

VILLAGE OF
WILMETTE, ILLINOIS

COMPREHENSIVE
ANNUAL
FINANCIAL REPORT



FOR THE FISCAL
YEAR ENDED
DECEMBER 31, 2008

**VILLAGE OF WILMETTE,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

YEAR ENDED DECEMBER 31, 2008

Prepared by Department of Finance

Robert Amoruso
Director of Finance

Kathleen Gargano
Assistant Village Manager

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INTRODUCTORY SECTION

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

VILLAGE OF WILMETTE, ILLINOIS

Principal Officials

December 31, 2008

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Christopher S. Canning, President

Mike Basil - Trustee

John Levin - Trustee

Karen Spillers - Trustee

Alan Swanson - Trustee

Mari Terman - Trustee

Lali Watt - Trustee

ADMINISTRATIVE

Timothy J. Frenzer, Interim Village Manager

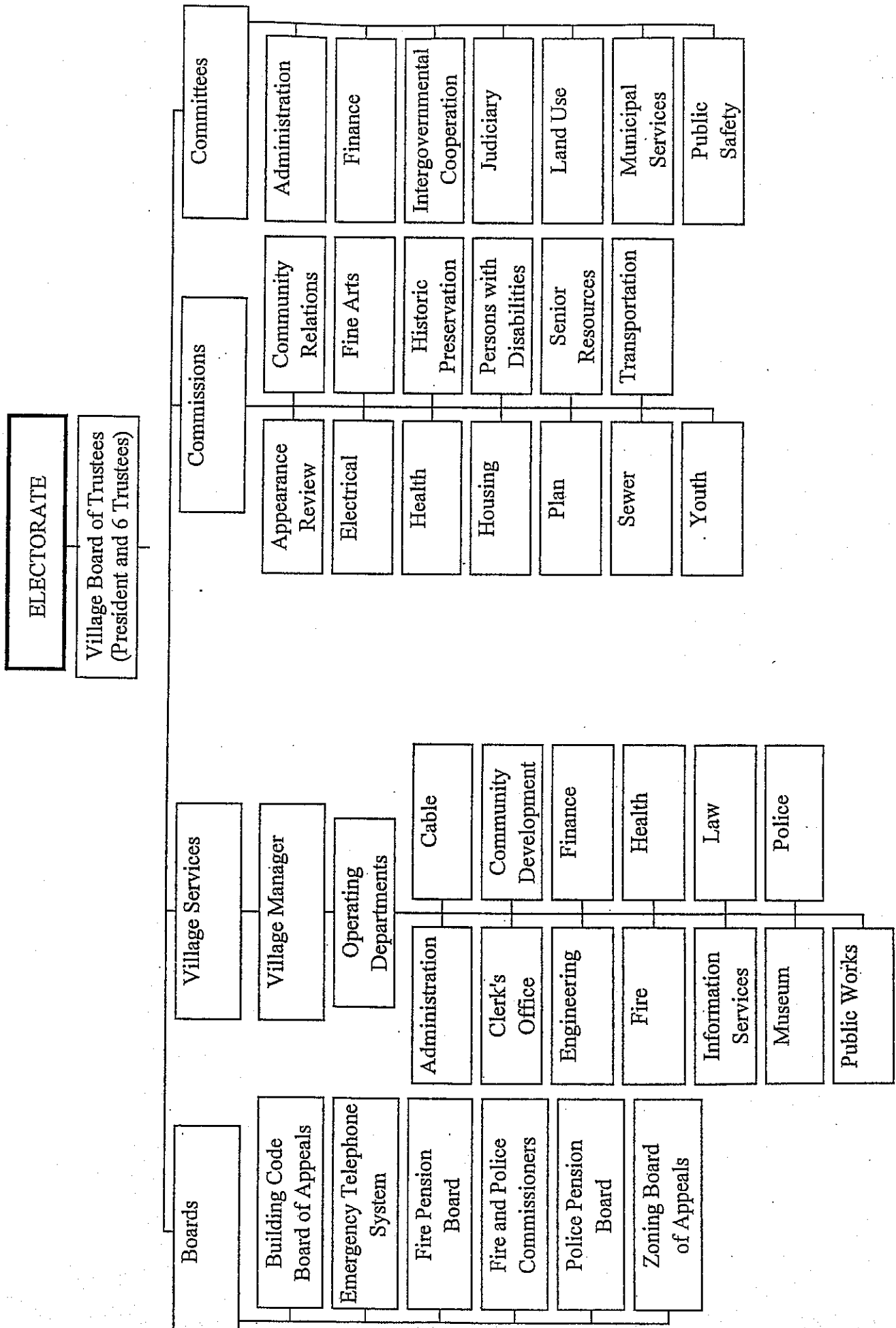
Kathleen A. Gargano, Assistant Village Manager

FINANCE DEPARTMENT

Robert Amoruso, Finance Director

Blythe Trilling, Assistant Finance Director

VILLAGE OF WILMETTE ORGANIZATIONAL STRUCTURE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Wilmette
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2007

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



President

Executive Director



VILLAGE OF WILMETTE

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WILMETTE, ILLINOIS 60091-0040

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TDD (847) 853-7634
EMAIL wilmette@wilmette.com

May 28, 2009

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, 2008 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 sixth year that the financial statements have been prepared in accordance with Statement No. 34 (Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments) of the Governmental Accounting Standards Board (GASB). The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. Statement No. 34 significantly changed the required format for governmental statements in a number of ways. The most significant of these changes was to require that governments prepare government-wide financial statements in addition to the fund-based financial statements governments have traditionally prepared. The government-wide financial statements attempt to present a government's financial position and results of operations in a manner similar to business. More information about this "new financial reporting model" is provided in Management's Discussion and Analysis (MD&A). The MD&A is located in the financial section of this report.

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

Accounting System and Budgetary Control

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

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

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

Factors Affecting Financial Condition

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

While the 2000 census reflects important statistics and while the Village expects its impressive status to remain so with the 2010 census, it cannot be denied that the downturn in the nation's economy has impacted everyone. Statistically:

- The Dow Jones Industrial average fell 33% in 2008 from 12,800 at the beginning of the year to 8,500 by year end. It would fall to below 7,000 in the early stages of 2009.
- Nationally, unemployment levels increased from 4.9% at the start of 2008 to 7.2% by year end. This would approach 10% continuing into 2009.
- Foreclosure rates increased 30% nationally in 2008 and Illinois ranked 7th among states with the highest rates.
- Concerns of corporate bankruptcies of some of the largest banks, investment banks and industrial manufacturers have resulted in the phrase "government bailout" becoming a part of the nation's vernacular.

While it is not quantifiable, given the overall market downturn, many of the Village's residents most certainly incurred investment losses in 2008. Similarly, while current unemployment statistics for localities are not available, it is likely that many more Village residents are actively seeking employment than has been the case in recent years. Employment levels in the Village have always performed better than state and national averages with typical unemployment rates at about one-third that of national levels. On that basis, Wilmette unemployment is likely in the 3-4% range at this time.

2000 census data also indicated that nearly 67% of those employed were in the "Management / Professional" category. Many of those employed in this category have likely seen year-end bonuses reduced or eliminated as a result of the economic downturn and may have also experienced salary cuts or salary freezes in this regard.

Foreclosure activity has increased in Wilmette (estimated at about 40 homes in 2008) but the nature of these foreclosures is significantly different than throughout much of the nation. In much of the country, property value drops have resulted in "negative equity" situations wherein balances of mortgage loans exceeded the home values. This has generally not been the case in Wilmette. Most of the Village's foreclosures have been resolved quickly with banks so that properties have not been vacant for lengthy periods.

Locally, the nation's economic issues have been most evident in decreases in the volume of real estate sales and in the volume of residential remodeling projects. Property values have undoubtedly declined in this market but with so few sales it is difficult to quantify this decrease. Thus far, the perception of these declines appears to be greater than the reality - resulting in fewer residents listing properties in the current environment. While substantial growth in property values has been evident, with the Village's 2007 equalized assessed valuation being 132% greater than in 2000 (and 27% greater than the 2006 valuation), the current real estate market may begin to stabilize this growth.

With declines in wealth and income, consumer spending will likely be impacted. Among Wilmette's largest sales tax producers are four grocery stores and a major drug retailer. Discretionary spending should not affect these businesses as much they might impact auto dealers or apparel businesses. This aspect should mitigate any decreases in sales tax that will come with reduced consumer spending. Lastly, with federal agencies placing increased pressures on banks to tighten lending standards, plans for commercial redevelopments will likely be delayed.

Investment losses also have a direct impact on the Village with respect to pension funding. With defined benefit pension plans, poor investment returns solely impact the employer in the form of increased employer contributions. It is expected that the investment losses of 2008 will result in contribution growth of 10% to 15% for at least the next five years.

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. Since 2006, employees pay for 5% of individual health insurance premiums. In addition, employees may elect to cover their dependents through a contribution of 20% of the difference in premium cost between individual coverage and family coverage. Employees may choose an HMO coverage or may select PPO coverage through the North Suburban Employee Benefit Cooperative.

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

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

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

Beginning in 2003, retirees now participate in a Section 105 Plan that provides them with a bank of money at retirement that is determined by their unused sick-leave at retirement in conjunction with their longevity. This bank of money may be used by the retiree and their dependents to

reimburse any health care costs. The Village pre-funds the program and the annual contribution is determined by an independent actuary.

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

Major Initiatives

Development Initiatives

Master Development Plan for the Village Center - Following a 2007 review by a Technical Advisory Panel (consisting of professional planners, developers, business owners and government officials) of the Urban Land Institute (ULI), the Village sought and received a grant from the Regional Transportation Authority (RTA) to assist in funding a Master Plan study of the Village Center. A Master Plan will provide guidance regarding redevelopment of large tracts of land in the Village Center. The RTA grant will fund 80% of the cost of the study up to \$100,000 and will begin in the latter half of 2009.

Depot Property - In 2005 the restaurant lease held by the Village expired and a commercial real estate broker, Hallmark and Johnson, was retained to search for a new tenant for the approximately 800 square foot space. In 2007 a local restaurateur expressed interest in opening a second restaurant at this site and the Village completed lease negotiations in mid-2007. The negotiated lease provided for an expansion of this property without impacting the historic character of the original building. This restaurant opened in May 2008.

Kohl Museum Property Redevelopment - In 2006, the contract purchaser, The Shiner Group, began the process of requesting PUD approval with the Village's Plan Commission. In 2007 plans were approved for a completely commercial redevelopment on this site and construction began. This construction was completed in 2008.

Capital Improvements - An aggressive capital improvement schedule continued in 2008 for a number of infrastructure and facility improvement projects. This work related to the spending down of \$12.5 million in debt issued in 2007. The following is a summary of some of the 2007 capital projects activity:

Public Works Facility - In 2006, the Village Municipal Services Committee reviewed a consultant's design alternatives for improvements to the Public Works Village Yard facility. These improvement alternatives can be made in multiple phases and detail drawings for the first phase were completed in 2007. Construction began in late 2008 and will be completed in 2009.

Street Resurfacing Program – In 2008 the Village completed its commitment made in 1999 to pursue an aggressive multi-year street resurfacing enhancement program. This pledge was made after a study by the Engineering Department and an outside consultant indicated that the Village's previous level of spending was not sufficient to maintain the Village's streets in satisfactory condition. In 2008, \$422,000 in street resurfacing projects were completed in various areas of town, funded by the aforementioned 2007 bond issue. Future road improvements are to be funded from the State-shared motor fuel tax, and other operating revenues in the General Fund.

Sheridan Road Improvements – Following years of coordinating with Federal and State authorities, work began on this \$22.3 million project in 2007. The Village's contribution in this endeavor will total \$8.4 million. Water and sewer improvements will amount to \$3.6 million while the Village's share of the roadway improvements will be \$4.8 million. This project will be completed in 2009.

Storm Water Pumping Station Electrical Improvements and new Emergency Generator – Following the August 2007 storm, it was determined that electrical improvements and an emergency generator were needed at this facility in order to ensure continued functioning of the storm water pumping station in the event of a power outage. This work began in 2008 and will be completed in 2009. This work is financed from the Sewer Fund portion of the 2007 bond issue and additional debt to be issued in late 2009.

It is worth noting that given the economic stress that exists nationally at this time, capital spending will likely be slowed in the next few years. The projected 2009 bond issue will primarily be used to complete projects that are currently under construction.

Independent Audit

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

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report for the year ended December 31, 2007. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

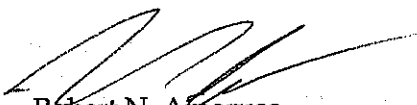
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

The Village was awarded the Distinguished Budget Presentation Award by the GFOA for its 2008 budget document. This was the ninth 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 2009 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 28, 2009

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

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the Village of Wilmette, Illinois as of and for the year ended December 31, 2008, which collectively comprise the Village of Wilmette's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village of Wilmette, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

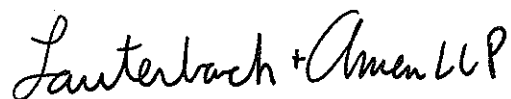
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Wilmette, Illinois as of December 31, 2008, and the respective changes in financial position and the cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

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

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF WILMETTE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2008

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, 2008. 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 \$57,763 at December 31, 2008. Of this amount, \$6,118 (*unrestricted net assets*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net assets increased \$127 (.2%) during the fiscal year ended December 31, 2008. This small increase is the net of the increase in the investment in capital assets net of related debt of \$2,000; an increase in restricted net assets of \$739; and the decrease in unrestricted net assets of \$2,612. Revenue decreases resulting from the economic downturn in the second half of the year along with increased pension liabilities are attributable for much of the decrease in unrestricted net assets. The net increase is the result of infrastructure improvements that were well underway from existing bond proceeds and grants before the economic issues surfaced.
- Governmental net assets decreased \$332. For the same reasons that are noted above, the investment in capital assets increased \$919; restricted net assets increased \$739; and these increases were offset by the \$1,990 decrease in unrestricted net assets. Similarly, business-type net assets increased \$459 consisting of a \$1,081 increase in net capital assets and a \$622 decrease in unrestricted net assets. Infrastructure improvements, primarily financed through additional debt, have increased governmental net capital assets by 67% since 2003. Existing bond proceeds will be spent down, continuing to produce growth in the capital asset portion of the Village's net assets in the near future. However, given the decreases in operating revenues that will be discussed later in this report along with the need for increased pension funding, this trend of increased capital spending will likely be reduced.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the General Fund was \$6,350 or 22% of General Fund expenditures. This \$771 decrease represents an 11% decline from the prior year. This is approximately the same balance that existed at December 31, 2006.

- Total unrestricted net assets decreased \$2,612 (30%). This decrease is attributed evenly to diminished revenues, increased pension costs, and increased costs in other operating categories. These will be discussed in detail with the analysis of the statement of activities.
- The Village's total debt decreased \$4,845 (5.7%) at December 31, 2008. Following the \$13,000 in new debt issued in 2007 only \$42 was issued in 2008 along with \$4,887 in scheduled retirements. New debt of \$3,500 is planned for 2009 to complete projects currently under construction.

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 21 - 24) 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 23 - 24) 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 25 - 28) is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. The focus of government funds is narrower than that of the Government-Wide Financial Statements. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities. The Governmental Major Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected. The flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the Government-Wide Statements).

The Village maintains four individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Capital Projects Fund (for the 2007 General Obligation Bond Issue) and General Debt Service Fund, which are considered to be major funds. The financial data from nonmajor funds are combined into a single aggregated presentation. The Village's Motor Fuel Tax Fund is its only nonmajor governmental fund in 2008.

The Village of Wilmette adopts an annual appropriation ordinance for all of its funds. No supplemental appropriations were adopted in 2008. 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 29 - 33) 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 34 - 35). 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 36 - 84 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 85 - 93 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 \$57,763 as of December 31, 2008.

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, 2008

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Assets						
Current Assets	\$ 29,272	\$ 33,284	\$ 6,183	\$ 10,572	\$ 35,455	\$ 43,856
Noncurrent Assets	45,396	42,885	77,406	75,671	122,802	118,556
Total Assets	<u>\$ 74,668</u>	<u>\$ 76,169</u>	<u>\$ 83,589</u>	<u>\$ 86,243</u>	<u>\$ 158,257</u>	<u>\$ 162,412</u>
Liabilities						
Current Liabilities	\$ 18,273	\$ 18,682	\$ 3,402	\$ 3,787	\$ 21,675	\$ 22,469
Long-Term Liabilities	39,931	40,691	38,888	41,616	78,819	82,307
Total Liabilities	<u>\$ 58,204</u>	<u>\$ 59,373</u>	<u>\$ 42,290</u>	<u>\$ 45,403</u>	<u>\$ 100,494</u>	<u>\$ 104,776</u>
Net Assets:						
Investment in Capital						
Assets, Net of						
Related Debt	\$ 11,418	\$ 10,499	\$ 39,037	\$ 37,956	\$ 50,455	\$ 48,455
Restricted	1,190	451	-	-	1,190	451
Unrestricted	3,856	5,846	2,262	2,884	6,118	8,730
Total Net Assets	<u>\$ 16,464</u>	<u>\$ 16,796</u>	<u>\$ 41,299</u>	<u>\$ 40,840</u>	<u>\$ 57,763</u>	<u>\$ 57,636</u>

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 \$6,118 may be used to meet the Village's ongoing obligations to citizens and creditors.

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

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

An extensive infrastructure improvement program has been ongoing since 1999. This has included numerous road resurfacing and reconstruction projects as well as sewer and water main improvements. Additionally, significant building improvements have occurred at the Village Hall, Water Plant, both of the Village's fire stations and its museum. Most of these improvements have been debt financed with a smaller portion funded by State grants and contributions from the Village of Glenview. In 2008, capital spending and debt principal repayments exceeded depreciation, resulting in a net gain of \$2,000 (4.1%) in the Village's investment in capital assets, net of related debt.

The increase in restricted net assets pertains to the Village's Motor Fuel Tax Fund which had no expenditures in 2008. This Fund's 2008 budget was encumbered at year end and will be expended with the final payments of the Sheridan Road Improvements project in 2009.

The decrease of \$1,990 for unrestricted governmental net assets is the result of numerous factors:

- Decreased revenues, including:

Real Estate Transfer Tax	\$ 537
Building Permit Revenues	\$ 503
Water Fund Operating Transfer	\$ 150
Interest Earnings	\$ 141
- Netted against certain revenue increases:

Escrowed Road Program Revenues	\$ 492
Cell Tower Lease Rents	\$ 142
Insurance Reimbursement	\$ 199
- Netted with increased expenses, primarily:

Personnel Costs	\$ 569
Road Repairs from Winter Damage	\$ 148
Road Salt	\$ 83
- And changes in other assets:

Decrease in Net Pension Asset	\$ 402
Decrease in Insurance Deferred Credit	\$ 189

The nation's economy and weather have been the greatest causes for the net assets decline. Real estate has been particularly hurt by the national economic downturn which has had a direct impact on the Village's real estate transfer tax and building permit activity. Investment returns that declined dramatically in the 4th quarter reduced interest earnings in the operating funds but this had a much greater impact on the Village's pension funds. This resulted in the decrease in the net pension asset and caused the poor investment performance by the Village's insurance consortium – creating the decline in the insurance deferred credit.

