17,985,396	18,211,850	18,762,978	19,286,895	21,272,393
1,594,893	1,526,400	1,570,827	1,606,897	2,094,575	2,172,187	2,824,120
3,524	3,526	3,080	2,038,342	2,816,192	989,718	1,177,017
3,212,219	3,133,083	3,151,875	4,456,680	1,605,341	1,640,957	1,946,356
320,254	286,133	267,000	297,992	350,291	363,871	340,006
423,464	560,906	399,686	816,990	274,252	260,765	390,758
771,058	692,720	739,168	880,594	694,537	513,999	684,793
23,291,894	23,999,535	24,117,032	28,309,345	26,598,166	25,228,392	28,635,443
2,223,336	2,223,039	2,577,904	2,748,934	2,769,169	2,934,612	2,989,626
9,043,787	9,630,599	10,330,474	10,323,232	11,527,958	12,272,889	13,184,417
5,405,380	5,822,727	5,831,953	5,563,500	5,181,212	4,857,268	5,327,047
927,023	983,121	933,645	899,030	1,012,646	1,043,884	1,107,204
156,271	162,908	163,634	148,368	145,857	154,543	160,447
709,525	785,065	782,215	846,395	869,963	964,234	1,116,566
3,418,887	3,788,753	6,032,847	8,741,902	6,104,435	5,303,393	6,734,692
1,945,881	2,047,229	2,166,972	2,306,600	885,000	1,010,000	1,261,869
1,442,871	1,410,160	1,564,737	2,333,643	1,593,255	1,581,375	1,429,943
25,272,961	26,853,601	30,384,381	33,911,604	30,089,495	30,122,198	33,311,811
(1,981,067)	(2,854,066)	(6,267,349)	(5,602,259)	(3,491,329)	(4,893,806)	(4,676,368)
4,050,000	2,000,000	3,000,000	25,156,952	-	9,300,000	-
-	-	-	-	-	-	-
-	-	-	165,000	65,586	314,979	-
-	-	-	(1,914,886)	-	(9,269,407)	-
700,000	700,000	700,000	700,000	757,886	800,000	1,300,000
(153,122)	(185,855)	(157,242)	(284,329)	(158,692)	(138,053)	(700,585)
4,596,878	2,514,145	3,542,758	23,822,737	664,780	1,007,519	599,415
2,615,811	(339,921)	(2,724,591)	18,220,478	(2,826,549)	(3,886,287)	(4,076,953)
15.51%	14.99%	15.32%	18.44%	10.33%	10.44%	10.13%

VILLAGE OF WILMETTE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Year
December 31, 2005 (Unaudited)**

Tax Levy Year	Real Property New Trier Township	Real Property Northfield Township	Railroad Property New Trier Township	Total Assessed Value	Equalization Factor	Direct Tax Rate
1995	\$ 757,080,372	\$ 3,182,998	\$ 82,500	\$ 760,345,870	2.1243	0.881
1996	765,412,466	3,242,366	161,812	768,816,644	2.1517	0.893
1997	767,728,846	3,220,131	146,633	771,095,610	2.1489	0.918
1998	861,183,490	3,407,486	136,626	864,727,602	2.1799	0.854
1999	891,271,087	3,509,801	132,765	894,913,653	2.2505	0.854
2000	882,765,423	3,500,518	135,787	886,401,728	2.2235	0.902
2001	1,127,562,716	4,164,954	139,261	1,131,866,931	2.3098	0.748
2002	1,210,079,062	4,432,414	158,585	1,214,670,061	2.4689	0.739
2003	1,202,287,401	4,377,864	167,938	1,206,833,203	2.4598	0.788
2004	1,492,689,803	5,056,436	184,479	1,497,930,718	2.5757	0.689

2005 Data - Currently Not Available

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Direct and Overlapping Property Tax Rates
December 31, 2005 (Unaudited)**

	Last Ten Levy Years									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Village of Wilmette:										
General Corporate rate	0.765	0.779	0.806	0.739	0.723	0.753	0.614	0.584	0.608	0.530
Debt Service Rate	0.116	0.114	0.112	0.115	0.132	0.149	0.134	0.155	0.180	0.159
Total Direct Tax Rate	0.881	0.893	0.918	0.854	0.854	0.902	0.748	0.739	0.788	0.689
School District #39	2.913	2.976	3.314	3.087	3.193	3.454	2.742	2.610	2.707	2.238
School District #203	1.915	1.929	1.967	1.871	1.845	1.936	1.611	1.935	1.799	1.621
Community College #535	0.233	0.208	0.216	0.205	0.203	0.213	0.186	0.179	0.186	0.161
Wilmette Park District	0.457	0.463	0.475	0.430	0.423	0.528	0.425	0.510	0.526	0.440
Wilmette Public Library	0.365	0.375	0.389	0.343	0.338	0.351	0.309	0.315	0.352	0.315
Cook County	1.023	0.989	0.946	0.911	0.877	0.824	0.778	0.690	0.659	0.593
Sanitary District	0.495	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347
Forest Preserve District	0.072	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059	0.060
New Trier Township	0.055	0.057	0.060	0.057	0.057	0.058	0.046	0.045	0.048	0.039
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.008	0.008	0.008	0.007	0.006	0.004	0.001
Mosquito Abatement District	0.011	0.011	0.011	0.011	0.011	0.011	0.010	0.009	0.009	0.008
Total Direct and Overlapping Tax Rate	8.428	8.475	8.829	8.293	8.298	8.769	7.330	7.470	7.498	6.512