Significant snowfall at the beginning of the year resulted in greater application of road salt to keep roads safe. This was problematic as the unit cost of road salt nearly doubled from the prior year. Also, the frequent freeze-thaw-freeze conditions that occurred with this precipitation resulted in larger numbers of "potholes", thus increasing the costs of damage repairs later in the year. The revenue fluctuations will be addressed in greater detail with the statement of activities.

Statement of Activities

Governmental Activities. Program revenues decreased \$96 (1.6%) in 2008. This decrease is attributable to a \$335 decline in building permit revenues. With the sub-prime loan problems plaguing the nation's banking system, even quality real estate such as exists in Wilmette was not exempt to the issues that this created. While sales of real estate ebbed, in part due to tighter lending standards, home improvements also declined as home equity lines of credit were similarly impacted. This, in conjunction with individual income declines and investment losses on the part of Wilmette residents, resulted in fewer home improvements. These declines were partially offset by a \$138 increase in police fines from improved enforcement measures and from a \$111 increase in refuse collection fees due to a planned rate increase.

Operating grants and contributions often occur irregularly. As such they may fluctuate widely and the net decrease in 2008 in this area was \$980. The August 23, 2007 storm resulted in a large grant last year from the Federal Emergency Management Agency (FEMA). The decrease related to this in 2008 was \$839. Grant receipts related to Sheridan Road improvements also decreased by \$463 in 2008. The contributions received related to the Police Department's implementation of a Computer Aided Dispatch system declined by \$258 in 2008 as most of the expenses for this project were also incurred in 2007. Lastly, a \$56 State grant used assist in financing the removal of ash trees infested with the emerald ash borer (EAB) throughout the Village, which was received last year, did not recur in 2008. Netted with grants and contributions that did not recur in 2008 was a new \$675 grant from Homeland Security toward the purchase of a new fire truck.

General revenues from taxes increased \$143 (.6%) in 2008. A 3.9% increase in property taxes produced additional revenue of \$452. This was in line with expectations as the 2007 tax levy provided for a 4% levy increase consisting of a 4.5% increase to fund recurring operations; a 1% decrease for expenses related to the EAB infestation; plus .5% for increased debt service related to the Village's capital improvements program.

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

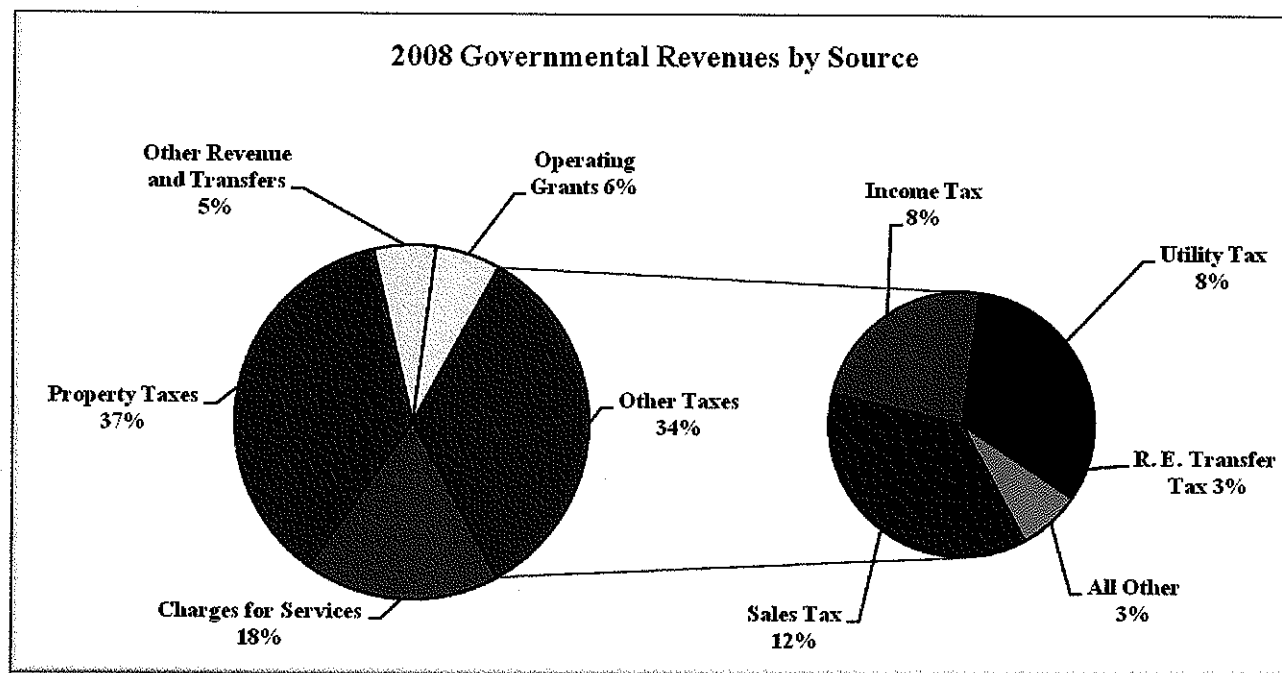
Table 2: Changes in Net Assets for the Fiscal Year Ended December 31, 2008

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues						
Program Revenues						
Charges for Services	\$ 5,839	\$ 5,934	\$ 10,215	\$ 10,157	\$ 16,054	\$ 16,091
Operating Grants and Contributions	1,956	2,936	13	155	1,969	3,091
General Revenues						
Property Taxes	12,033	11,581	-	-	12,033	11,581
Other Taxes	11,167	11,545	-	-	11,167	11,545
Other Revenue and Transfers	1,852	2,069	(565)	284	1,287	2,353
Total Revenues	\$ 32,847	\$ 34,065	\$ 9,663	\$ 10,596	\$ 42,510	\$ 44,661
Expenses						
General Government	\$ 3,341	\$ 3,396	\$ -	\$ -	\$ 3,226	\$ 3,396
Public Safety	16,501	15,071	-	-	16,501	15,071
Streets and Sanitation	8,413	8,270	-	-	8,413	8,270
Other Public Works	1,762	2,156	-	-	1,762	2,156
Public Health	171	177	-	-	171	177
Community Development	1,272	1,254	-	-	1,387	1,254
Interest	1,719	1,637	-	-	1,719	1,637
Water	-	-	6,207	6,146	6,207	6,146
Sewer	-	-	2,534	2,622	2,534	2,622
Parking	-	-	463	443	463	443
Total Expenses	\$ 33,179	\$ 31,961	\$ 9,204	\$ 9,211	\$ 42,383	\$ 41,172
Changes in Net Assets	(332)	2,104	459	1,385	127	3,489
Net Assets January 1	16,796	14,692	40,840	39,455	57,636	54,147
Net Assets December 31	<u>\$ 16,464</u>	<u>\$ 16,796</u>	<u>\$ 41,299</u>	<u>\$ 40,840</u>	<u>\$ 57,763</u>	<u>\$ 57,636</u>

The municipal share of the State income tax increased \$170 (7%) in 2008. Nearly all of this increase was received in the first half of 2008 as statewide unemployment increased as the year progressed. Since 2008 income tax returns are filed in April 2009, the lag in the decline appearing in the Village's financials is not unusual. The downward trend is expected to worsen into 2009 and the budgeted revenue for next year reflects a 4% decrease. The economic decline was evidenced earlier in the Village's sales tax performance noted by the \$95 (2.3%) decrease from 2007. This decline occurred in the 4th quarter as the decrease for those three months was \$109. As with income tax, this will likely continue into 2009.

The last major component of the decrease in general tax revenues is from a \$486 (35%) decline in the real estate transfer tax. As noted with the permit revenues above, real estate activity has been particularly hard hit by the economic downturn. As lending standards became more strict, the volume of real estate sales declined (as most potential sellers simply removed their properties from the market). As mortgage rates are still at historically low levels, overall confidence in the Midwest economy will need to improve before this trend will reverse itself.

The composition of the Village's 2008 governmental revenues is similar to the prior year other than the larger than normal grant activity that occurred 2007.



Other revenue and transfers decreased \$217 (10.5%) from 2007. A portion of this was expected as 2007 revenues included \$681 in back rents owed from cellular leases. With this not repeating in 2008, cell tower rent declined \$539. These rents link directly to the operating transfer from the General Fund to the Parking Meter Fund and this transfer was reduced by \$339 in 2008. Note that this will be the final transfer needed to subsidize the debt service in the Parking Meter Fund for the Burmeister Parking Facility.

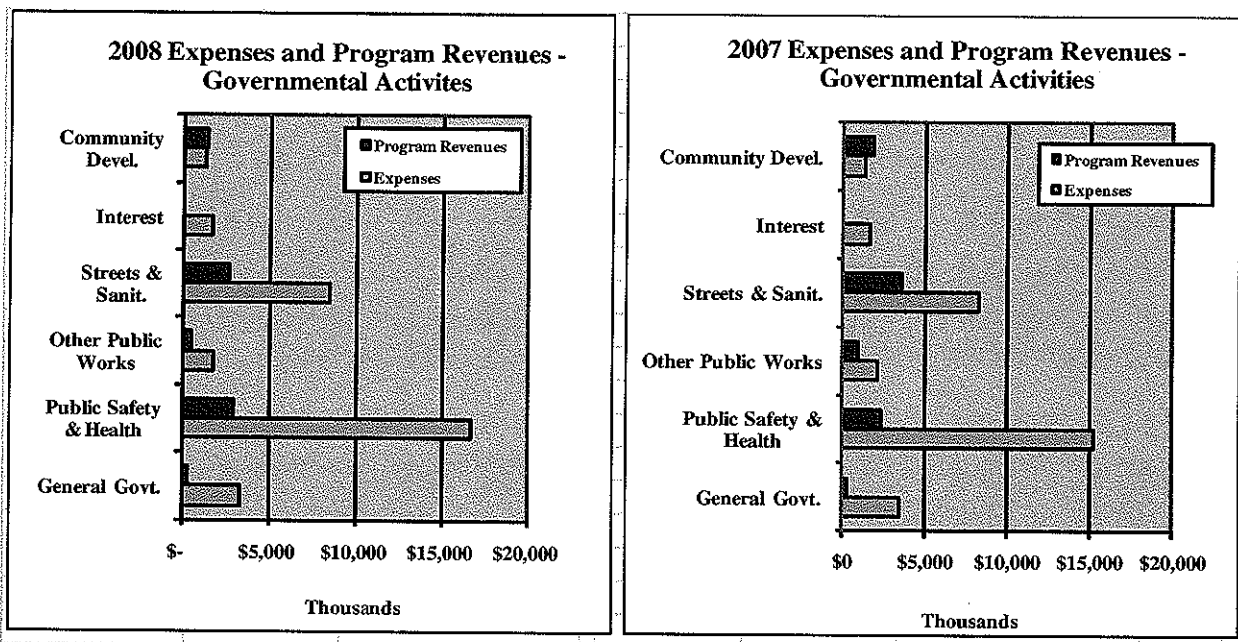
Interest earnings decreased \$471 as short term interest rates declined throughout 2008 approaching 0% by year end. The annual Water Fund operating transfer to the General Fund was reduced from budget by \$350 in 2007. While the 2008 transfer was still \$100 below budget, this reflects a \$250 improvement from 2007. The decrease from budget is a reflection of lower water sales volume which will be discussed under the business-type activities section of this report. The last increase was a \$193 refund from the Village's health insurance carrier related to over-payments that dated prior to 1999.

Business-type activities. Program revenues are nearly all from service charges related to the sales of water. A smaller percentage is from parking related revenues. These service charges increased by \$57 (.6%) in 2008 despite a 29% residential water rate increase and a 7% residential sewer rate increase. Note the wholesale rate was unchanged from 2007 as that rate changes every other year. Since the rate

increase should have accounted for significant revenue growth the nominal increase in revenue is a reflection of a lower volume of water sales that was weather related.

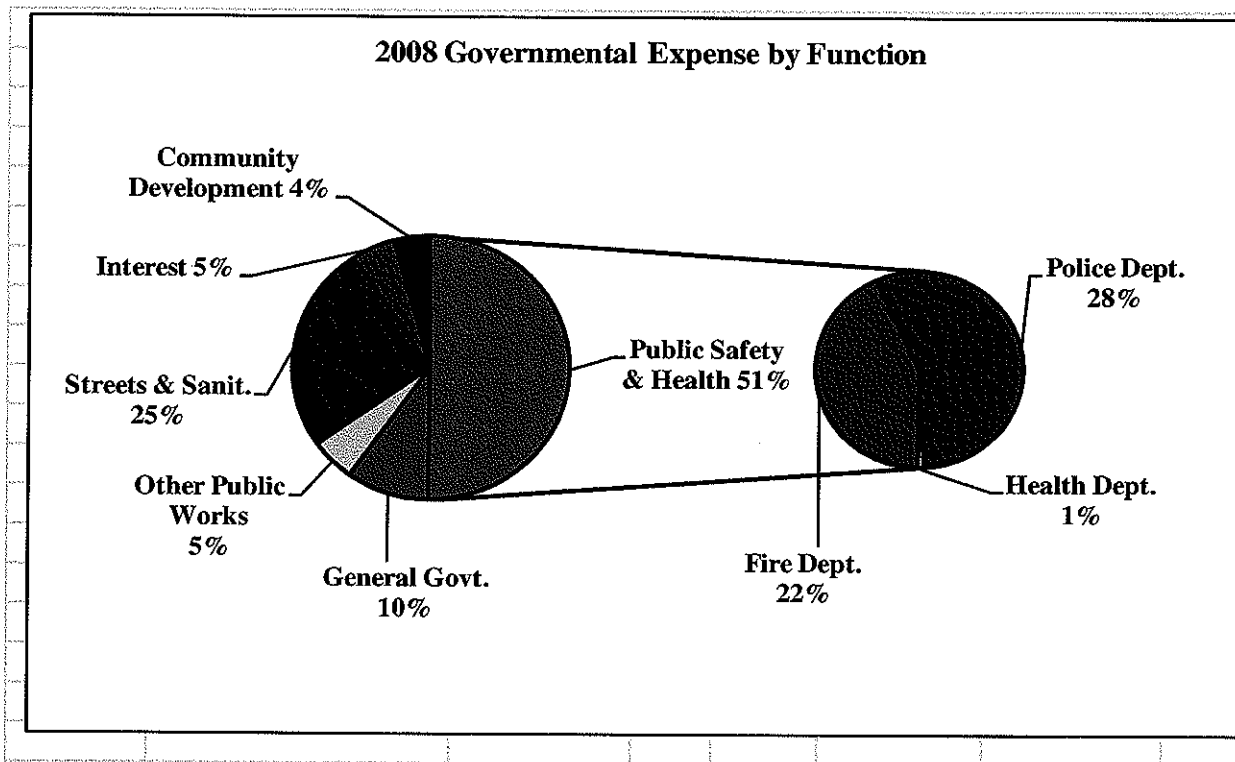
There were no grants related to business-type activities in 2007 or 2008. The only contribution in both years reflected the Sewer Fund's contribution to the Water Fund for vehicle purchases. This decreased by \$142 in 2008 as a large vehicle replacement in 2007 did not repeat in 2008. Other revenues and transfers decreased \$848. Interest earnings decreased \$259 due to the same interest rate declines noted previously. The operating transfer from the General Fund into the Parking Meter Fund decreased \$339 and the Water Fund operating transfer to the General Fund increased \$250 as these were the converse of the transactions noted above with the Governmental Activities.

For governmental activities, program revenues covered approximately 23% of expenses. This is less than in 2007 when the ratio was 28% but this distortion was noted in the 2007 report resulting from the large increase in F.E.M.A. grant activity related to storm damage. Excluding grant activity, service charges covered about 17.6% of expenses in 2008 compared to 19% in 2007 – a decline resulting from the decrease in building permit activity. 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. The significant storm that occurred on August 23, 2007 resulted in additional expenses of \$1,013 in 2007 for the clean-up effort by the Village. Just as this distorted year to year comparisons for grant revenue this will also distort certain expense comparisons.

Net of the 2007 storm expense, operating expense growth in the 2008 budget was projected at 2.6%. Personnel expense growth of 4.8% was projected based upon existing collective bargaining agreements along with estimated growth in pension contributions. The 2008 budget for all other operating expenses projected a \$336 (4.5%) decrease. The significant reason for this drop was a \$406 decrease in alley maintenance. The other expenses in this category were projected with a small increase of \$70 (1.0%). Note that personnel costs account for about 72% of the General Fund expenditures and pension contributions have increased 113% since 2003.



Total governmental expenses increased \$1,218 (3.8%) in 2008. Adjusting for the expenses from the 2007 storm, this growth was \$2,230 (7%). Personnel expense growth of \$1,375 (7.2%) was substantially higher than the 4.8% budget increase noted above. Normally, employee turnover provides expense savings (due to brief periods when positions are vacant as well as replacement employees being hired at lower pay rates than their predecessors). There was very little employee turnover in 2008 and the turnover that did occur actually increased costs resulting from increased salary expense from replacement personnel in Community Development and from severance expense related to the Village Manager position.

The second factor that increased personnel expense resulted from changes in actuarial assumptions for the Village's Police and Fire Pension Funds. A 1994 mortality table is now in place (previously a 1984 table was used) in consideration of longer life expectancies and retirement rates were also adjusted to reflect that recent legislative changes would likely result in police and fire personnel retiring at earlier ages. Both of these changes increased the annual cost of the Village contribution to these Funds by 10.8%. It is the Village's intention to phase these actuarial changes in over a four year period, so it is noted that even the increased contribution was less than the actuarially required amount (see pages 90 and 91).

With the decision to revise the actuarial assumptions, the annual contributions were expected to increase by 11% annually over the next four years. That projection was made prior to the investment losses that occurred in the last four months of 2008. With the stock market losing more than 25% of its value in the latter half of 2008, the performance of nearly all pension funds diminished as a result. Wilmette's Fire and Police Pension Funds had annual returns of -13% for 2008. This performance is actually seen as a positive compared to the losses by larger pension funds of more than 25%. Nonetheless, employer contributions in 2009 through 2012 will now likely reflect 13-15% annual increases.

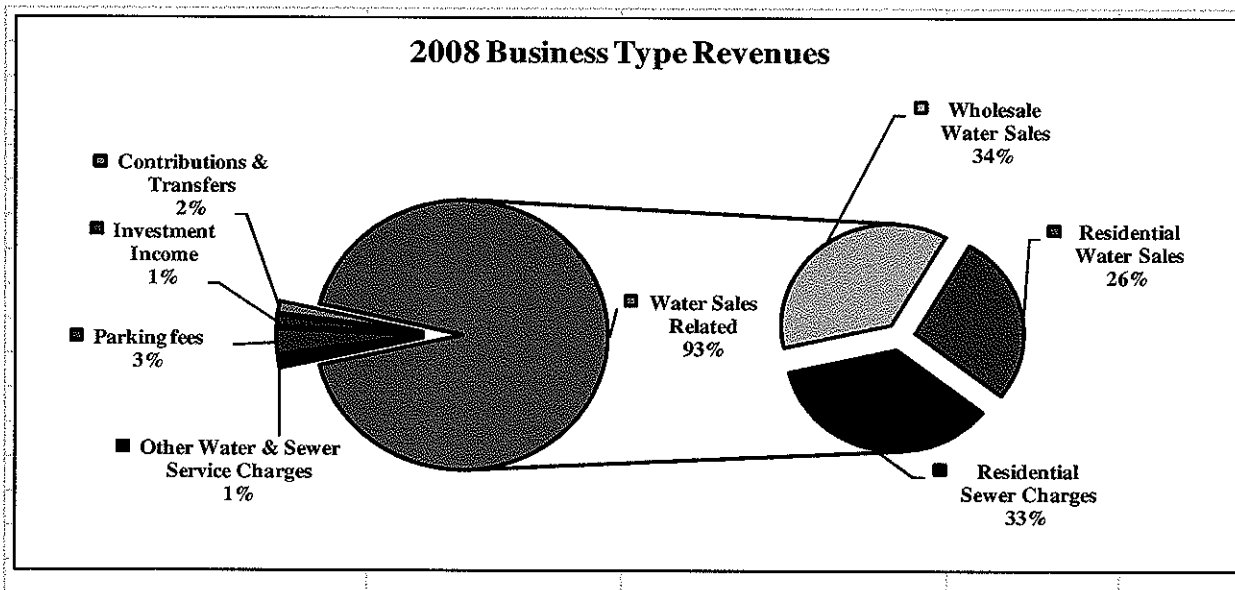
From a departmental viewpoint, public safety and health represent 51% of the Village's governmental expenses. Overall, this category increased \$1,424 (9.3%) in 2008. This increase is the result of the aforementioned increase in the employer contributions for the Fire and Police Pension Plans.

Streets and sanitation, which represents 25% of total governmental expenses, increased \$143 (1.7%) in 2008. However, adjusting for the 2007 storm damage expenses, this category increased \$1,155 (14%). Very harsh winter weather factored into this increase in two different manners. First, the price of street salt, used to keep roads free from ice, nearly doubled in 2008. Secondly, there were several more snow events in 2008 than in 2007. Thus overtime costs for snow plowing operations increased as well as the volume of street salt used during these events. Another factor relevant to the streets and sanitation expense growth was the cost of automotive fuel which reached historic high levels in 2008. Lastly, depreciation has increased in this category resulting from the growth in infrastructure improvements in recent years.

Expenses for Other Public Works decreased \$394 (18.3%). Decreases of \$225 for brick street renovation and \$276 for alley maintenance were expected due to 2008 budget reductions. These savings were partially offset by \$147 in unanticipated expenses for street repairs resulting from the harsh winter weather.

General government expense decreased \$54 (1.6%) in comparison to 2007. The aforementioned personnel expense increase related to the Village Manager position was offset by a decrease related to the Village's Section 105 internal service fund for retiree health insurance. Community Development expenses increased \$18 (1.4%). In this area the previously noted personnel cost increases were somewhat offset by reduced contractual costs for permit reviews due to the decrease in activity ascribed in the revenue section. Interest expense increased \$82 (5%) reflecting 2008 as the first full year for the impact of the additional debt issuance in 2007.

Business Type Activities. Charges for services totaling \$10,214 represent 97% of total business-type activity revenues with contributions and transfers accounting for 2% and investment earnings the remaining 1%. Water sales provide 93% of this amount.



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

Total service charge revenues and the water and sewer rates in effect for 2008 and 2007 are shown as follows:

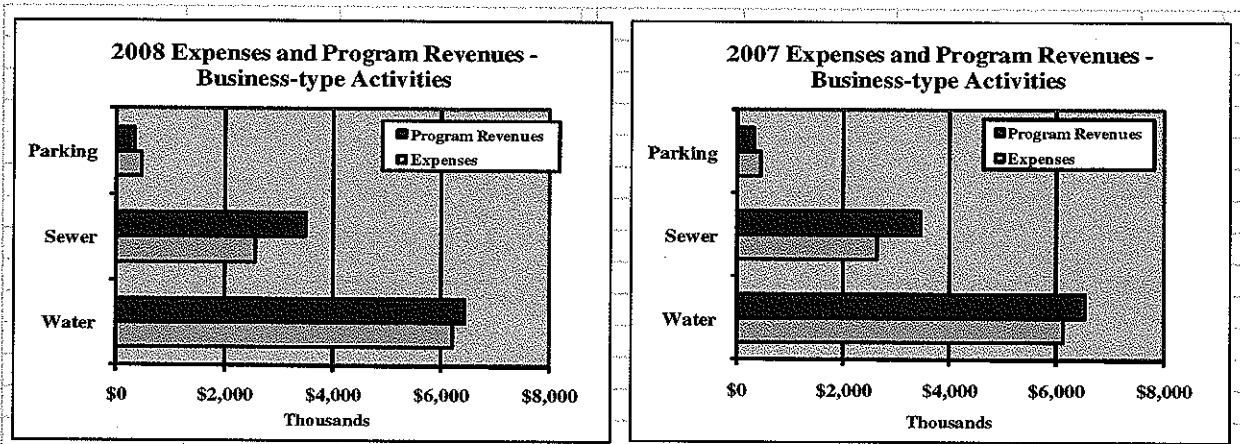
	<u>2008</u>	<u>2007</u>	<u>% Change</u>
Wholesale Water Sales	3,592	3,854	-6.8%
Residential Water Sales	2,670	2,223	20.1%
Residential Sewer Charges	3,491	3,469	0.6%
Other water & Sewer revenues	140	303	-53.8%
Parking fees	321	308	4.2%
	<u>\$ 10,214</u>	<u>\$ 10,157</u>	<u>0.6%</u>

Wholesale Water Rate	\$.886 / ccf	\$.886 / ccf	0.0%
Residential Water Rate	\$ 2.01 / ccf	\$ 1.56 / ccf	28.8%
Residential Sewer Rate	\$ 2.64 / ccf	\$ 2.46 / ccf	7.3%
METRA Commuter Parking Rates	\$ 1.75 per day	\$ 1.75 per day	0.0%
CTA Commuter Parking Rates	\$ 2.00 per day	\$ 2.00 per day	0.0%

The Village's wholesale water rate is set by contract and is recalculated every other year; residential water and sewer rates are determined by the Village Board of Trustees; the commuter parking rates are also set by the Village Trustees in conjunction with the Union Pacific railroad and the Chicago Transit Authority (CTA). If activity volumes were similar from year to year, the expectation would be that revenue would grow in line with rate changes. The volume for water sales is frequently a function of the rainfall that occurs during summer months.

Weather conditions in 2008 would be very rainy in comparison to the summer of 2007. Accordingly, revenue growth in 2008 is about 7% less than the expectations that the rate increases should have provided.

In other business-type activities, parking revenues are consistent with 2007 as the same rates were in effect all year. The decrease in other water and sewer operating revenues of \$163 (53.8%) consists of three factors. First, the decrease in building permit activity noted above had a corresponding \$39 decrease in water related permits; secondly, there were fewer vehicle replacements in 2008, so there was an \$83 decrease attributable to trade-in values of in excess of book values; and lastly, a large refund from the Water Reclamation District of \$51 in 2007 did not recur in 2008.



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 however, the 2008 transfer will be the final amount needed to subsidize this debt through retirement in 2011.

Total business-type expenses decreased by only \$6 (.8%). This consisted of a \$61 (1%) increase from the Water Fund; an \$88 (3.3%) decrease in the Sewer Fund and a \$20 (4.5%) increase in the Parking Fund. The Water Fund had expected operating expense increases of \$217 (4.3%) offset by a \$156 (17.3%) decrease in interest on outstanding debt (there has been no "new money" debt issued for the Water Fund since 2002). The 4.5% parking related expense growth is also in line with expectations. The Sewer decrease is primarily due to a large vehicle purchase in 2007 that was capitalized as a Water Fund asset. The Sewer Fund portion of this purchase is shown as expense in that Fund while the Water Fund records this as a contribution.

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	\$ 27,712	\$ 26,982
Expenditures	\$ 29,099	\$ 28,745
Excess (Deficiency) of Revenues over Expenditures	(1,387)	(1,763)
Other Financing Sources (Uses):		
Transfers in	1,000	850
Transfers out	(150)	(142)
Net Changes in Fund Balance	\$ (537)	\$ (1,055)

General Fund revenues were \$730 (2.6%) below the 2008 budget. Tax revenues ended the year \$550 below budget while permits and licenses were \$592 below budget. These budget variances were the result of the decrease in activity in the real estate transfer tax and in building permits which were discussed previously. Interest earnings were also \$142 below budget due to historically low interest rates.

The benefit of a diversified revenue structure is a greater likelihood that negative budget variances can be offset by positive fluctuations. The above negative budget variances were offset by (1) cellular lease revenues at \$141 more than budget; (2) police fines at \$66 greater than budget; (3) unbudgeted grants of \$54; an unbudgeted health insurance refund of \$199; (4) cable franchise fees at \$36 more than budget; and (5) a \$25 unbudgeted donation.

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

The fine revenue and the insurance refund were noted previously. Improved enforcement resulted in the police fines increase. The insurance refund resulted from the Village's fiscal year differing from the fiscal year of the insurance consortium, wherein premium rates changed at different points in time for a number of years. When the consortium changed its fiscal year to a calendar year this "true up" of premium payments resulted in the refund.

The increase in cellular lease revenues was the result of efforts in 2007 to collect prior years' rents that had been uncollected primarily due to mergers within the telecommunications industry. This was a very large fluctuation in the 2007 report and the effort carried over and resulted in 2008 revenue increases.

Cable franchise fees reflect 5% of total cable billings. The increase is attributed to higher customer billings. The grant revenue variance was from additional F.E.M.A. grant revenue received pertaining to the August 2007 storm as well as for 2008 winter storm damage – both were not budgeted. A \$20 unbudgeted donation was received from the Wilmette Women's Club for additional tree plantings due to the loss of trees from the EAB infestation.

The 2008 General Fund expenditure budget amounts represent the total appropriations adjusted for encumbrance activity. Note that in developing the budgeted 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 may be based on existing contracts with the cash flow projections allowing for any expected increases from contract settlements. The following table reflects the 2008 budget broken down by category of expense.

Table 4: General Fund Budgetary Highlights - II

	Original and Final Budget	GAAP Basis Actual Expenditures	Variance from Final Budget to Actual
Personnel	\$ 20,382	\$ 20,565	\$ (183)
Refuse	2,134	2,119	15
Other Recurring	4,566	4,613	(47)
EAB expenses	275	260	15
Sidewalk, Alley & Curb Maintenance	283	418	(135)
Capital Outlay	935	624	311
Contingency	500	5	495
Other Nonrecurring	206	97	109
Transfers	150	142	8
Debt Service	9	44	(35)
	<u>\$ 29,440</u>	<u>\$ 28,887</u>	<u>\$ 553</u>

The negative budget variance for personnel expenditures (at a spending level of 101% of budget) is the result of a number of factors. The collective bargaining agreement with the Village's firefighters' union was not finalized until after the 2008 budget was completed. The final contract resulted in about \$120 of

additional wages that were not budgeted. A second component of the personnel cost variance was the Police Department's overtime at \$194 over budget due to a greater volume of burglary investigations and staffing shortages in telecommunications. The final factor in this category's budget variance was the aforementioned turnover in Community Development and with the Village Manager position. Together, these two factors account for another \$119 of the variance.

The \$15 savings in the Village's refuse collection and disposal budget is somewhat normal and reflects the community's commitment to recycling and composting resulting in savings for disposal. The savings in the EAB program budget indicates that fall tree removals were halted earlier from the earlier onset of winter weather.

The negative budget variance in the "other recurring" category (at a spending level of 101% of budget) is due to (1) the price of street salt and the volume of salt used this past winter (discussed previously); (2) a \$37 software maintenance expense for the Police Department's new computer aided dispatch system; and (3) greater automotive fuel costs from the historic high price levels for this in 2008. Net of these three factors, this category would have been at about 98% of budget.

The negative budget variance in sidewalk, alley and curb maintenance was the result of \$147 in street damage repairs (that were not budgeted) following the severe winter. The budget savings in capital outlay relates to (1) a deferral of \$216 in expense for Fire Department breathing apparatus in order to research grant funding potential in 2009; and (2) building improvements on the Depot property that were budgeted over a two year period – but more of this expense was incurred in 2007 (thus producing an \$85 "budget" savings in 2008).

The \$495 budget savings for the contingency category is as expected since this is never included in the budgeted cash flow projections. The savings in other non-recurring expenses is related to expenses that the Village did not incur for the commercial developments that did not begin in 2008. Lastly, the variance for debt service is related to principal repayments made by the Wilmette Historical Society (described below) that are not budgeted.

Series 2007 General Obligation Bond – Capital Projects Fund – The large fund balance decrease of \$4,397 reflects the planned spend down of the 2007 bond issue proceeds in line with the Village's capital improvements program. The road infrastructure improvements and building improvements in the 2008 budget included a number of projects that were initiated in 2008 and would be completed in 2009 – thus accounting for the reduction of fund balance by about 51%. The Village is nearing the end of a ten year initiative to improve roads and buildings. While a small bond issue may be needed to complete projects currently under construction, the Village plans to reduce its debt financing in the next few years.

CAPITAL ASSETS

The Village's capital assets for its Government and Business-Type Activities at December 31, 2008 total \$122,573. This includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a net increase of \$4,683 (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 54 - 57.

The Governmental Activities net capital assets increased from last year by \$2,948. This is primarily the result of expenditures for street improvements and building improvements from the 2007 general obligation bond issue. Business-Type Activities net capital assets increased by \$1,735. 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 2007 bond issues.

DEBT OUTSTANDING

The Village has four general obligation bond issues and seven 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, <u>2007</u>	Issued in <u>2008</u>	Retired in <u>2008</u>	Outstanding at December 31, <u>2008</u>
General Obligation Bonds	68,580	-	(3,005)	65,575
E.P.A. Loans	15,828	42	(1,839)	14,031
Installment Contracts	280	-	(43)	237
Totals	<u>84,688</u>	<u>42</u>	<u>(4,887)</u>	<u>79,843</u>
Governmental Activities	40,475	-	(2,208)	38,267
Business-Type Activities	44,213	42	(2,679)	41,576
Totals	<u>84,688</u>	<u>42</u>	<u>(4,887)</u>	<u>79,843</u>

The additional sewer debt from the EPA totaling \$42 reflected the final payouts from the EPA to close out the previous year's projects. No other new debt was issued in 2008. The general obligation bond and EPA Loan principal retired in 2008 was per the required amortization schedules for this debt.

In 2004, the Village arranged an installment contract (line of credit) to assist the Wilmette Historical Society in building an addition to the Village's Museum. The Society financed 100% of the cost of this project through their own donations and an Illinois State Grant. The installment contract was put in place to provide the Society with adequate cash flow through the construction. This building addition was completed and placed into service in 2005 at a final cost of \$996. The Society is paying for all debt service on this loan and in 2008 the Society repaid \$15 in principal, leaving a balance on this debt of \$100. 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 2007 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. A bond issue is projected in 2009 to complete projects currently under contract. The Village expects its bond rating to be reaffirmed with that issue as well. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 58 - 70.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Locally, the national economic downturn has had its most significant impact on real estate activity. It was noted in last years' report that sales of existing homes had slowed by 25% in 2007 and in 2008 the decline was another 40%. It is believed that 2009 activity will reflect continued declines of 10% to 20%. Since it is perceived that it is currently a "buyer's market" for real estate, most residential property owners are not as anxious to list their properties as they might have been prior to 2007.

Additionally, while foreclosures throughout the nation and state are at historically high levels, troubled property owners in Wilmette still generally have significant equity in their residences. Thus, even foreclosed properties do not remain vacant for lengthy periods of time. With home mortgage rates still at historic low levels, the Village is somewhat hopeful that residential sales volume may return to normal levels in 2010. The viewpoint relative to commercial real estate is less optimistic as the banking industry will need to improve their collective balance sheets before commercial lending returns to normal levels. Any plans to improve vacant or under-developed parcels may remain on hold for two or more years while waiting for this to occur.

While national unemployment is approaching 10%, the unemployment rate in Wilmette remains well below national and statewide averages. However, many residents in predominantly executive and professional positions experienced income levels decreases (as many firms eliminated year- end bonuses in 2008 and lowered salaries in 2009) and many residents lost significant wealth due to the stock market downturn in the final months of 2008. This will continue the decline in retail activity throughout 2009 and will hinder home improvements as well.

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. However, with household incomes already stressed as noted above, cost reductions will need to be a significant part of the 2009 fiscal year and the 2010 budget.

Last year's report noted two commercial redevelopments along the Green Bay Road corridor. The commercial development on the former Kohl Museum site completed construction in 2008 and is now occupied. However, the mixed-use planned unit development on the former Ford site is not moving forward at this time.

The increasing cost of pension contributions (due to legislation that enhances defined benefits and poor investment performance) is expected to have the greatest impact on the Village's operating expenses in the near future.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

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

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

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Net Assets
December 31, 2008**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Net Assets December 31, 2008

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets			
Cash and Investments	\$ 6,337,715	2,145,464	8,483,179
Receivables - Net	14,341,299	1,720,468	16,061,767
Due from Other Governments	1,558,359	-	1,558,359
Internal Balances	1,054,811	(1,054,811)	-
Inventories/Prepays	54,504	106,696	161,200
Deposits	474,715	-	474,715
Other Assets	130,532	-	130,532
Restricted Assets - Cash and Investments	5,319,716	3,265,904	8,585,620
Total Current Assets	29,271,651	6,183,721	35,455,372
Noncurrent Assets			
Capital Assets			
Land	6,106,414	1,507,685	7,614,099
Depreciable Capital Assets	61,144,821	102,151,175	163,295,996
Depreciation	(22,083,820)	(26,253,117)	(48,336,937)
	45,167,415	77,405,743	122,573,158
Other Assets			
Long-term Note Receivable	220,000	-	220,000
Net Pension Asset	8,701	-	8,701
	228,701	-	228,701
Total Noncurrent Assets	45,396,116	77,405,743	122,801,859
Total Assets	74,667,767	83,589,464	158,257,231

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	\$ 1,584,301	349,084	1,933,385
Accrued Wages and Benefits	723,638	107,237	830,875
Accrued Interest Payable	135,496	160,423	295,919
Deposits Payable	559,464	1,755	561,219
Unearned Revenues	13,495,074	-	13,495,074
Compensated Absences Payable	231,500	27,260	258,760
Current Portion Long-Term Debt	1,543,615	2,756,585	4,300,200
Total Current Liabilities	18,273,088	3,402,344	21,675,432
Noncurrent Liabilities			
Compensated Absences Payable	926,000	129,140	1,055,140
Net Pension Obligation Payable	984	-	984
Net Other Postemployment Benefit Payable	2,429,932	-	2,429,932
Installment Contracts/Notes Payable	223,170	-	223,170
EPA Loans Payable	-	12,119,432	12,119,432
General Obligation Bonds Payable - Net	36,350,833	26,639,470	62,990,303
Total Noncurrent Liabilities	39,930,919	38,888,042	78,818,961
Total Liabilities	58,204,007	42,290,386	100,494,393
NET ASSETS			
Invested in Capital Assets -			
Net of Related Debt	11,418,376	39,036,902	50,455,278
Restricted			
Highways and Streets	1,189,728	-	1,189,728
Unrestricted	3,855,656	2,262,176	6,117,832
Total Net Assets	16,463,760	41,299,078	57,762,838

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, 2008

		Program Revenues	
		Charges for Services	Operating Grants/ Contributions
	Expenses		
Governmental Activities			
General Government	\$ 3,341,486	292,394	-
Public Safety	16,501,474	2,131,372	758,599
Streets and Sanitation	8,413,098	1,840,135	787,889
Other Public Works	1,761,734	109,484	408,955
Public Health	170,743	31,266	-
Community Development	1,271,890	1,434,373	-
Interest on Long-Term Debt	1,718,654	-	-
Total Governmental Activities	33,179,079	5,839,024	1,955,443
Business-Type Activities			
Water	6,207,177	6,402,404	13,145
Sewer	2,534,169	3,491,359	-
Parking	462,824	320,670	-
Total Business-Type Activities	9,204,170	10,214,433	13,145
	42,383,249	16,053,457	1,968,588