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago
December 31, 2005 (Unaudited)

Taxpayer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Joseph Freed & Associates	\$ 35,002,854	1	2.34%	\$ 20,285,547	1	2.67%
1630 Sheridan Corp.	14,127,709	2	0.94%	5,596,231	3	0.74%
Plaza del Lago, Inc.	11,590,650	3	0.77%	8,501,732	2	1.12%
L.J. Thalmann & Co.	6,602,310	4	0.44%	4,383,958	4	0.58%
Albertson's	5,586,595	5	0.37%	-	N/A	0.00%
William C. Kagan	4,185,487	6	0.28%	2,193,751	8	0.29%
Landau & Heyman	3,980,428	7	0.27%	1,833,717	11	0.24%
Avgeris & Assoc.	3,605,974	8	0.24%	2,714,868	6	0.36%
Manor Health Care Corp.	3,345,257	9	0.22%	2,149,821	10	0.28%
Wolin-Levin	3,296,896	10	0.22%	1,555,269	14	0.20%
Westmoreland Country Club	3,266,119	11	0.22%	2,480,942	7	0.33%
Beth Corp.	2,849,190	12	0.19%	2,168,253	9	0.29%
Michigan Shores Club	2,071,468	13	0.14%	1,536,576	15	0.20%
Alter Group	-	N/A	0.00%	3,951,413	5	0.52%
	<u>99,510,937</u>		<u>6.64%</u>	<u>59,352,078</u>		<u>7.81%</u>

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Property Tax Levies and Collections
December 31, 2005 (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
1995	\$ 6,698,300	\$ 6,576,752	98.19%	44,893	\$ 6,621,645	98.86%
1996	6,865,900	6,772,191	98.64%	57,266	6,829,457	99.47%
1997	7,072,200	7,009,834	99.12%	107,391	7,117,225	100.64%
1998	7,384,700	7,271,327	98.46%	254,087	7,525,414	101.91%
1999	7,642,700	7,553,626	98.83%	47,548	7,601,174	99.46%
2000	7,994,173	7,971,753	99.72%	(16,950)	7,954,803	99.51%
2001	8,461,616	8,384,855	99.09%	40,679	8,425,534	99.57%
2002	8,968,044	8,855,063	98.74%	79,142	8,934,205	99.62%
2003	9,505,136	9,039,215	95.10%	457,776	9,496,991	99.91%
2004	10,333,000	10,082,058	97.57%	409,359	10,491,417	101.53%
2005	10,925,600	*		*	*	*

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

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
December 31, 2005 (Unaudited)

Fiscal Year Ended Dec 31	Governmental Activities				Business-Type Activities				Total	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Special Service Area Bonds	Water General Obligation Bonds	Sewer General Obligation Bonds	Parking Meter General Obligation Bonds	Water Revenue Bonds	IEPA Revolving Loans				
1996	\$ 5,660,000	\$ 15,000	\$ 9,845,000	\$ -	\$ -	\$ 330,000	\$ 24,444,895	\$ 40,294,895	1,047.57	\$ 1,518.84	
1997	5,578,333	-	12,490,167	-	1,376,500	300,000	29,359,946	49,104,946	1,276.61	1,850.92	
1998	7,448,333	-	14,495,167	-	1,376,500	-	28,499,681	51,819,681	1,347.19	1,953.25	
1999	10,883,333	-	14,201,667	-	1,275,000	-	27,168,800	53,528,800	1,391.62	2,017.67	
2000	12,233,333	-	14,031,667	-	1,150,000	-	25,771,571	53,186,571	956.40	1,923.50	
2001	14,510,000	-	15,735,000	-	1,065,000	-	24,327,934	55,637,934	1,000.48	2,012.15	
2002	35,210,000	-	20,440,000	2,000,000	975,000	-	22,836,334	81,461,334	1,464.84	2,946.05	
2003	34,330,000	-	20,150,000	1,980,000	880,000	-	21,492,258	78,832,258	1,417.57	2,850.97	
2004	33,590,000	-	22,175,000	4,760,000	785,000	-	19,906,130	81,216,130	1,460.43	2,937.19	
2005	32,445,000	-	21,790,000	4,715,000	670,000	-	18,267,269	77,887,269	1,400.57	2,816.80	