General Revenues

Taxes

Property Taxes

Sales Taxes

State Income Taxes

Utility Taxes

Real Estate Transfer

Other Taxes

Investment Earnings

Miscellaneous

Transfers

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(3,049,092)	-	(3,049,092)
(13,611,503)	-	(13,611,503)
(5,785,074)	-	(5,785,074)
(1,243,295)	-	(1,243,295)
(139,477)	-	(139,477)
162,483	-	162,483
(1,718,654)	-	(1,718,654)
(25,384,612)	-	(25,384,612)
-	208,372	208,372
-	957,190	957,190
-	(142,154)	(142,154)
-	1,023,408	1,023,408
(25,384,612)	1,023,408	(24,361,204)
12,032,926	-	12,032,926
4,091,855	-	4,091,855
2,617,554	-	2,617,554
2,718,132	-	2,718,132
880,317	-	880,317
859,204	-	859,204
94,736	143,858	238,594
1,049,103	-	1,049,103
708,490	(708,490)	-
25,052,317	(564,632)	24,487,685
(332,295)	458,776	126,481
16,796,055	40,840,302	57,636,357
16,463,760	41,299,078	57,762,838

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

VILLAGE OF WILMETTE, ILLINOIS

Balance Sheet - Governmental Funds December 31, 2008

	General	Debt Service	2007 General Obligation Bonds	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 4,525,596	-	-	1,122,569	5,648,165
Receivables - Net of Allowances				-	
Property Taxes	10,063,101	3,265,296	-	-	13,328,397
Other Taxes	142,190	-	-	-	142,190
Accounts	837,321	-	-	-	837,321
Due from Other Governments	1,455,471	-	35,729	67,159	1,558,359
Due from Other Funds	1,179,128	-	-	-	1,179,128
Prepays	54,504	-	-	-	54,504
Deposits	474,715	-	-	-	474,715
Restricted Assets - Cash and Investments	110,436	-	5,209,280	-	5,319,716
Other Assets	130,532	-	-	-	130,532
Long-Term Note Receivable	220,000	-	-	-	220,000
Total Assets	19,192,994	3,265,296	5,245,009	1,189,728	28,893,027
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts Payable	542,252	-	996,430	-	1,538,682
Accrued Wages and Benefits	721,940	-	-	-	721,940
Due to Other Funds	-	95,257	-	-	95,257
Deposits Payable	559,464	-	-	-	559,464
Deferred Revenue	10,737,970	3,231,819	-	-	13,969,789
Total Liabilities	12,561,626	3,327,076	996,430	-	16,885,132
Fund Balances					
Reserved - Note Receivable	220,000	-	-	-	220,000
Reserved - Prepays	54,504	-	-	-	54,504
Reserved - Encumbrances	6,850	-	461,330	800,000	1,268,180
Unreserved - Nonmajor Special Revenue	-	-	-	389,728	389,728
Unreserved	6,350,014	(61,780)	3,787,249	-	10,075,483
Total Fund Balances	6,631,368	(61,780)	4,248,579	1,189,728	12,007,895
Total Liabilities and Fund Balances	19,192,994	3,265,296	5,245,009	1,189,728	28,893,027

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, 2008

Total Governmental Fund Balances	\$ 12,007,895
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Amounts reported for governmental activities in the Statement of Net Assets
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	45,167,415
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Certain revenues that are deferred in the governmental funds are available revenues in the statement of net assets.	474,715
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A net pension asset is not considered to represent a financial resource and therefore, is not reported in the funds.	8,701
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Internal service funds are used by the Village to charge the costs of insurance to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the Statement of Net Assets.	(1,783,368)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
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Net Pension Obligation Payable	(984)
Current Portion - General Obligation Bonds Payable	(1,530,000)
Compensated Absences Payable	(1,157,500)
General Obligation Bonds Payable - Net	(36,350,833)
Installment Contracts/Notes Payable	(236,785)
Accrued Interest Payable	(135,496)

Net Assets of Governmental Activities	<u>16,463,760</u>
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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, 2008

	General	Debt Service	2007 General Obligation Bonds	Nonmajor Fund Motor Fuel Tax	Total Governmental Funds
Revenues					
Taxes	\$ 19,886,183	3,313,805	-	-	23,199,988
Licenses, Permits and Fees	3,034,314	-	-	-	3,034,314
Intergovernmental	92,465	-	1,136,794	726,184	1,955,443
Charges for Services	2,413,363	-	-	-	2,413,363
Fines and Forfeitures	391,347	-	-	-	391,347
Investment Earnings	115,391	-	145,563	12,819	273,773
Miscellaneous	1,049,103	-	-	-	1,049,103
Total Revenues	26,982,166	3,313,805	1,282,357	739,003	32,317,331
Expenditures					
Current					
General Government	3,195,090	-	-	-	3,195,090
Public Safety	15,844,052	-	-	-	15,844,052
Streets and Sanitation	6,346,863	-	-	-	6,346,863
Other Public Works	1,759,034	-	-	-	1,759,034
Public Health	170,243	-	-	-	170,243
Community Development	1,386,238	-	-	-	1,386,238
Capital Outlay	-	-	5,178,517	-	5,178,517
Debt Service					
Principal Retirement	43,316	2,165,000	-	-	2,208,316
Interest and Fiscal Charges	736	1,202,920	500,000	-	1,703,656
Total Expenditures	28,745,572	3,367,920	5,678,517	-	37,792,009
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,763,406)	(54,115)	(4,396,160)	739,003	(5,474,678)
Other Financing Sources (Uses)					
Transfers In	850,000	-	-	-	850,000
Transfers Out	(141,510)	-	-	-	(141,510)
	708,490	-	-	-	708,490
Net Change in Fund Balances	(1,054,916)	(54,115)	(4,396,160)	739,003	(4,766,188)
Fund Balances - Beginning	7,686,284	(7,665)	8,644,739	450,725	16,774,083
Fund Balances - Ending	6,631,368	(61,780)	4,248,579	1,189,728	12,007,895

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, 2008

Net Change in Fund Balances - Total Governmental Funds	\$ (4,766,188)
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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	5,553,752
Depreciation Expense	(2,605,819)

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

Disposals - Cost	(393,904)
Disposals - Accumulated Depreciation	393,904

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

(189,288)

A decrease in a net pension asset is not considered to be a decrease in a
financial asset in the governmental funds.

(402,006)

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.

(46,080)

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	(69,000)
Additions to Net Pension Obligation Payable	(984)
Issuance of Debt	-
Retirement of Debt	2,208,316
Amortization of Loss on Refunding	(21,310)

Changes to accrued interest on long-term debt in the Statement of Activities
does not require the use of current financial resources and, therefore, are not
reported as expenditures in the governmental funds.

6,312

Changes in Net Assets of Governmental Activities

(332,295)

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Net Assets - Proprietary Funds December 31, 2008

	Business-Type Activities				Governmental
					Activities
					Internal
	Water	Sewer	Nonmajor Parking Meter	Totals	Service
ASSETS					
Current Assets					
Cash and Investments	\$ 863,704	406,728	875,032	2,145,464	689,550
Receivables - Net of Allowances					
Accounts	1,037,561	682,907	-	1,720,468	15,579
Inventory	105,466	-	-	105,466	-
Prepays	1,230	-	-	1,230	-
Restricted Assets					
Cash and Investments	1,817,118	1,448,786	-	3,265,904	-
Total Current Assets	3,825,079	2,538,421	875,032	7,238,532	705,129
Capital Assets					
Nondepreciable Capital Assets	402,640	445,941	659,104	1,507,685	-
Depreciable Capital Assets	46,385,120	50,814,879	4,951,176	102,151,175	-
Depreciation	(13,991,984)	(11,066,884)	(1,194,249)	(26,253,117)	-
Total Capital Assets	32,795,776	40,193,936	4,416,031	77,405,743	-
Total Assets	36,620,855	42,732,357	5,291,063	84,644,275	705,129

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

	Business-Type Activities				Governmental
			Nonmajor		Activities
	Water	Sewer	Parking Meter	Totals	Internal Service
LIABILITIES					
Current Liabilities					
Accounts Payable	122,714	200,289	26,081	349,084	45,619
Accrued Wages and Benefits	87,016	16,426	3,795	107,237	1,698
Accrued Interest Payable	72,559	87,025	839	160,423	-
Due to Other Funds	1,054,811	-	-	1,054,811	11,248
Deposits Payable	1,755	-	-	1,755	-
Compensated Absences Payable	23,760	3,500	-	27,260	-
EPA Loans Payable	-	1,911,585	-	1,911,585	-
General Obligation Bonds Payable	670,000	55,000	120,000	845,000	-
Total Current Liabilities	2,032,615	2,273,825	150,715	4,457,155	58,565
Noncurrent Liabilities					
Compensated Absences Payable	113,040	16,100	-	129,140	-
Net Other Postemployment					
Benefits Payable	-	-	-	-	2,429,932
EPA Loans Payable	-	12,119,432	-	12,119,432	-
General Obligation Bonds Payable	19,545,000	6,965,000	190,000	26,700,000	-
Unamortized Loss on Refunding	(58,880)	-	(1,650)	(60,530)	-
Total Noncurrent Liabilities	19,599,160	19,100,532	188,350	38,888,042	2,429,932
Total Liabilities	21,631,775	21,374,357	339,065	43,345,197	2,488,497
NET ASSETS					
Invested in Capital Assets - Net					
of Related Debt	14,435,680	20,493,541	4,107,681	39,036,902	-
Unrestricted	553,400	864,459	844,317	2,262,176	(1,783,368)
Total Net Assets	14,989,080	21,358,000	4,951,998	41,299,078	(1,783,368)

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, 2008

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service
	Water	Sewer	Nonmajor Parking Meter	Totals	
Operating Revenues					
Charges for Services	\$ 6,402,404	3,491,359	320,670	10,214,433	-
Interfund Services	-	-	-	-	5,634,955
Total Operating Revenues	6,402,404	3,491,359	320,670	10,214,433	5,634,955
Operating Expenses					
Administration	682,089	-	-	682,089	31,178
Operations	3,598,033	998,252	325,146	4,921,431	5,660,108
Depreciation	1,026,181	762,154	123,341	1,911,676	-
Total Operating Expenses	5,306,303	1,760,406	448,487	7,515,196	5,691,286
Operating Income (Loss)	1,096,101	1,730,953	(127,817)	2,699,237	(56,331)
Nonoperating Revenues (Expenses)					
Investment Earnings	107,037	36,821	-	143,858	10,251
Interest Expense	(894,844)	(773,763)	(13,512)	(1,682,119)	-
Amortization of Bond Discount	(6,030)	-	(825)	(6,855)	-
	(793,837)	(736,942)	(14,337)	(1,545,116)	10,251
Income (Loss) Before Contributions and Transfers	302,264	994,011	(142,154)	1,154,121	(46,080)
Contributions	13,145	-	-	13,145	-
Transfers In	-	-	141,510	141,510	-
Transfers Out	(850,000)	-	-	(850,000)	-
Change in Net Assets	(534,591)	994,011	(644)	458,776	(46,080)
Net Assets - Beginning	15,523,671	20,363,989	4,952,642	40,840,302	(1,737,288)
Net Assets - Ending	14,989,080	21,358,000	4,951,998	41,299,078	(1,783,368)

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, 2008

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Cash Flows - Proprietary Funds

Year Ended December 31, 2008

	<u>Water</u>
Cash Flows from Operating Activities	
Receipts from Customers and Users	\$ 6,132,046
Receipts from Interfund Services	-
Payments to Employees	(2,006,882)
Payments to Suppliers	<u>(2,825,088)</u>
	<u>1,300,076</u>
Cash Flows from Non-Capital Financing Activities	
Transfers In	-
Transfers Out	(850,000)
Change in Interfund Activity	<u>768,347</u>
	<u>(81,653)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(2,692,866)
Principal Issued on Debt	-
Principal Paid on Debt	(665,000)
Interest Paid on Debt	<u>(894,844)</u>
	<u>(4,252,710)</u>
Cash Flows from Investing Activities	
Interest Received	<u>107,037</u>
Net Change in Cash and Cash Equivalents	(2,927,250)
Cash and Cash Equivalents - Beginning	<u>5,608,072</u>
Cash and Cash Equivalents - Ending	<u><u>2,680,822</u></u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities.	
Operating Income (Loss)	<u>1,096,101</u>
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation Expense	1,026,181
(Increase) Decrease in Current Assets	(270,358)
Increase (Decrease) in Current Liabilities	<u>(551,848)</u>
Net Cash Provided by Operating Activities	<u><u>1,300,076</u></u>
Noncash Capital and Related Financing Activities	
Capital Contributions	<u><u>13,145</u></u>

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

Business-Type Activities - Enterprise Funds			Governmental
	Nonmajor		Activities
Sewer	Parking Meter	Totals	Internal Service
3,548,562	320,670	10,001,278	-
-	-	-	5,636,186
(412,597)	(71,101)	(2,490,580)	(648,269)
(516,109)	(253,997)	(3,595,194)	(4,863,211)
2,619,856	(4,428)	3,915,504	124,706
-	141,510	141,510	-
-	-	(850,000)	-
-	-	768,347	(2,814)
-	141,510	59,857	(2,814)
(940,734)	-	(3,633,600)	-
42,316	-	42,316	-
(1,889,062)	(125,000)	(2,679,062)	-
(773,763)	(13,512)	(1,682,119)	-
(3,561,243)	(138,512)	(7,952,465)	-
36,821	-	143,858	10,251
(904,566)	(1,430)	(3,833,246)	132,143
2,760,080	876,462	9,244,614	557,407
1,855,514	875,032	5,411,368	689,550
1,730,953	(127,817)	2,699,237	(56,331)
762,154	123,341	1,911,676	-
57,203	-	(213,155)	1,231
69,546	48	(482,254)	179,806
2,619,856	(4,428)	3,915,504	124,706
-	-	13,145	-

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, 2008

	Pension Trust	Agency
Assets		
Cash and Cash Equivalents	\$ 2,128,105	556,902
Investments		
U.S. Government and Agency Securities	18,001,018	-
Mutual Funds	30,879,695	-
Receivables		
Accrued Interest	249,351	-
Total Assets	51,258,169	556,902
Liabilities		
Accounts Payable	17,091	-
Due to Other Funds	17,812	
Deposits Payable	-	556,902
Total Liabilities	34,903	556,902
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial schedules.)	51,223,266	-

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, 2008

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 2,506,000
Contributions - Plan Members	<u>725,201</u>
Total Contributions	<u>3,231,201</u>
Investment Income	
Investment Earnings	2,448,512
Net Change in Fair Value	<u>(9,772,841)</u>
	(7,324,329)
Less Investment Expenses	<u>(82,876)</u>
	<u>(7,407,205)</u>
Total Additions	<u>(4,176,004)</u>
Deductions	
Administration	21,325
Benefits and Refunds	<u>3,655,393</u>
Total Deductions	<u>3,676,718</u>
Change in Net Assets	(7,852,722)
Net Plan Assets Held in Trust for Pension Benefits	
Beginning	<u>59,075,988</u>
Ending	<u><u>51,223,266</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, 2008

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VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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, 2008

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

BASIS OF PRESENTATION

Government-Wide Statements

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, community development, public safety, public works, etc). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or discretely benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

Fund Financial Statements

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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

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

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

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

Governmental Funds

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

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

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

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Village maintains one major debt service fund, which accounts for the accumulation of monies for the payment of the following bond issues: \$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, and \$11,735,000 of Series 2006 General Obligation Refunding and Improvements. 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, 2008

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, 2008

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, 2008

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, 2008

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, 2008

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
Infrastructure	20 Years

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets – Continued

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

Compensated Absences

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

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Unearned/Deferred Revenue

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity

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

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

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

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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, 2008

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>
Section 105 Sick Leave	\$ 169,731
Workers' Compensation	34,434

DEFICIT FUND EQUITY

The following funds had deficit fund equity at year end:

<u>Fund</u>	<u>Deficit</u>
Debt Service	\$ 61,780
Section 105 Sick Leave	1,783,368

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, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

Village Credit Risk, Custodial Credit Risk, and Concentration Risk

Deposits. At year-end the carrying amount of the Village's deposits for governmental and business-type activities totaled \$17,066,590 and the bank balances totaled \$18,222,023.

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

Investment Type	Fair Value	Remaining Maturities - in Years		
		Less Than 1	1-5	6-10
Illinois Funds	\$ 2,209	2,209	-	-

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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, 2008, the Village's investments in the Illinois Funds are triple A rated by Standard & Poor's.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. At December 31, 2008, 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, 2008, the U.S. Government Securities are categorized as insured, registered, or held by the Village or its agent in the Village's name.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's policy states "the Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. At December 31, 2008, 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, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end the carrying amount of the Police Pension Fund's deposits totaled \$776,871 and the bank balances totaled \$776,871.

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

Investment Type	Fair Value	Remaining Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 5,767,124	101,715	1,270,928	1,623,552	2,770,929
U.S. Agency Obligations	3,300,024	510,317	1,498,182	742,253	549,272
Mutual Funds	15,364,197	15,364,197	-	-	-
Total	24,431,345	15,976,229	2,769,110	2,365,805	3,320,201

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, 2008, 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, 2008, 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, 2008, 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 (\$13,862,159).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Deposits. At year-end the carrying amount of the Firefighters' Pension Fund's deposits totaled \$1,351,234 and the bank balances totaled \$1,351,234.

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

Investment Type	Fair Value	Remaining Maturities - in Years			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Obligations	\$ 5,767,124	101,715	1,270,928	2,411,321	1,983,160
U.S Agency Obligations	3,166,746	510,421	1,445,797	688,950	521,578
Mutual Funds	15,515,498	15,515,498	-	-	-
Total	24,449,368	16,127,634	2,716,725	3,100,271	2,504,738

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, 2008, 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, 2008, 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, 2008, 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 (\$13,974,930) and Euro Pacific Growth (\$1,540,568).