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years
December 31, 2005 (Unaudited)

Fiscal Year Ended Dec. 31	Gross General Obligation Bonds	Per Capita Personal Income	Total Equalized Assessed Valuation	Percentage of Equalized Assessed Valuation	Per Capita
1996	\$ 5,660,000	\$ 38,465	\$ 768,816,644	0.74%	\$ 213.34
1997	5,578,333	38,465	771,095,610	0.72%	210.27
1998	7,448,333	38,465	864,727,602	0.86%	280.75
1999	10,883,333	38,465	894,913,653	1.22%	410.23
2000	12,233,333	55,611	886,401,728	1.38%	442.42
2001	14,510,000	55,611	1,131,866,931	1.28%	524.75
2002	35,210,000	55,611	1,214,670,061	2.90%	1,273.37
2003	34,330,000	55,611	1,206,833,203	2.84%	1,241.55
2004	33,590,000	55,611	1,497,930,718	2.24%	1,214.78
2005	32,445,000	55,611	1,497,930,718	2.17%	1,173.38

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt
December 31, 2005 (Unaudited)

Governmental Unit	Gross Debt	*Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Wilmette	\$ 33,590,000	100.000 %	\$ 33,590,000
School Districts:			
Avoca School District #37	4,564,980	36.990	1,688,586
Kenilworth School District #38	4,975,000	2.231	110,992
Wilmette School District #39	12,330,000	95.391	11,761,710
Community College #535	-	7.334	-
New Trier Township High School District #203	14,145,000	35.404	5,007,896
Total School Districts	36,014,980		18,569,184
Other Agencies:			
Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago	2,583,170,000	1.156	29,861,445
Wilmette Park District	1,366,739,115	1.181	16,141,189
Wilmette Park District	29,700,000	100.000	29,700,000
Glenview Park District	12,750,000	.122	15,555
Wilmette Public Library District	277,000	100.000	277,000
Total Other Agencies	3,992,636,115		75,995,189
Total Overlapping Debt	4,028,651,095		94,564,374
Total Direct and Overlapping Debt	\$ 4,062,241,095		\$ 128,154,374

* 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, 2005 (Unaudited)**

The Government is a home rule municipality.

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

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

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Pledged-Revenue Coverage - Last Ten Fiscal Years
December 31, 2005 (Unaudited)**

Fiscal Year Ended December 31	General Obligation Bonds Serviced by Water and Sewer 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	
1996	\$ 4,396,666	\$ 2,799,097	\$ 1,597,569	\$ 521,666	\$ 660,855	1.35
1997	4,633,509	2,817,390	1,816,119	528,333	806,056	1.36
1998	4,661,231	2,965,448	1,695,783	835,000	833,028	1.02
1999	5,051,910	3,020,501	2,031,409	661,500	705,131	1.49
2000	4,741,163	3,158,607	1,582,556	390,000	847,900	1.28
2001	5,074,759	3,205,293	1,869,466	381,667	863,116	1.50
2002	5,320,019	3,214,693	2,105,326	385,000	1,042,556	1.47
2003	8,646,110	4,752,315	3,893,795	1,940,099	1,868,998	1.02
2004	8,886,273	4,402,576	4,483,697	2,046,127	1,798,474	1.17
2005	10,762,555	4,993,804	5,768,751	2,023,861	1,647,547	1.57

*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, 2005 (Unaudited)

Fiscal Year Ended April 30	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1996	26,530	\$ 1,020,476	38,465	N/A	6,896	1.70%
1997	26,530	1,020,476	38,465	N/A	6,896	1.70%
1998	26,530	1,020,476	38,465	N/A	6,896	1.70%
1999	26,530	1,020,476	38,465	N/A	6,896	1.70%
2000	27,651	1,537,700	55,611	42.2	8,383	2.60%
2001	27,651	1,537,700	55,611	42.2	8,383	2.60%
2002	27,651	1,537,700	55,611	42.2	8,383	2.60%
2003	27,651	1,537,700	55,611	42.2	8,383	2.60%
2004	27,651	1,537,700	55,611	42.2	8,383	2.60%
2005	27,651	1,537,700	55,611	42.2	8,383	2.60%

Data Source: 1990 and 2000 census data

VILLAGE OF WILMETTE, ILLINOIS

Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2005 (Unaudited)