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES

Property taxes for 2008 attach as an enforceable lien on January 1, 2008, 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, 2008, and September 1, 2008. The County collects such taxes and remits them periodically. Since the 2008 levy is intended to finance the 2009 fiscal year, the levy has been recorded as receivable and deferred revenue.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets- Nondepreciable				
Land	\$ 1,838,262	-	-	1,838,262
Construction in Progress	969,711	3,505,815	207,374	4,268,152
	<u>2,807,973</u>	<u>3,505,815</u>	<u>207,374</u>	<u>6,106,414</u>
Other Capital Assets				
Buildings	14,698,491	322,822	-	15,021,313
Improvements Other Than Buildings	35,782,733	469,740	-	36,252,473
Motor Equipment	6,403,323	1,297,104	393,904	7,306,523
Office Furniture and Equipment	718,713	-	-	718,713
Other Equipment	1,680,154	165,645	-	1,845,799
	<u>59,283,414</u>	<u>2,255,311</u>	<u>393,904</u>	<u>61,144,821</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

	Beginning Balances	Increases	Decreases	Ending Balances
Less Accumulated Depreciation				
Buildings	\$ 2,815,767	261,087	-	3,076,854
Improvements Other Than Buildings	10,798,245	1,741,346	-	12,539,591
Motor Equipment	4,919,904	436,172	393,904	4,962,172
Office Furniture and Equipment	556,215	35,296	-	591,511
Other Equipment	781,774	131,918	-	913,692
	<u>19,871,905</u>	<u>2,605,819</u>	<u>393,904</u>	<u>22,083,820</u>
 Total Other Capital Assets	 39,411,509	 (350,508)	 -	 39,061,001
 Total Capital Assets	 <u>42,219,482</u>	 <u>3,155,307</u>	 <u>207,374</u>	 <u>45,167,415</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 135,427
Streets and Sanitation	2,047,635
Public Safety - Police	256,905
Public Safety - Fire	<u>165,852</u>
	<u>2,605,819</u>

VILLAGE OF WILMETTE, ILLINOIS**Notes to the Financial Statements
December 31, 2008****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	223,889	-	-	223,889
Construction in Progress	569,442	458,217	576,316	451,343
	<u>1,625,784</u>	<u>458,217</u>	<u>576,316</u>	<u>1,507,685</u>
Other Capital Assets				
Water System Improvements	24,115,765	2,479,204	-	26,594,969
Sewer System Improvements	47,717,122	611,470	-	48,328,592
Storm Water Pump Stations	2,323,911	-	-	2,323,911
Buildings	11,448,047	423,689	-	11,871,736
Machinery, Equipment, and Vehicles	7,855,434	250,482	25,124	8,080,792
Parking Facilities/Improvements	4,951,175	-	-	4,951,175
	<u>98,411,454</u>	<u>3,764,845</u>	<u>25,124</u>	<u>102,151,175</u>
Less Accumulated Depreciation				
Water System Improvements	5,793,049	545,828	-	6,338,877
Sewer System Improvements	9,506,890	694,722	-	10,201,612
Storm Water Pump Stations	791,520	61,112	-	852,632
Buildings	3,563,177	251,971	-	3,815,148
Machinery, Equipment, and Vehicles	3,641,021	234,702	25,124	3,850,599
Parking Facilities/Improvements	1,070,908	123,341	-	1,194,249
	<u>24,366,565</u>	<u>1,911,676</u>	<u>25,124</u>	<u>26,253,117</u>
Total Other Capital Assets	<u>74,044,889</u>	<u>1,853,169</u>	<u>-</u>	<u>75,898,058</u>
Total Capital Assets	<u>75,670,673</u>	<u>2,311,386</u>	<u>576,316</u>	<u>77,405,743</u>

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2008**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities – Continued

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

Water	\$ 1,026,181
Sewer	762,154
Parking Meter	<u>123,341</u>
	<u>1,911,676</u>

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Balances

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

Receivable Fund	Payable Fund	Amount
General	Debt Service	\$ 95,257
General	Workers Compensation	11,248
General	Water	1,054,811
General	Police Pension	8,796
General	Fire Pension	<u>9,016</u>
		<u>1,179,128</u>

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

Interfund Transfers

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Parking Meter	General	\$ 141,510
General	Water	<u>850,000</u>
		<u>991,510</u>

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

LONG-TERM DEBT

General Obligation Bonds

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
\$10,000,000 General Obligation Bond Series of 1999, due in annual installments of \$100,000 to \$1,240,000 plus interest at 3.20% to 4.45% through December 1, 2014.	Water	\$ 5,950,000	-	-	5,950,000
\$5,000,000 General Obligation Bond Series of 2001, due in annual installments of \$75,000 to \$125,000 plus interest at 4.00% to 5.00% through December 1, 2008.	Debt Service	25,000	-	25,000	-
	Water	100,000	-	100,000	-
\$30,400,000 General Obligation Bond Series of 2002, due in annual installments of \$125,000 to \$2,700,000 plus interest at 4.00% to 5.00% through December 1, 2023.	Debt Service	21,280,000	-	275,000	21,005,000
	Sewer	1,895,000	-	25,000	1,870,000
	Water	4,850,000	-	100,000	4,750,000

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
	Debt Service	\$ 7,155,000	-	1,100,000	6,055,000
\$17,525,000 General Obligation Bonds of 2004, due in annual installments of \$530,000 to \$1,645,000 plus interest at 3.00% to 4.00% through December 1, 2020.	Sewer	2,725,000	-	25,000	2,700,000
	Water	4,315,000	-	165,000	4,150,000
	Parking Meter	435,000	-	125,000	310,000
\$19,850,000 General Obligation Refunding Bonds of 2007, due in annual installments of \$320,000 to \$3,475,000 plus interest at 4.00% to 4.25% through December 1, 2021.	Debt Service	11,735,000	-	765,000	10,970,000
	Sewer	2,450,000	-	-	2,450,000
	Water	5,665,000	-	300,000	5,365,000
		68,580,000	-	3,005,000	65,575,000

IEPA Revenue Bonds

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

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bonds of 1993, due in annual installments of \$327,951 to \$638,703 plus interest of 3.580% through December 10, 2013.	Sewer	\$ 3,306,435	-	554,189	2,752,246

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

IEPA Revenue Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Revenue Bonds of 1995, due in annual installments of \$335,386 to \$654,240 plus interest of 3.580% through January 1, 2014.	Sewer	\$ 3,952,927	-	553,836	3,399,091
IEPA Revenue Bonds of 1996, due in annual installments of \$155,031 to \$303,636 plus interest of 2.815% through December 7, 2016.	Sewer	2,362,241	-	249,674	2,112,567
IEPA Revenue Bonds of 1997, due in annual installments of \$422,907 to \$596,423 plus interest of 3.150% through September 8, 2017.	Sewer	5,202,625	-	450,187	4,752,438
IEPA Revenue Bonds of 2006, due in annual installments of \$8,437 to \$26,887 plus interest of 2.500% through September 13, 2026.	Sewer	412,278	-	17,191	395,087
IEPA Revenue Bonds of 2007, due in annual installments plus interest.	Sewer	591,257	42,316	13,986	619,587
		15,827,763	42,316	1,839,063	14,031,016

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	\$ 25,101	-	8,316	16,785
\$165,000 Village Manager housing allowance note payable due in June 2007 plus interest at 3.4%.	General	140,000	-	20,000	120,000
Historical Society improvements note due in October 2008 plus interest at 3.25%	General	115,000	-	15,000	100,000
		280,101	-	43,316	236,785

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, 2008, the line of credit outstanding balance is \$100,000.

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions and Transfers	Deductions and Transfers	Ending Balances	Amounts Due within One Year
Governmental Activities					
Compensated Absences	\$ 1,088,500	138,000	69,000	1,157,500	231,500
Net Pension Obligation	-	984	-	984	-
Net Other Post-Employment Benefit Obligation	2,261,379	311,953	143,400	2,429,932	-
General Obligation Bonds	40,195,000	-	2,165,000	38,030,000	1,530,000
Unamortized Loss on Refunding	(170,477)	-	(21,310)	(149,167)	-
Installment Contracts/ Notes Payable	280,101	-	43,316	236,785	13,615
	<u>43,654,503</u>	<u>450,937</u>	<u>2,399,406</u>	<u>41,706,034</u>	<u>1,775,115</u>
Business-Type Activities					
Compensated Absences	162,900	6,500	13,000	156,400	27,260
General Obligation Bonds	28,385,000	-	840,000	27,545,000	845,000
Unamortized Bond Discount	(67,382)	-	-	(67,382)	-
IEPA Loans	15,827,763	42,316	1,839,063	14,031,016	1,885,663
	<u>44,308,281</u>	<u>48,816</u>	<u>2,692,063</u>	<u>41,665,034</u>	<u>2,757,923</u>

The General Fund makes payments on the net pension obligation. 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 IEPA loans. Also, for the governmental activities, compensated absences are generally liquidated by the general fund. In fiscal year 2008, the Village implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This pronouncement required the Village to calculate and record a net other post employment benefit obligation (NOPEBO) at December 31, 2008. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since January 1, 2008, and is reported as a liability in the Village's Section 105 Sick Leave – Internal Service Fund.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity

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

Fiscal Year Ending December 31	Governmental Activities			
	General Obligation Bonds		Installment Contracts/ Notes Payable	
	Principal	Interest	Principal	Interest
2009	\$ 1,530,000	1,625,958	13,615	5,027
2010	1,325,000	1,568,637	13,158	4,559
2011	2,340,000	1,520,671	5,000	4,250
2012	3,025,000	1,434,951	5,000	4,080
2013	3,630,000	1,317,786	5,000	3,910
2014	3,955,000	1,170,589	5,000	3,740
2015	3,910,000	1,005,636	5,000	3,570
2016	4,000,000	836,123	5,000	3,400
2017	4,480,000	659,573	5,000	3,230
2018	4,245,000	461,491	5,000	3,060
2019	2,060,000	272,885	5,000	2,890
2020	1,760,000	172,975	5,000	2,720
2021	1,760,000	86,735	5,000	2,550
2022	10,000	495	5,000	2,380
2023	-	-	5,000	2,210
2024	-	-	5,000	2,040
2025	-	-	5,000	1,870
2026	-	-	5,000	1,700
2027	-	-	5,000	1,530
2028	-	-	5,000	1,360
2029	-	-	5,000	1,190
2030	-	-	5,000	1,020
2031	-	-	5,000	850
2032	-	-	5,000	680
2033	-	-	5,000	510
2034	-	-	5,000	340
2035	-	-	5,000	170
Total	38,030,000	12,134,505	151,773	64,836

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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		IEPA	
	Bonds		Loans	
	Principal	Interest	Principal	Interest
2009	\$ 845,000	1,070,457	1,885,663	416,393
2010	1,090,000	1,039,721	1,948,275	353,781
2011	1,070,000	1,000,751	2,012,974	289,079
2012	1,340,000	958,841	2,079,839	222,216
2013	1,690,000	903,385	1,815,116	153,117
2014	2,220,000	833,761	1,193,650	99,738
2015	2,340,000	743,695	884,377	67,993
2016	2,585,000	650,533	754,075	41,082
2017	2,935,000	557,095	617,922	20,019
2018	2,420,000	384,058	22,040	5,351
2019	2,495,000	377,152	22,594	4,797
2020	2,375,000	289,742	23,163	4,229
2021	2,200,000	197,890	23,746	3,646
2022	1,340,000	96,330	24,343	3,049
2023	600,000	30,000	24,955	2,437
2024	-	-	25,583	1,809
2025	-	-	26,227	1,165
2026	-	-	26,887	505
Total	27,545,000	9,133,411	13,411,429	1,690,406

Legal Debt Margin

Article VII, Section 6(k) of the 1970 Illinois Constitution governs the computation of legal debt margin. "The General Assembly may limit by law the amount and require referendum approval of debt to the incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 500,000 an aggregate of one percent: indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amounts." To date the Illinois General Assembly has set no limits for home rule municipalities. The Village is a home rule municipality.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding

General Obligation Bonds of 1999

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

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

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

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

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
2009	5.00%	\$ 325,000
2010	5.15%	345,000
2011	5.20%	425,000
2012	5.25%	525,000
Total		<u>1,620,000</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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 1998 to be paid from escrow:

Fiscal Year Ending December 31	Interest Rate	Principal
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>1,025,000</u>

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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2004 – Continued

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.

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

Fiscal Year Ending December 31	Interest Rate	Principal
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%	350,000
Total		<u>3,150,000</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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 2001 to be paid from escrow:

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

General Obligation Bonds of 2007

On September 1, 2007, the Village passed an ordinance providing for the issuance of \$19,850,000 General Obligation Refunding and Improvements Bond Series 2007 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued for sewer and water improvements and in order to refund the General Obligation Refunding Bond Series of 2000, issued by the Village and outstanding in the aggregate principal amount of \$7,300,000.

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2007 – Continued

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

Fiscal Year Ending December 31	Interest Rate	Principal
2009	5.000%	\$ 250,000
2010	5.000%	250,000
2011	5.000%	250,000
2012	5.000%	250,000
2013	5.000%	250,000
2014	5.000%	250,000
2015	5.250%	300,000
2016	5.250%	650,000
2017	5.375%	800,000
2018	5.375%	850,000
2019	5.375%	875,000
2020	5.500%	950,000
2021	5.500%	1,000,000
Total		<u>6,925,000</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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, 2008

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, 2008, NSEBC had a total equity of \$3,568,532. The Village's total payments for the year ended December 31, 2008 were \$2,228,757.

POST-EMPLOYMENT BENEFITS

Post-Employment Health Care Benefits

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

- a. Employees who retired prior to 1989 may elect to continue health insurance coverage (single or family) through the Village's carriers, and the Village pays 25 percent of the premium cost and the retiree pays the balance. For the year ended December 31, 2008, there were no retirees in this category.
- b. Employees retiring after February 1989 who are eligible to receive an immediate pension under any of the Village's three pension plans and have at least twenty years of service with the Village may elect to continue health insurance coverage (single or family) through the Village's carriers, and the Village pays 25 percent of the single employee premium cost and the retiree pays the balance. For the year ended December 31, 2008, there were seventeen retirees in this category and the Village's expense totaled \$19,144.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 4 – OTHER INFORMATION – Continued

POST-EMPLOYMENT BENEFITS – Continued

Post-Employment Health Care Benefits – Continued

- c. Employees retiring after February 1989 who are eligible to receive an immediate pension under the Village's pension plan and have at least fifteen years of pension service and ten years of service with the Village may elect to continue health insurance coverage (single or family) through the Village's carriers. In these instances, the entire premium cost is paid by the employee.
- d. On three occasions since 1995, the Village offered an early retirement incentive program to employees with twenty years of service with the Village who were eligible to retire with an immediate pension under any of the Village's three pension plans. Under this offering, the Village pays 100 percent of the single employee premium for up to eight years or until the employee becomes age 65, whichever occurs first. For the year ended December 31, 2008, eight employees are covered in this category and the Village's expense totaled \$28,665.

Retirees may only continue participation in the health care plan until age 65. Surviving spouses of these retirees who have not reached age 65 may continue their participation (until they become age 65) but must pay the entire premium expense. There were four retiree spouses in this category for the year ended December 31, 2008. 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, 2008 four 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, 2008

NOTE 4 – OTHER INFORMATION – Continued

POST-EMPLOYMENT BENEFITS – Continued

Medical Savings Plan – Continued

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

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

CONTINGENT LIABILITIES

Litigation

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

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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 2008 was 7.81 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, 2008 the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	39
Inactive Members	1
Current Employees	
Vested	31
Nonvested	14
	<u>85</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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, 2008 the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.	43
Inactive Members	4
Current Employees	
Vested	32
Nonvested	13
	<u>92</u>

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

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

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

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

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

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments, as well as statutory or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

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	\$ 1,314,149	1,601,398	2,915,547
Interest on Net Pension Obligation	(15,565)	(15,238)	(30,803)
Adjustment to Annual Required Contribution	12,252	11,994	24,246
Annual Pension Cost	1,310,836	1,598,154	2,908,990
Actual Contribution	1,112,000	1,394,000	2,506,000
Increase (Decrease) to the NPO	198,836	204,154	402,990
NPO - Beginning of Year	(207,537)	(203,170)	(410,707)
NPO - End of Year	(8,701)	984	(7,717)

VILLAGE OF WILMETTE, ILLINOIS**Notes to the Financial Statements
December 31, 2008****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	7.81%	19.76%	22.68%
Employee	4.50%	9.91%	9.455%
Annual Required Contribution	\$687,857	\$1,314,149	\$1,601,398
Contributions Made	\$687,857	\$1,112,000	\$1,394,000
Actuarial Valuation Date	12/31/2006	12/31/2008	12/31/2008
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	24 Years	26 Years	26 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	7.45% Compounded Annually	7.45% 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, 2008

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2006	\$ 663,056	856,151	1,113,390
	2007	707,886	1,012,822	1,242,298
	2008	687,857	1,310,836	1,598,154
Actual Contributions	2006	663,056	860,000	1,118,000
	2007	707,886	1,016,400	1,245,800
	2008	687,857	1,112,000	1,394,000
Percentage of APC Contributed	2006	100.00%	100.45%	100.41%
	2007	100.00%	100.35%	100.28%
	2008	100.00%	84.83%	87.23%
Net Pension Obligation	2006	-	(203,959)	(199,668)
	2007	-	(207,537)	(203,170)
	2008	-	(8,701)	984

VILLAGE OF WILMETTE, ILLINOIS**Notes to the Financial Statements
December 31, 2008****NOTE 4 – OTHER INFORMATION – Continued****EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued****Funded Status and Funding Progress**

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/08	12/31/08	12/31/08
Percent Funded	85.48%	69.90%	65.60%
Actuarial Accrued Liability for Benefits	\$28,995,793	\$43,578,850	\$47,209,466
Actuarial Value of Assets	\$24,786,414	\$30,449,896	\$30,969,840
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$4,209,379)	(\$13,128,954)	(\$16,239,626)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$8,807,392	\$3,768,350	\$3,767,777
Ratio of UAAL to Covered Payroll	47.79%	348.40%	431.01%

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

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

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

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

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending December 31, 2008, retirees contributed \$0. Active employees do not contribute to the plan until retirement.

At December 31, 2008, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	11
Active Employees	<u>197</u>
Total	<u>208</u>
Participating Employers	1

The Village does not currently have a funding policy.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the plan as of December 31, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended December 31, 2008.

The net OPEB obligation (NOPEBO) as of December 31, 2008, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 143,367
Interest on the NPO	113,069
Adjustment to the ARC	<u>55,517</u>
Annual OPEB Cost	311,953
Actual Contribution	<u>143,400</u>
Increase in the NPO	168,553
NPO - Beginning of Year	<u>2,261,379</u>
NPO - End of Year	<u><u>2,429,932</u></u>

Funded Status and Funding Progress

The funded status of the plan as of December 31, 2008, was as follows:

Actuarial Accrued Liability (AAL)	\$ 2,429,932
Actuarial Value of Plan Assets	646,564
Unfunded Actuarial Accrued Liability (UAAL)	3,076,496
Funded Ratio (actuarial value of plan assets/AAL)	26.61%
Covered Payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2008

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation – Continued

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

Actuarial Methods and Assumptions

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

In the December 31, 2008 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses and an annual healthcare cost trend rate of 8.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2008, was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION

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

- **Schedule of Funding Progress**
 - **Illinois Municipal Retirement Fund**
 - **Police Pension Fund**
 - **Firefighters' Pension Fund**
 - **Other Post-Employment Benefit Plan**
- **Employer Contributions**
 - **Illinois Municipal Retirement Fund**
 - **Police Pension Fund**
 - **Firefighters' Pension Fund**
 - **Other Post-Employment Benefit Plan**
- **Budgetary Comparison Schedule – General Fund**

Notes to the Required Supplementary Information

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

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2008

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)
2003	\$ 20,260,965	\$ 19,072,095	106.23%	\$ (1,188,870)	\$ 6,520,073	(18.23)%
2004	21,208,124	20,966,987	101.15%	(241,137)	6,878,824	(3.51)%
2005	23,104,301	22,974,424	100.57%	(129,877)	7,312,047	(1.78)%
2006	25,004,056	24,257,794	103.08%	(746,262)	7,764,125	(9.61)%
2007	28,144,614	27,546,456	102.17%	(598,158)	8,437,260	(7.09)%
2008	24,786,414	28,995,793	85.48%	4,209,379	8,807,392	47.79%

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2008

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)
2003	\$ 23,975,682	\$ 30,016,766	79.87%	\$ 6,041,084	\$ 2,972,254	203.25%
2004	25,256,500	30,875,862	81.80%	5,619,362	3,147,169	178.55%
2005	26,804,907	33,910,192	79.05%	7,105,285	3,318,829	214.09%
2006	28,333,401	35,758,708	79.23%	7,425,307	3,368,903	220.41%
2007	30,186,114	40,633,684	74.29%	10,447,570	3,615,846	288.94%
2008	30,449,896	43,578,850	69.87%	13,128,954	3,768,350	348.40%

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

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

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress

December 31, 2008

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)
2003	\$ 25,010,118	\$ 30,450,103	82.13%	\$ 5,439,985	\$ 2,993,008	181.76%
2004	26,087,672	35,218,576	74.07%	9,130,904	3,133,245	291.42%
2005	27,609,198	37,315,512	73.99%	9,706,314	3,171,222	306.07%
2006	28,922,152	39,835,805	72.60%	10,913,653	3,228,600	338.03%
2007	30,668,985	44,470,280	68.97%	13,801,295	3,528,817	391.10%
2008	30,969,840	47,209,466	65.60%	16,239,626	3,767,777	431.01%

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

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

VILLAGE OF WILMETTE, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information

Schedule of Funding Progress

December 31, 2008

Actuarial Valuation Date Mar. 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)
2003	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	646,564	2,429,932	26.61%	1,783,368	N/A	N/A

The Village Implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

December 31, 2008

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2003	\$ 127,141	\$ 127,141	100.00%
2004	373,520	373,520	100.00%
2005	568,877	568,877	100.00%
2006	663,056	663,056	100.00%
2007	707,886	707,886	100.00%
2008	687,857	687,857	100.00%

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Employer Contributions
December 31, 2008**

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2003	\$ 624,000	\$ 623,471	100.08%
2004	774,300	774,290	100.00%
2005	789,400	789,384	100.00%
2006	860,000	859,890	100.01%
2007	1,016,400	1,016,367	100.00%
2008	1,112,000	1,314,149	84.62%

VILLAGE OF WILMETTE, ILLINOIS**Firefighters' Pension Fund****Required Supplementary Information****Employer Contributions****December 31, 2008**

Year Ended December 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2003	\$ 748,000	\$ 747,981	100.00%
2004	818,350	818,345	100.00%
2005	1,078,808	1,078,808	100.00%
2006	1,118,000	1,117,035	100.09%
2007	1,245,800	1,245,768	100.00%
2008	1,394,000	1,601,398	87.05%

VILLAGE OF WILMETTE, ILLINOIS**Other Post-Employment Benefit Plan****Required Supplementary Information****Employer Contributions****December 31, 2008**

Year Ended Mar. 31	Employer Contributions	Annual Required Contributions	Percent Contributed
2003	\$ N/A	\$ N/A	N/A
2004	N/A	N/A	N/A
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	143,400	143,367	100.02%

The Village Implemented GASB Statement No. 45 for the fiscal year ended December 31, 2008. Information for prior years is not available.

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Required Supplementary Information Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended December 31, 2008

	Original and Final Budget	Actual
Revenues		
Taxes	\$ 20,436,500	19,886,183
Licenses, Permits and Fees	3,626,550	3,034,314
Intergovernmental	41,900	92,465
Charges for Services	2,385,975	2,413,363
Fines and Forfeitures	325,800	391,347
Investment Earnings	257,000	115,391
Miscellaneous	638,300	1,049,103
Total Revenues	<u>27,712,025</u>	<u>26,982,166</u>
Expenditures		
General Government	3,708,090	3,195,090
Public Safety	15,888,425	15,844,052
Streets and Sanitation	6,312,410	6,346,863
Other Public Works	1,643,153	1,759,034
Public Health	206,610	170,243
Community Development	1,522,100	1,386,238
Debt Service		
Principal Retirement	8,316	43,316
Interest and Fiscal Charges	784	736
Total Expenditures	<u>29,289,888</u>	<u>28,745,572</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,577,863)</u>	<u>(1,763,406)</u>
Other Financing Sources (Uses)		
Transfers In	1,000,000	850,000
Transfers Out	(150,000)	(141,510)
	<u>850,000</u>	<u>708,490</u>
Net Change in Fund Balance	<u>(727,863)</u>	(1,054,916)
Fund Balance - Beginning		<u>7,686,284</u>
Fund Balance - Ending		<u><u>6,631,368</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

GENERAL FUND

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

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.

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.

Series 2002 and 2007 General Obligation Bonds Fund

The Series 2002 and 2007 General Obligation Bonds 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, 2008**

	Original and Final Budget	Actual
Taxes		
Property Taxes	\$ 8,845,200	8,719,121
Municipal Sales Tax	3,627,100	3,526,888
Municipal Sales Tax - Home Rule	607,800	564,967
State Income Tax	2,520,900	2,617,554
Real Estate Transfer Tax	1,417,200	880,317
Utility Tax	2,615,000	2,718,132
E-911 Surcharge	295,000	283,246
Wireless 911 Tax	125,000	204,113
Personal Property Replacement Tax	287,300	288,607
Fuel Use Tax	96,000	83,228
Municipal Auto Lease Tax	-	10
Total Taxes	20,436,500	19,886,183
Licenses, Permits and Fees		
Licenses		
Animal	1,600	1,530
Business	170,000	173,080
Vehicle	1,283,000	1,278,402
Taxi	12,350	12,665
Liquor Licenses	44,000	46,688
Permits		
Building	1,325,500	903,014
Demolition	96,500	57,907
Electric	76,400	61,900
Plumbing	52,300	41,947
Right-of Way	22,150	20,195
Other	52,400	50,028
Fees		
Plan Review	94,300	73,723
Pavement Degradation Fee	68,250	67,602
Inspections	284,500	193,582
Filing	21,300	25,533
Permit Penalties	22,000	26,518
Total Licenses, Permits, and Fees	3,626,550	3,034,314

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Intergovernmental		
Police Grants	\$ 41,900	37,015
Fire Grants	-	8,745
F.E.M.A. Grants - Storm Emergency	-	46,705
Total Intergovernmental	41,900	92,465
Charges for Services		
Refuse Collection Charges	1,627,500	1,634,434
Refuse Collection Charges - unbilled	-	15,000
Sales of Yard Waste Bags	125,000	103,631
Ambulance Transport Charges	400,000	373,247
Fire Alarms	7,600	7,779
Burglar Alarms	30,000	8,213
Elevator Inspections	12,000	17,340
Sanitarian Services	23,100	12,005
Animal Control Services	5,050	3,780
Computer Aided Dispatch Services	-	7,620
Damage to Village Property	30,000	67,680
Maintenance of State Routes	18,225	19,392
Shore Line Place Services	15,300	15,288
Fairfield Court Services	56,300	56,338
French Market Services	-	2,025
Engineering & Consulting Reimbursements	-	2,543
Park District Personnel Reimbursements	20,700	45,938
Other Police Service Charges	-	850
Health Department Charges	13,200	19,260
Atrium Unit Closing Fees	2,000.00	1,000
Total Charges for Services	2,385,975	2,413,363
Fines and Forfeitures		
Court Fines	75,000	83,969
Vehicle License and Parking	250,000	306,475
Animal and Impounding Fees	800	903
Total Fines and Forfeitures	325,800	391,347

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Investment Earnings		
Interest	\$ 257,000	115,391
Miscellaneous		
Rental Income		
Wilmette Park District	49,300	50,300
Cellular Antennae Leases	150,000	291,509
Depot Rental	-	-
3545 Lake Avenue	2,400	2,400
Sale of General Capital Assets	20,000	32,516
Cable TV Franchise Fees	345,000	381,042
Interest Payments from Property Tax Collections	20,000	20,234
Other	30,400	23,168
Donations	5,000	30,350
Section 125 Plan Liability Write-offs	-	1,440
Insurance Reimbursements	-	199,698
Contribution from Wilmette Historical Society	16,200	16,446
Total Miscellaneous	638,300	1,049,103
Total Revenues	27,712,025	26,982,166

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual Year Ended December 31, 2008

	Original and Final Budget	Actual
General Government		
Legislative		
Memberships	\$ 25,570	16,364
Professional Services	10,000	6,920
Annual Audit	9,600	11,545
Incidentals	5,000	844
Total Legislative	50,170	35,673
General Administration		
Salaries - Regular	385,000	445,532
Salaries - Overtime	300	-
Employee Benefits	96,285	103,010
Memberships	5,050	4,233
Professional Services	4,560	4,240
Community Notification System	4,200	4,200
Microfilming	500	313
Lease/Purchase - Copier	12,000	11,002
Pre-employment Exams	5,000	4,725
Employee Assistance Program	6,200	6,250
Employee Wellness Program	4,000	718
Maintenance of Office Equipment	500	-
Office Supplies	9,000	4,786
Automotive	4,600	4,450
Incidentals	2,000	9,164
Training	7,500	2,794
Personnel Training	5,000	450
Employee Recognition Program	9,100	8,978
Newsletters	29,500	28,262
Publishing Legal Notices	5,500	6,229
Classified Advertisements	13,000	10,908
Total General Administration	608,795	660,244
Information Services		
Salaries - Regular	222,925	222,150
Employee Benefits	59,580	65,326
Memberships	350	250

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
General Government - Continued		
Information Services - Continued		
Professional Services	\$ 5,000	7,664
Contractual Hardware Support	12,075	12,946
Contractual Software Support	100,800	104,850
PC Software Subscription	35,000	41,492
Contractual Internet Expenditures	6,200	5,155
Computer Communications	19,610	20,599
Computer Parts	16,500	15,616
Computer Software	3,000	837
Website Design Service & Software	20,100	20,100
Office Supplies	500	884
Incidentals	500	232
Training	14,090	8,950
Office Furniture and Equipment	15,000	14,370
Total Information Services	531,230	541,421
Finance Department		
Salaries - Regular	517,475	459,532
Salaries - Overtime	7,250	2,235
Employee Benefits	154,740	132,712
Memberships	2,180	2,289
Professional Services	25,800	26,020
Lease/Purchase - Copier	26,500	21,930
Bank Charges	22,000	14,555
Postage - General Office	37,500	36,630
Contractual Services	10,500	9,328
Maintenance of Office Equipment	6,700	5,376
Telephone - Office Service	80,500	99,338
Telephone - Maintenance	9,500	8,815
Telephone - Cellular Service	23,000	25,942
Telephone - Long Distance	3,400	2,969
Office Supplies	21,000	18,831
Supplies Other than Office	8,500	7,850
Incidentals	550	99

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
General Government - Continued		
Finance Department - Continued		
Training	\$ 3,525	809
Publishing Legal Notices	1,000	948
Total Finance Department	961,620	876,208
Law Department		
Salaries - Regular	249,875	264,168
Employee Benefits	60,710	57,915
Memberships	1,650	1,533
Code Revision service	3,000	3,410
Special Attorney Fees	35,000	49,943
On-line Legal Research Services	9,500	9,769
Supplies - Legal	2,500	1,855
Incidentals	750	1,020
Training	6,000	3,768
Litigation Costs	7,500	956
Total Law Department	376,485	394,337
Boards and Commissions		
Incidentals	5,000	13,887
Housing Commission	60,000	50,055
Senior Resources Commission	500	-
Community Relations Commission	4,550	2,287
Fine Arts Commission	1,850	1,135
Historic Preservation Commission	1,600	1,938
Bicycle Commission	-	2,277
Persons with Disabilities Commission	500	-
Youth Commission	20,000	21,850
Total Boards and Commissions	94,000	93,429
Historical Museum		
Salaries - Regular	92,150	93,223
Employee Benefits	21,490	16,897
Total Historical Museum	113,640	110,120

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
General Government - Continued		
Cable Programming Services		
Salaries - Regular	\$ 76,975	71,290
Salaries - Other	8,000	4,702
Employee Benefits	21,900	20,735
Memberships	175	175
Professional Services - Sound System Consulting	-	1,536
Maintenance - Office Equipment	7,500	1,290
Supplies - Office	600	236
Supplies - Video	1,850	927
Incidentals	600	-
Training	600	250
Office Space Rent	11,200	11,206
Building Improvements - Council Chambers	-	37,341
Total Cable Programming Services	129,400	149,688
Insurance		
Retiree Health Insurance	80,000	48,257
General Liability and Property Insurance		
Fixed Premiums	230,880	230,880
Deductible Payments	30,120	48,318
Total General Liability	261,000	279,198
Total Insurance	341,000	327,455
Contingencies		
Regular	400,000	-
Atrium Condo Resales	100,000	4,765
Total Contingencies	500,000	4,765
Total General Government	3,706,340	3,193,340
Plus NonGAAP Activity		
Plus Prior Year Encumbrances	1,750	1,750
Total General Government	3,708,090	3,195,090

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Public Safety		
Fire and Police Commission		
Salaries - Regular	\$ 29,975	25,280
Employee Benefits	7,690	7,731
Professional Services	15,000	4,375
Classified Advertisements	3,700	81
Total Fire and Police Commission	56,365	37,467
Police		
General Operations		
Salaries - Regular	3,825,700	3,865,520
Salaries - Overtime	144,900	273,592
Salaries - Overtime - Grant Funded	43,375	13,188
Employee Benefits	1,976,290	1,925,706
Memberships	1,235	1,297
Physical Exams	10,000	8,576
Contractual Animal Observation	1,000	1,973
Maintenance - Equipment	12,950	12,767
Maintenance - Radios	36,200	40,432
Undercover Vehicle Rental	-	2,007
Uniforms	42,760	35,724
Range Supplies	6,500	6,073
Supplies Other than Office	16,030	12,908
Crime Prevention Materials	14,100	14,197
Automotive	258,900	250,050
Incidentals	8,605	11,502
Training	51,125	25,642
Crime Lab Contributions	40,565	40,563
NIPAS Contribution	4,130	4,505
Major Crimes Task Force	3,600	3,600
NIPSTA Contribution	9,600	9,682
Motor Equipment	180,400	145,639
Other Equipment	46,500	41,616
Total General Operations	6,734,465	6,746,759

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
General Services		
Salaries - Regular	\$ 621,350	616,290
Salaries - Overtime	2,275	13,258
Employee Benefits	164,290	204,112
Memberships	715	430
Professional Services	18,875	15,713
Lease/Purchase - Copier	7,200	6,922
Maintenance - Office Equipment	2,700	115
Reaccreditation Fees	8,000	5,089
L.E.A.D.S./P.I.M.S. Program	3,000	7,500
Professional Services - Police Grant Work	1,900	13,976
Towing - Contractual	750	1,100
Pager Rental	1,000	1,085
Computer Communications	3,450	3,279
Uniforms	3,000	1,241
Office Supplies	11,000	9,560
Supplies Other than Office	4,150	4,314
Incidentals	400	103
Training	4,000	731
Care of Prisoners	1,500	1,253
Total General Services	859,555	906,071
Public Safety Communications		
Salaries - Regular	559,225	547,266
Salaries - Overtime	42,850	97,049
Employee Benefits	208,010	209,832
Memberships	110	143
Professional Services	650	324.00
Contractual Regional Fire Dispatch	161,700	153,866
Contractual Software Support - C.A.D.	-	37,280
Maintenance - Office Equipment	300	242
Maintenance - E-911 System	57,900	54,994
Maintenance - NORCOM Network	44,400	46,036
IWIN Program	9,000	13,006
Computer Communications	6,600	14,882
Uniforms	4,500	3,046

VILLAGE OF WILMETTE, ILLINOIS**General Fund****Schedule of Expenditures - Budget and Actual - Continued
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Public Safety - Continued		
Police - Continued		
Public Safety Communications - Continued		
Incidentals	\$ 200	15
Training	6,000	4,839
Other Equipment	-	2,989.00
Total Public Safety Communications	1,101,445	1,185,809
School Crossing Protection		
Salaries - Regular	163,225	163,945
Employee Benefits	15,110	15,461
Uniforms	1,000	2,105
Supplies Other than Office	1,000	1,612
Total School Crossing Protection	180,335	183,123
Total Police	8,875,800	9,021,762
Emergency Fire and Medical Services		
Salaries - Regular	3,745,850	3,857,047
Salaries - Overtime	389,350	387,193
Salaries - Off-Duty Response	26,900	23,894
Employee Benefits	2,223,830	2,176,497
Memberships	3,385	3,167
Professional Services	5,500	7,451
Lease/Purchase - Copier	3,895	3,836
Physical Exams	16,390	15,316
Maintenance - Office Equipment	100	-
Maintenance - Equipment	39,000	17,748
Maintenance - Radios	9,950	9,326
Maintenance - Breathing Equipment	2,000	5,873
Maintenance - Telemetry Equipment	11,700	11,685.00
Maintenance - Special Rescue Equipment	8,500	8,236
Reaccreditation Fees	1,500	1,940
Computer Communications	-	1,206
Pager Rental	4,400	4,512
Uniforms	22,430	19,136
Protective Clothing	16,780	18,738
Supplies - Automotive Parts	19,400	21,024
Supplies - Auto Shop	2,000	3,860

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Public Safety - Continued		
Emergency Fire and Medical Services - Continued		
Supplies - Fire Hose	\$ 9,500	9,098
Supplies - Office	5,000	4,378
Supplies - Other than Office	9,600	7,855
Materials - Public Education Programming	7,750	7,256
Gasoline and Oil	27,600	33,662
Incidentals	750	640
Training	41,350	38,410
NIPSTA Contribution	9,100	9,064
MABAS Contribution	5,250	5,275
Rent - Commonwealth Edison	1,500	1,500
Motor Equipment	70,000	70,000
Other Equipment	216,000	-
Total Emergency Fire and Medical Services	6,956,260	6,784,823
Total Public Safety	15,888,425	15,844,052
Streets and Sanitation		
Streets Department		
Salaries - Regular	1,007,125	977,313
Salaries - Overtime	69,200	132,510
Employee Benefits	351,320	343,935
Memberships	1,730	1,780
Professional Services	1,500	550.00
Lease/Purchase - Copier	7,140	7,272
Contractual Services	46,895	37,714
Contractual Snow Removal	11,630	34,860
Maintenance - Office Equipment	950	481
Holiday Light Decorations	36,040	28,025
J.U.L.I.E. Expenditures	4,500	4,653
Landscaping and Maintenance of Public		
Right of Way	64,685	65,497
Lease Leaf Packers	98,000	92,930
Leaf Disposal	115,000	132,753
Pager Rental	1,710	1,463

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Streets Department - Continued		
Uniforms	\$ 7,280	5,014
Supplies - Miscellaneous Tools and Equipment	2,500	2,471
Supplies - Office	5,000	3,937
Supplies - Other than Office	1,500	861
Materials - Traffic Signs	33,240	32,583
Materials - Salt	100,960	182,925
Materials - Street Repair and Landscaping	33,250	35,842
Materials - Leaf Pans & Brooms	4,000	4,750
Automotive	479,825	463,038
Incidentals	1,000	1,245
Training	15,125	10,164
NIPSTA Contribution	1,500	1,500
Building Improvements	-	4,500
Other Equipment	13,300	8,981
Total Streets Department	2,515,905	2,619,547
Refuse Collection and Disposal		
Contractual Refuse Collection	897,245	893,667
Recycling Collection	367,850	369,461
Landfill Tipping Fees	619,670	612,836
Contractual Yard Waste Collection	201,650	190,471
Yard Waste Disposal	37,140	39,611
Supplies - Sharps Disposal Containers	1,820	1,963
Yard Waste Supplies	2,550	1,740
Promotional and Educational	1,000	454
Other Equipment	4,680	8,883
Total Refuse Collection and Disposal	2,133,605	2,119,086
Maintenance of Trees		
Salaries - Regular	297,050	279,548
Salaries - Overtime	6,850	4,481
Employee Benefits	95,240	87,629
Contractual Services	15,370	12,007
Tree Planting Program	61,045	73,076
Contractual Tree Pruning	208,680	205,645