Employer	2005			1996		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wilmette School District #39	539	1	N/A	400	1	N/A
Carson, Pirie, Scott & Co.	300	2	N/A	300	2	N/A
Loyola Academy	250	3	N/A	230	3	N/A
Village of Wilmette	208	4	N/A	198	4	N/A
ManorCare Health Services	92	5	N/A	70	8	N/A
Wilmette Park District	81	6	N/A			
Bed Bath & Beyond	80	7	N/A	60	10	N/A
Westmoreland Country Club	75	8	N/A	75	6	N/A
Koenig & Strey, Inc.	67	9	N/A	100	5	N/A
Regina Dominican	65	10	N/A	63	9	N/A
Loyola University				70	7	N/A
	<u>1,757</u>		<u>-</u>	<u>1,566</u>		<u>-</u>

N/A - Not Available

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Full-Time Equivalent City Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2005 (Unaudited)**

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
General Government										
Administration & Law	8.90	8.90	8.90	8.25	7.00	7.20	7.20	7.20	7.20	7.20
Finance & Information Services	10.40	10.76	9.76	10.70	12.58	12.58	11.83	11.78	11.53	11.90
Other	2.75	2.75	2.88	2.88	3.25	3.25	2.88	2.75	2.75	2.25
Police										
Officers	43.00	43.00	43.00	43.00	43.00	43.00	45.00	45.00	45.00	46.00
Telecommunicators	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Other Civilians	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50
Fire										
Firefighters and Officers	44.00	44.00	44.00	44.00	44.00	45.00	45.00	45.00	45.00	45.00
Civilians	1.00	2.50	2.58	3.08	3.08	2.50	2.00	2.00	2.00	2.00
Health										
	2.20	2.20	2.20	2.20	2.20	2.20	2.00	2.00	1.75	1.75
Public Works										
Streets and Sanitation	25.95	26.58	27.58	27.42	29.42	29.42	29.42	27.10	27.10	27.60
Water and Sewer	28.50	28.50	28.13	28.13	28.13	29.00	29.00	29.00	29.00	29.50
Engineering	6.00	6.00	6.00	6.00	7.00	7.00	7.00	7.00	7.00	7.00
Other	4.00	4.00	4.00	4.00	4.00	3.50	3.50	3.50	3.50	3.50
Community Development										
	9.50	9.70	11.20	11.00	11.50	11.25	11.00	11.00	11.00	11.00
Total	206.70	209.39	210.72	211.15	215.65	216.40	216.32	213.83	213.33	215.20

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2005 (Unaudited)**

Funtion/Program	1996	1997	1998
Police			
Felonies	648	641	582
Misdemenors (Part II Crimes)	2,028	1,933	1,322
Miscellaneous offenses (incidents reported)	22,348	21,087	19,044
Traffic accidents	1,063	1,070	1,059
Fire			
Emergency Repsonses	2089	2917	3191
Fires Extinguished	71	49	69
Inspections	700	700	700
Public Works			
Street Resurfacing (Miles)	N/A	N/A	N/A
Potholes Repaired	N/A	N/A	N/A
Water			
New Connections			
Average Daily Consumption (Thousands of Gallons)	12,263	12,580	12,127
Peak Daily Consumption (Thousands of Gallons)	24,551	27,118	23,629

Data Source: Village Records

1999	2000	2001	2002	2003	2004	2005
585	575	526	521	465	488	486
1,567	1,414	1,515	1,549	2,010	2,026	1,843
19,442	17,365	17,282	16,494	17,246	17,612	16,162
1,111	1,148	1,055	1,092	1,054	1,006	1,021
3266	3280	3527	3226	3108	2981	3195
62	53	47	35	48	50	57
700	700	537	638	475	400	610
N/A	N/A	N/A	3.87	3.07	4.00	3.25
N/A	N/A	N/A	784	1,031	2,153	2,811
12,760	12,410	12,467	12,715	13,026	12,430	13,941
25,922	21,919	22,916	27,829	24,477	20,905	29,540

VILLAGE OF WILMETTE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2005 (Unaudited)**

Function/Program	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	19	19	19	19	19	19	19	19	19
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (Miles)	86.5	86.5	86.5	86.5	86.5	86.5	86.5	87.8	87.8	87.8
Streetlights	2,190	2,430	2,430	2,430	2,430	2,430	2,429	2,510	2,510	2,510
Traffic Signals:										
Village owned	6	6	6	6	6	7	7	7	8	8
Other	18	18	18	18	18	18	18	18	17	17
Water										
Water Mains (Miles)	91	91	91	91	91	91	91	91	91	91
Fire Hydrants	953	953	980	962	962	974	975	975	975	975
System Capacity (Millions of Gallons)	34	34	34	38	38	38	34	34	42	44

Data Source: Village Records