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Streets and Sanitation - Continued		
Maintenance of Trees - Continued		
Emerald Ash Borer - Tree Removals	\$ 275,000	259,918
Tree Fertilization	3,000	1,412
Uniforms	2,320	1,501
Materials	6,500	5,786
Automotive	50,600	48,850
Training	2,500	2,005
Total Maintenance of Trees	1,024,155	981,858
Street Lighting		
Salaries - Regular	163,325	163,111
Salaries - Overtime	5,000	4,225
Employee Benefits	73,490	62,400
Contractual Services	22,800	22,019
Maintenance & Disposal of Transformers	700	369
Uniforms	2,160	951
Supplies	26,675	26,349
Supplies - Light Poles and Parts	20,000	15,432
Commonwealth Edison Leased Lighting	24,000	25,651
Street Light Power - Village System	122,000	129,306
Automotive	29,900	28,910
Training	1,590	544
Total Street Lighting	491,640	479,267
Total Streets and Sanitation	6,165,305	6,199,758
Plus NonGAAP Activity		
Plus Prior Year Encumbrances	147,105	147,105
Total Street and Sanitation	6,312,410	6,346,863

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Other Public Works		
Village Engineer		
Salaries - Regular	\$ 450,175	456,469
Salaries - Overtime	1,300	281
Employee Benefits	151,050	146,588
Memberships	1,990	1,990
Professional Services	30,000	17,889
Street Pavement Inventory		
Microfilming	4,000	1,402
Update of Water/Sewer Atlases	9,000	8,856
Maintenance - Office Equipment	2,500	2,970
Maintenance - Traffic Signals	37,000	33,173
Sidewalk Replacement Program	40,000	40,766
Curb Repair Program		
Street and Alley Maintenance Program	127,000	126,852
Street Patching Program	-	147,621
Pavement Marking Program	16,000	15,769
Brick Street Maintenance	40,000	39,987
Crack Sealing Program	40,000	38,039
Traffic Calming Program	20,000	8,805
Supplies - Office	3,250	2,699
Supplies - Other than Office	2,750	1,596
Automotive	17,300	16,710
Incidentals	3,000	2,158
Training	4,400	3,267
Total Village Engineer	1,000,715	1,113,887
Building and Grounds		
Salaries - Regular	183,550	181,486
Salaries - Overtime	13,600	14,237
Employee Benefits	66,720	66,004
Memberships	950	908
Contractual Services	67,860	67,940
Contractual Custodial Services	65,600	61,774
Heating and Cooling System Repairs	41,800	45,816
Uniforms	1,935	807
Supplies - Building	37,185	38,963

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Other Public Works - Continued		
Building and Grounds - Continued		
Supplies - Grounds	\$ 3,000	4,141
Supplies - Printing	5,500	7,297
Building and Furniture Repairs	35,000	37,964
Heating - Electric	20,600	-
Heating - Gas	40,000	64,918
Automotive	11,500	11,130
Training	500	1,150
Building Improvements	12,000	5,474
Total Building and Grounds	607,300	610,009
Total Other Public Works	1,608,015	1,723,896
Plus NonGAAP Activity		
Less Current Year Encumbrances	(2,400)	(2,400)
Plus Prior Year Encumbrances	37,538	37,538
Total Other Public Works	1,643,153	1,759,034
Public Health		
Salaries - Regular	119,250	99,421
Employee Benefits	55,380	43,193
Memberships	400	355
Lab Services - Contractual	1,600	1,376
Maintenance - Office Equipment	200	123.00
Supplies - Laboratory	13,500	11,534
Supplies - Office	300	266
Automotive	11,500	11,130
Incidentals	460	239
Training	2,700	988
C.P.R. Program	1,320	1,618
Total Public Health	206,610	170,243
Community Development		
Community Development		
Salaries - Regular	722,975	774,749
Salaries - Overtime	10,300	11,223
Employee Benefits	244,540	238,135

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Community Development - Continued		
Community Development - Continued		
Memberships	\$ 4,055	3,519
Professional Services	35,545	25,576
Zoning Ordinance Review	50,000	-
Microfilming	3,800	4,335
Plan Review Inspection Services	82,000	52,437
Maintenance - Office Equipment	1,765	841
Supplies - Office	2,500	3,489
Supplies - Other than Office	5,000	1,992
Automotive	40,800	39,400
Incidentals	600	559
Training	5,400	4,639
Publishing Legal Notices	6,500	4,748
Total Community Development	1,215,780	1,165,642
Business Development		
Salaries - Regular	37,875	37,423
Employee Benefits	11,260	10,485
Memberships	625	600
Business Promotion Activities	40,230	34,842
Incidentals	1,000	813
Depot Building - Property Taxes	8,000	13,655
Depot Building Improvements	200,000	115,448
Total Business Development	298,990	213,266
Total Community Development	1,514,770	1,378,908
Plus NonGAAP Activity		
Plus Prior Year Encumbrances	7,330	7,330
Total Community Development	1,522,100	1,386,238
Debt Service		
Historical Museum Principal Retirement	8,316	8,316
Historical Museum Interest Expense	784	736
Housing Subsidy Installment Contract Principal Retirement	-	20,000
Historical Society Installment Contract Principal Retirement	-	15,000
Total Debt Service	9,100	44,052

VILLAGE OF WILMETTE, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Revenues		
Taxes		
Property Taxes	\$ 3,366,700	3,313,805
Expenditures		
Debt Service		
Principal Retirement	2,165,000	2,165,000
Interest and Fiscal Charges	1,204,200	1,202,920
Total Expenditures	3,369,200	3,367,920
Net Change in Fund Balance	<u>(2,500)</u>	(54,115)
Fund Balance - Beginning		<u>(7,665)</u>
Fund Balance - Ending		<u>(61,780)</u>

VILLAGE OF WILMETTE, ILLINOIS**Series 2007 General Obligation Bonds - Capital Projects Fund****Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
CMAQ Grant - Green Bay Road Traffic Signals	\$ 1,120,000	89,565
Sheridan Road Improvements Grant	-	211,868
L.E.E.D. Grant - Public Works Facility	-	15,000
State Grant - Skokie Valley Bicycle Trail	-	60,000
Municipal Contributions - Skokie Valley Bicycle Trail	-	22,508
Winnetka Computer Aided Dispatch Contribution	-	37,839
Evanston Sheridan Road Contribution	220,000	1,014
Homeland Security - Fire Truck Grant	675,000	675,000
Sale of General Capital Assets	-	24,000
Investment Earnings	180,000	145,563
Total Revenues	<u>2,195,000</u>	<u>1,282,357</u>
Expenditures		
Capital Outlay	10,083,615	5,178,517
Debt Service		
Interest and Fiscal Charges	500,000	500,000
Total Expenditures	<u>10,583,615</u>	<u>5,678,517</u>
Net Change in Fund Balances	<u>(8,388,615)</u>	(4,396,160)
Fund Balances - Beginning		<u>8,644,739</u>
Fund Balances - Ending		<u>4,248,579</u>

VILLAGE OF WILMETTE, ILLINOIS**Series 2007 General Obligation Bonds - Capital Projects Fund****Schedule of Expenditures - Budget and Actual
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Capital Outlay		
Public Works Facility Improvements	\$ 3,430,945	1,712,661
Public Works Garage Floor Painting	94,000	60,000
Police Station Improvements	-	34,884
Sheridan Road Improvements	3,400,000	966,341
Greenbay Road Traffic Signal Improvements	1,400,000	723,548
Enhanced Street Resurfacing Program	600,000	422,125
Fire Station #26 Bicycle Path	-	47,615
Skokie Valley Bike Trail	-	8,383
Telephone System Improvements	200,000	-
Police Computer Aided Dispatch	-	104,436
Motor Equipment - Streets & Sanitation	320,000	302,474
Motor Equipment - Public Safety	1,100,000	1,257,380
Total Capital Outlay	10,544,945	5,639,847
Debt Service		
Interest and Fiscal Charges	500,000	500,000
Total Debt Service	500,000	500,000
NonGAAP Activity		
Less Current Year Encumbrances	(461,330)	(461,330)
Total Expenditures	10,583,615	5,678,517

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, 2008**

	Original and Final Budget	Actual
Revenues		
Intergovernmental		
Motor Fuel Tax Allotments	\$ 800,000	726,184
Investment Earnings	35,000	12,819
Total Revenues	835,000	739,003
Expenditures		
Capital Outlay		
Sheridan Road Improvements	800,000	800,000
NonGAAP Activity		
Less Current Year Encumbrances	(800,000)	(800,000)
Total Expenditures	-	-
Net Change in Fund Balance	835,000	739,003
Fund Balance - Beginning		450,725
Fund Balance - Ending		1,189,728

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended December 31, 2008

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Water Sales		
Residential	\$ 2,749,700	2,608,407
Unbilled Water Sales	-	62,000
Village of Glenview	2,912,000	2,755,781
Illinois American Water Company	875,000	835,971
Other Water Sales	-	33,970
Other	125,000	106,275
Total Operating Revenues	6,661,700	6,402,404
Operating Expenses		
Administration		
General	179,880	168,070
Administrative	520,975	514,019
Operations		
Water Plant Operations	2,345,440	2,365,026
Distribution	1,029,225	835,092
Meter and Reservoir Maintenance	390,960	397,915
Depreciation	-	1,026,181
Total Operating Expenses	4,466,480	5,306,303
Operating Income	2,195,220	1,096,101
Nonoperating Revenues (Expenses)		
Investment Earnings	200,000	107,037
Interest Expense	(898,700)	(894,844)
Amortization of Bond Discount	-	(6,030)
	(698,700)	(793,837)
Income Before Contributions and Transfers	1,496,520	302,264
Contributions	-	13,145
Transfers Out	(1,000,000)	(850,000)
Change in Net Assets	496,520	(534,591)
Net Assets - Beginning		15,523,671
Net Assets - Ending		14,989,080

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual Year Ended December 31, 2008

	Original and Final Budget	Actual
Administration		
General		
Salaries - Regular	\$ 68,250	69,732
Salaries - Overtime	1,525	11
Employee Benefits	29,380	29,843
Annual Audit	13,000	14,000
Bank Charges	20,450	16,442
Postage	17,000	18,095
Contractual Meter Reading	20,000	13,730
Uniforms	350	-
Supplies - Office - Administrative	6,000	3,347
Supplies - Office - Water Plant	2,500	2,361
Incidentals	100	-
Training	1,325	509
Total General	179,880	168,070
Administrative		
Salaries - Regular	278,050	281,756
Employee Benefits	82,665	78,721
Memberships	2,300	2,221
Contractual Grounds Maintenance	1,700	-
Telephone - Regular Service	31,000	37,390
Telephone - Maintenance	3,200	2,924
Telephone - Cellular	7,600	8,646
Telephone - Long Distance	1,100	987
Supplies - Building	9,000	5,277
Building Furniture and Repairs	9,000	5,474
Training	8,000	3,263
General Liability and Property Insurance	87,360	87,360
Total Administrative	520,975	514,019

VILLAGE OF WILMETTE, ILLINOIS**Water - Enterprise Fund****Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Operations		
Water Plant Operations		
Salaries - Regular	\$ 1,072,950	1,079,063
Salaries - Accrued Vacation	-	(3,500)
Salaries - Overtime	27,750	19,178
Employee Benefits	387,790	391,868
Professional Services - SCADA System Maintenance	4,000	1,943
Contractual Services	28,000	24,174
Contractual Custodial Services	13,900	13,209
Maintenance of Equipment	33,000	35,704
Video Communications	2,350	2,352
Uniforms	3,800	3,545
Supplies	34,000	29,171
Supplies - Computer Parts	2,000	2,144
Supplies - Laboratory	12,000	9,261
Equipment Repairs	37,000	34,108
Power	380,000	424,353
Heating Gas	70,000	72,750
Chemicals	120,000	127,681
Automotive	20,700	20,030
Incidentals	1,200	1,293
Water Reclamation District User Charges	95,000	76,699
Building Improvements	85,000	85,203
Pumping Improvements	150,000	181,617
Other Equipment	27,500	31,699
	2,607,940	2,663,545
Less Nonoperating Items		
Capital Outlay	(262,500)	(298,519)
Total Water Plant Operations	2,345,440	2,365,026
Distribution		
Salaries - Regular	401,750	374,808
Salaries - Overtime	28,425	30,807
Employee Benefits	161,600	146,168
Contractual Services	106,700	77,192

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Operations - Continued		
Distribution - Continued		
Maintenance - Distribution System	\$ 11,000	11,003
Uniforms	4,710	2,548
Supplies - Miscellaneous Tools and Equipment	2,500	1,934
Materials	63,600	67,610
Automotive	102,400	98,920
Incidentals	200	141
Training	3,575	2,328
Replacement Fire Hydrants	20,000	19,983
Distribution Improvements	60,000	44,296
Other Equipment	2,765	1,650
	969,225	879,388
Less Nonoperating Items		
Capital Outlay	60,000	(44,296)
Total Distribution	1,029,225	835,092
Meter and Reservoir Maintenance		
Salaries - Regular	154,500	155,027
Salaries - Overtime	600	-
Employee Benefits	49,360	52,684
Contractual Services	11,500	11,433
Maintenance - Reservoir/Pumping Station	3,500	10,396
Uniforms	1,000	628
Supplies	2,300	2,646
Supplies - Reservoir	3,100	8,643
Water Meters - Cost of Sales	30,000	31,219
Water Meters - Repair Parts	7,000	5,917
Water Meter Replacement Program	6,500	3,500
Replace Sheridan Road Water Meters	7,000	4,770

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Operations - Continued		
Meter and Reservoir Maintenance - Continued		
Automatic Meter Reading Program	\$ 94,000	91,300
Automotive	20,100	19,460
Training	500	292
New AMR Meter Scanner	5,000	6,500
	395,960	404,415
Less Nonoperating Items		
Capital Outlay	(5,000)	(6,500)
Total Meter and Reservoir Maintenance	390,960	397,915
Capital Outlay		
Filter Repairs - 1971 / 1933	105,000	-
Water Plant Roof Replacement	500,000	405,937
Evanston Interconnection Improvements	225,000	56,918
Standpipe Reconditioning	600,000	1,000
Sheridan Road Water Main	2,430,000	1,968,600
Lake Avenue water main	-	(102,049)
	3,860,000	2,330,406
Less Nonoperating Items		
Capital Outlay	(3,860,000)	(2,330,406)
Total Capital Outlay	-	-
Debt Service		
Principal Retirement	665,000	665,000
Interest Expense	898,700	894,844
Amortization of Bond Discount	-	6,030
	1,563,700	1,565,874
Less Nonoperating Items		
Debt Service	(1,563,700)	(1,565,874)
Total Debt Service	-	-
Depreciation	-	1,026,181
Total Operating Expenses	4,466,480	5,306,303

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended December 31, 2008

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Sewer Charges	\$ 3,646,600	3,468,259
Sewer Charges - Unbilled	-	23,000
Other	-	100
Total Operating Revenues	<u>3,646,600</u>	<u>3,491,359</u>
Operating Expenses		
Operations		
Maintenance of Sewers	1,058,345	945,479
Storm Water Pumping Station	34,095	42,672
Capital Projects	-	10,101
Depreciation	-	762,154
Total Operating Expenses	<u>1,092,440</u>	<u>1,760,406</u>
Operating Income	<u>2,554,160</u>	<u>1,730,953</u>
Nonoperating Revenues (Expenses)		
Investment Earnings	-	36,821
Interest Expense	<u>(790,088)</u>	<u>(773,763)</u>
	<u>(790,088)</u>	<u>(736,942)</u>
Change in Net Assets	<u>1,764,072</u>	994,011
Net Assets - Beginning		<u>20,363,989</u>
Net Assets - Ending		<u>21,358,000</u>

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual Year Ended December 31, 2008

	Original and Final Budget	Actual
Operations		
Maintenance of Sewers		
Salaries - Regular	\$ 414,525	387,648
Salaries - Accrued Vacation	-	(3,000)
Salaries - Overtime	8,025	21,168
Employee Benefits	162,620	147,097
Contractual Services	110,000	80,968
Contractual Sewer Improvements	210,000	167,753
N.P.D.E.S. Phase II	6,000	6,014
Uniforms	4,710	2,406
Supplies - Miscellaneous Tools and Equipment	2,500	1,527
Materials	32,775	18,332
Automotive	102,400	98,920
Incidentals	200	75
Training	1,825	1,776
Motor Equipment	-	13,145
Other Equipment	2,765	1,650
Total Maintenance of Sewers	1,058,345	945,479
Storm Water Pumping Station		
Salaries - Overtime	8,025	6,781
Employee Benefits	1,370	2,045
Contractual Services	1,700	2,362
Maintenance - Equipment	3,000	29,500
Supplies	1,000	5,348
Supplies - Outfall Control	500	420
Power	21,500	25,716
	37,095	72,172
Less Nonoperating Items		
Capital Outlay	(3,000)	(29,500)
Total Storm Water Pumping Station	34,095	42,672

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued Year Ended December 31, 2008

	Original and Final Budget	Actual
Operations - Continued		
Capital Outlay		
Storm Water Pumping Station Building Improvements	\$ 135,000	84,091
Storm Water Pumping Station Electrical Improvements	225,000	22,854
Storm Water Pumping Station Emergency Power Improv.	1,400,000	33,092
Sheridan Road Sewer	1,269,000	127,000
Sewer Lining and Rehabilitation	425,000	1,776
Relief Sewer Improvements	66,000	61,555
Isabella Sewer Replacement	85,000	46,777
Sewer Main Repairs	200,000	535,623
Sewer Improvements	-	8,568
	3,805,000	921,336
Less Nonoperating Items		
Capital Outlay	(3,805,000)	(911,235)
Total Capital Outlay	-	10,101
Debt Service		
Debt Proceeds	(2,025,000)	(42,316)
Principal Retirement	1,875,078	1,889,063
Interest Expense	790,088	773,763
	640,166	2,620,510
Less Nonoperating Items		
Debt Service	(640,166)	(2,620,510)
Total Debt Service	-	-
Depreciation	-	762,154
Total Operating Expenses	1,092,440	1,760,406

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, 2008

	Original and Final Budget	Actual
Operating Revenues		
Charges for Services		
Parking fees	\$ 317,115	320,670
Operating Expenses		
Operations		
Central Business District	213,860	204,670
CTA Station	111,185	104,748
Burmeister Parking Facility	15,325	15,728
Depreciation	-	123,341
Total Operating Expenses	340,370	448,487
Operating Income (Loss)	(23,255)	(127,817)
Nonoperating Revenues (Expenses)		
Interest Expense	(13,825)	(13,512)
Amortization of Bond Discount	-	(825)
	(13,825)	(14,337)
Income (Loss) Before Transfers	(37,080)	(142,154)
Transfers In	150,000	141,510
Change in Net Assets	112,920	(644)
Net Assets - Beginning		4,952,642
Net Assets - Ending		4,951,998

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

**Schedule of Operating Revenues - Budget and Actual
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Charges for Services		
Central Business District		
Parking Meter Revenue	\$ 34,600	30,206
Debit Card Revenue	113,200	115,990
Permit Fees	28,100	31,210
METRA Station Rent	2,765	2,765
Total Central Business District	178,665	180,171
CTA Station		
Commuter Daily Drop Box	88,000	97,704
Commuter Permit Fees	18,200	11,340
Merchant Permit Fees	3,650	3,240
Residential Permit Fees	3,800	3,440
Total CTA Station	113,650	115,724
Burmeister Parking Facility		
Permit Fees	24,800	24,775
Total Operating Revenues	317,115	320,670

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual Year Ended December 31, 2008

	Original and Final Budget	Actual
Operations		
Central Business District		
Salaries - Regular	\$ 72,650	70,049
Salaries - Overtime	2,000	1,052
Employee Benefits	29,730	26,479
Contractual Services - Railroad Property	20,780	17,015
Contractual Snow Plowing	18,170	21,475
Building Supplies - Railroad Property	-	391
Grounds Supplies - Village Property	4,370	816
Grounds Supplies - Railroad Property	2,000	2,000
Building Repairs	-	721
Power - METRA Station	4,035	4,369
Heating Gas - Railroad Property	2,500	2,314
Lighting	8,000	7,559
Parking Meter Parts - Village Property	400	731
Parking Meter Parts - Railroad Property	6,385	6,385
Rent - Commuter Lot	37,000	36,723
Rent - Poplar Drive Lots	3,300	3,116
Rent - St. Augustine Lot	2,300	2,300
Rent - Masonic Temple Lot	240	1,175
Total Central Business District	213,860	204,670
CTA Station		
Salaries - Regular	34,925	34,913
Salaries - Overtime	2,900	-
Employee Benefits	16,040	13,808
Contractual Services	2,560	2,006
Contractual Grounds Maintenance	4,000	1,806
Contractual Snow Plowing	8,660	11,163
Materials	2,800	999
Rent - CTA	39,300	40,053
Total CTA Station	111,185	104,748

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
Year Ended December 31, 2008

	Original and Final Budget	Actual
Operations - Continued		
Burmeister Parking Facility		
Contractual Services	\$ 6,300	7,056
Materials	525	-
Lighting	8,500	8,672
Total Burmeister Parking Facility	15,325	15,728
Debt Service		
Principal Retirement	125,000	125,000
Interest Expense	13,825	13,512
Interest Expense - Bond Discount Amortization	-	825
	138,825	139,337
Less Nonoperating Items		
Debt Service	(138,825)	(139,337)
Total Debt Service	-	-
Depreciation	-	123,341
Total Operating Expenses	340,370	448,487

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Net Assets

Internal Service Funds

December 31, 2008

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Net Assets

Internal Service Funds

December 31, 2008

	<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	-
Accrued Wages and Benefits	-
Due to Other Funds	<u>-</u>
Total Current Liabilities	-
Noncurrent Liabilities	
Net Other Postemployment Benefits 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
9,327	-	33,659	646,564	689,550
366	15,213	-	-	15,579
9,693	15,213	33,659	646,564	705,129
7,995	3,965	33,659	-	45,619
1,698	-	-	-	1,698
-	11,248	-	-	11,248
9,693	15,213	33,659	-	58,565
-	-	-	2,429,932	2,429,932
9,693	15,213	33,659	2,429,932	2,488,497
-	-	-	(1,783,368)	(1,783,368)

VILLAGE OF WILMETTE, ILLINOIS

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

Internal Service Funds

Year Ended December 31, 2008

	<u>Municipal Garage</u>
Operating Revenues	
Interfund Services	<u>\$ 1,133,245</u>
Operating Expenses	
Administration	-
Operations	<u>1,133,245</u>
Total Operating Expenses	<u>1,133,245</u>
Operating Income (Loss)	-
Nonoperating Revenues	
Investment Earnings	<u>-</u>
Change in Net Assets	-
Net Assets - Beginning	<u>-</u>
Net Assets - Ending	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,583,391	313,434	1,461,485	143,400	5,634,955
-	-	-	31,178	31,178
2,583,391	313,434	1,461,485	168,553	5,660,108
2,583,391	313,434	1,461,485	199,731	5,691,286
-	-	-	(56,331)	(56,331)
-	-	-	10,251	10,251
-	-	-	(46,080)	(46,080)
-	-	-	(1,737,288)	(1,737,288)
-	-	-	(1,783,368)	(1,783,368)

VILLAGE OF WILMETTE, ILLINOIS

Combining Statement of Cash Flows

Internal Service Funds

Year Ended December 31, 2008

	<u>Municipal Garage</u>
Cash Flows from Operating Activities	
Receipts from Interfund Services	\$ 1,133,245
Payments to Employees	(503,837)
Payments to Suppliers	<u>(629,408)</u>
	<u>-</u>
Cash Flows from Noncapital Financing Activities	
Change in Interfund Activity	<u>-</u>
Cash Flows from Investing Activities	
Interest	<u>-</u>
Net Change in Cash and Cash Equivalents	-
Cash and Cash Equivalents - Beginning	<u>-</u>
Cash and Cash Equivalents - Ending	<u><u>-</u></u>
Reconciliation of Operating Income to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	<u>-</u>
Adjustments to Reconcile Operating Income to	
Net Cash Provided by Operating Activities:	
Changes in Assets and Liabilities	
(Increase) Decrease in Current Assets	-
Increase (Decrease) in Current Liabilities	<u>-</u>
Net Cash Provided by Operating Activities	<u><u>-</u></u>

Employee Insurance	Workers' Compensation	Illinois Municipal Retirement	Section 105 Sick Leave	Totals
2,583,025	315,031	1,461,485	143,400	5,636,186
(144,432)	-	-	-	(648,269)
(2,431,141)	(312,217)	(1,458,535)	(31,910)	(4,863,211)
7,452	2,814	2,950	111,490	124,706
-	(2,814)	-	-	(2,814)
-	-	-	10,251	10,251
7,452	-	2,950	121,741	132,143
1,875	-	30,709	524,823	557,407
9,327	-	33,659	646,564	689,550
-	-	-	(56,331)	(56,331)
(366)	1,597	-	-	1,231
7,818	1,217	2,950	167,821	179,806
7,452	2,814	2,950	111,490	124,706

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, 2008**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 904,925	873,638
Sewer Fund Billings	102,400	98,920
Water Fund Billings	143,200	138,410
Insurance Reimbursements	16,060	22,277
Total Operating Revenues	1,166,585	1,133,245
Operating Expenses		
Operations		
Maintenance		
Regular Salaries	496,400	501,876
Overtime Salaries	2,275	1,961
Employee Benefits	163,840	153,298
Contractual Services	44,000	39,447
Maintenance - Radios	800	-
Contractual Services - Vehicle Washing	5,015	2,030
Automobile Insurance and Claims	63,200	62,400
Uniforms	4,105	2,802
Supplies - Automotive Parts	121,580	122,039
Supplies - Auto Shop	11,995	8,533
Supplies - Vehicle Striping and Safety	2,050	1,054
Gasoline and Oil	236,700	228,123
Mechanics' Tool Allowance	2,310	2,310
Incidentals	75	64
Training	3,050	2,900
Licenses, Titles and Inspection Fees	4,190	3,888
Squad Car Transfer Rehabilitation	5,000	520
Total Operating Expenses	1,166,585	1,133,245
Change in Net Assets	-	-
Net Assets - Beginning		-
Net Assets - Ending		-

VILLAGE OF WILMETTE, ILLINOIS**Employee Insurance - Internal Service Fund****Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 2,207,908	2,072,960
Municipal Garage Fund Billings	77,930	66,570
Parking Meter Fund Billings	27,160	24,262
Sewer Fund Billings	86,820	76,641
Water Fund Billings	351,570	342,958
Total Operating Revenues	2,751,388	2,583,391
Operating Expenses		
Operations		
Flexible Benefit Program Contributions	149,880	146,130
Employee Health Insurance		
North Suburban Employee Benefit Co-Op	1,850,308	1,670,270
HMO - Illinois	704,000	696,468
Employee Life Insurance	37,200	37,929
Unemployment Compensation	10,000	27,048
Other Insurance Expense	-	5,546
Total Operating Expenses	2,751,388	2,583,391
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, 2008

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 224,990	232,320
Municipal Garage Fund Billings	8,030	8,000
Parking Meter Fund Billings	2,100	1,830
Sewer Fund Billings	6,670	6,980
Water Fund Billings	37,210	32,910
Insurance Reimbursements	-	31,394
Total Operating Revenues	279,000	313,434
Operating Expenses		
Operations		
Workers' Compensation		
Fixed Premium Portion	243,360	244,192
Payment of Deductibles	35,640	69,242
Total Operating Expenses	279,000	313,434
Change in Net Assets	-	-
Net Assets - Beginning		-
Net Assets - Ending		-

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, 2008

	Original and Final Budget	Actual
Operating Revenues		
Interfund for Services		
General Fund Billings	\$ 1,009,530	1,001,804
Municipal Garage Fund Billings	73,940	75,638
Parking Meter Fund Billings	15,280	14,195
Sewer Fund Billings	65,330	61,822
Water Fund Billings	311,880	308,026
Total Operating Revenues	1,475,960	1,461,485
Operating Expenses		
Operations		
Employer IMRF Contributions	682,430	687,858
Employer FICA Contributions	562,670	550,596
Employer Medicare Contributions	230,860	223,031
Total Operating Expenses	1,475,960	1,461,485
Change in Net Assets	-	-
Net Assets - Beginning		-
Net Assets - Ending		-

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, 2008

	Original and Final Budget	Actual
Operating Revenues		
Interfund Services		
General Fund Billings	\$ 110,700	121,220
Municipal Garage Fund Billings	2,900	3,090
Sewer Fund Billings	3,500	3,700
Water Fund Billings	13,900	15,390
Total Operating Revenues	<u>131,000</u>	<u>143,400</u>
Operating Expenses		
Administration	30,000	31,178
Operations		
Sick Leave Accrual	-	168,553
Total Operating Expenses	<u>30,000</u>	<u>199,731</u>
Operating Income (Loss)	101,000	(56,331)
Nonoperating Revenues		
Investment Earnings	<u>29,000</u>	<u>10,251</u>
Change in Net Assets	<u>130,000</u>	(46,080)
Net Assets - Beginning		<u>(1,737,288)</u>
Net Assets - Ending		<u>(1,783,368)</u>

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

Combining Statement of Net Plan Assets December 31, 2008

	Police Pension	Firefighters' Pension	Totals
Assets			
Cash and Cash Equivalents	\$ 776,871	1,351,234	2,128,105
Investments			
U.S. Government and Agency Securities	9,067,148	8,933,870	18,001,018
Mutual Funds	15,364,197	15,515,498	30,879,695
Receivables			
Accrued Interest	126,126	123,225	249,351
Total Assets	25,334,342	25,923,827	51,258,169
Liabilities			
Accounts Payable	8,582	8,509	17,091
Due to Other Funds	8,796	9,016	17,812
Total Liabilities	17,378	17,525	34,903
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial schedules.)	25,316,964	25,906,302	51,223,266

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Net Plan Assets Year Ended December 31, 2008

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 1,112,000	1,394,000	2,506,000
Contributions - Plan Members	374,883	350,318	725,201
Total Contributions	1,486,883	1,744,318	3,231,201
Investment Income			
Investment Earnings	1,258,455	1,190,057	2,448,512
Net Change in Fair Value	(4,856,125)	(4,916,716)	(9,772,841)
	(3,597,670)	(3,726,659)	(7,324,329)
Less Investment Expenses	(41,465)	(41,411)	(82,876)
Net Investment Income	(3,639,135)	(3,768,070)	(7,407,205)
Total Additions	(2,152,252)	(2,023,752)	(4,176,004)
Deductions			
Administration	10,508	10,817	21,325
Benefits and Refunds	1,711,986	1,943,407	3,655,393
Total Deductions	1,722,494	1,954,224	3,676,718
Change in Net Assets	(3,874,746)	(3,977,976)	(7,852,722)
Net Plan Assets Held in Trust for Pension Benefits			
Beginning	29,191,710	29,884,278	59,075,988
Ending	25,316,964	25,906,302	51,223,266

VILLAGE OF WILMETTE, ILLINOIS**Police Pension - Pension Trust Fund****Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,112,000	1,112,000
Contributions - Plan Members	378,000	374,883
Total Contributions	1,490,000	1,486,883
Investment Income		
Investment Earnings	2,100,000	1,258,455
Net Change in Fair Value	-	(4,856,125)
	2,100,000	(3,597,670)
Less Investment Expenses	(44,000)	(41,465)
Net Investment Income	2,056,000	(3,639,135)
Total Additions	3,546,000	(2,152,252)
Deductions		
Administration	10,000	10,508
Benefits and Refunds	1,800,000	1,711,986
Total Deductions	1,810,000	1,722,494
Change in Net Assets	1,736,000	(3,874,746)
Net Plan Assets Held in Trust for Pension Benefits		
Beginning		29,191,710
Ending		25,316,964

VILLAGE OF WILMETTE, ILLINOIS**Firefighters' Pension - Pension Trust Fund****Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended December 31, 2008**

	Original and Final Budget	Actual
Additions		
Contributions - Employer	\$ 1,394,000	1,394,000
Contributions - Plan Members	346,000	350,318
Total Contributions	1,740,000	1,744,318
Investment Income		
Investment Earnings	2,100,000	1,190,057
Net Change in Fair Value	-	(4,916,716)
	2,100,000	(3,726,659)
Less Investment Expenses	(44,000)	(41,411)
Net Investment Income	2,056,000	(3,768,070)
Total Additions	3,796,000	(2,023,752)
Deductions		
Administration	10,000	10,817
Benefits and Refunds	2,100,000	1,943,407
Total Deductions	2,110,000	1,954,224
Change in Net Assets	1,686,000	(3,977,976)
Net Plan Assets Held in Trust for Pension Benefits		
Beginning		29,884,278
Ending		25,906,302

VILLAGE OF WILMETTE, ILLINOIS

Agency Fund - Fire Insurance Tax

**Combining Statement of Changes in Assets and Liabilities
Year Ended December 31, 2008**

	Beginning Balances	Additions	Deductions	Ending Balances
ASSETS				
Cash and Investments	\$ 537,817	59,885	40,800	556,902
LIABILITIES				
Deposits Payable	537,817	59,885	40,800	556,902

SUPPLEMENTAL SCHEDULES

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 1999

December 31, 2008

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
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
	5,950,000	1,311,298	7,261,298
	<u>5,950,000</u>	Water Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2002 December 31, 2008

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
2009	\$ 450,000	1,283,151	1,733,151
2010	450,000	1,264,701	1,714,701
2011	975,000	1,246,026	2,221,026
2012	1,575,000	1,205,563	2,780,563
2013	1,875,000	1,140,201	3,015,201
2014	2,125,000	1,059,576	3,184,576
2015	2,225,000	965,013	3,190,013
2016	2,500,000	863,775	3,363,775
2017	2,700,000	747,525	3,447,525
2018	2,700,000	620,625	3,320,625
2019	2,700,000	492,375	3,192,375
2020	2,400,000	361,425	2,761,425
2021	3,000,000	243,825	3,243,825
2022	1,350,000	96,825	1,446,825
2023	600,000	30,000	630,000
	<u>27,625,000</u>	<u>11,620,606</u>	<u>39,245,606</u>
	21,005,000	General Long-Term Debt	
	1,870,000	Sewer Fund	
	<u>4,750,000</u>	Water Fund	
	<u>27,625,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2004

December 31, 2008

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
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>13,215,000</u>	<u>2,833,963</u>	<u>16,048,963</u>
	6,055,000	General Long-Term Debt	
	2,700,000	Sewer Fund	
	4,150,000	Water Fund	
	<u>310,000</u>	Parking Meter Fund	
	<u>13,215,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2007 December 31, 2008

Date of Issue	September 1, 2007
Date of Maturity	December 1, 2021
Authorized Issue	\$19,850,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 4.25%
Interest Dates	December 1 and June 1
Principal Maturity Date	December 1
Payable at	Wells Fargo Bank

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2009	\$ 800,000	774,556	1,574,556
2010	320,000	742,556	1,062,556
2011	325,000	729,756	1,054,756
2012	440,000	716,756	1,156,756
2013	665,000	699,156	1,364,156
2014	1,235,000	672,556	1,907,556
2015	1,860,000	623,156	2,483,156
2016	2,710,000	546,432	3,256,432
2017	3,475,000	434,644	3,909,644
2018	3,430,000	291,300	3,721,300
2019	1,360,000	149,813	1,509,813
2020	1,205,000	92,013	1,297,013
2021	960,000	40,800	1,000,800
	<u>18,785,000</u>	<u>6,513,494</u>	<u>25,298,494</u>
	10,970,000	General Long-Term Debt	
	2,450,000	Sewer Fund	
	<u>5,365,000</u>	Water Fund	
	<u>18,785,000</u>		

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 1993

December 31, 2008

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
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>2,752,246</u>	<u>252,152</u>	<u>3,004,398</u>
	<u>2,752,246</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 1995

December 31, 2008

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
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>3,399,091</u>	<u>352,137</u>	<u>3,751,228</u>
	<u>3,399,091</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 1996

December 31, 2008

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
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>2,112,567</u>	<u>245,628</u>	<u>2,358,195</u>
	<u>2,112,567</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 1997 December 31, 2008

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
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
	4,752,438	742,526	5,494,964
	<u>4,752,438</u>	Sewer Fund	

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2006 December 31, 2008

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending December	Principal	Interest	Totals
2009	\$ 17,624	9,768	27,392
2010	18,068	9,324	27,392
2011	18,521	8,869	27,390
2012	18,988	8,404	27,392
2013	19,465	7,927	27,392
2014	19,955	7,436	27,391
2015	20,457	6,935	27,392
2016	20,972	6,420	27,392
2017	21,499	5,892	27,391
2018	22,040	5,351	27,391
2019	22,594	4,797	27,391
2020	23,163	4,229	27,392
2021	23,746	3,646	27,392
2022	24,343	3,049	27,392
2023	24,955	2,437	27,392
2024	25,583	1,809	27,392
2025	26,227	1,165	27,392
2026	26,887	505	27,392
	395,087	97,963	493,050
	395,087	Sewer Fund	

STATISTICAL SECTION

(Unaudited)

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

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

VILLAGE OF WILMETTE, ILLINOIS

**Net Assets by Component - Last Six Fiscal Years
December 31, 2008 (Unaudited)**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Net Assets by Component - Last Six Fiscal Years December 31, 2008 (Unaudited)

	<u>2003</u>
Governmental Activities	
Invested in Capital Assets, Net of Related Debt	\$ 6,845,616
Restricted	1,107,740
Unrestricted	<u>2,886,309</u>
Total Governmental Activities Net Assets	<u>10,839,665</u>
Business-Type Activities	
Invested in Capital Assets, Net of Related Debt	33,343,412
Restricted	-
Unrestricted	<u>2,309,012</u>
Total Business-Type Activities Net Assets	<u>35,652,424</u>
Total Net Assets	
Invested in Capital Assets, Net of Related Debt	40,189,028
Restricted	1,107,740
Unrestricted	<u>5,195,321</u>
Total Primary Government Net Assets	<u>46,492,089</u>

Data Source: Village Records

Note: The Village implemented GASB No. 34 at December 31, 2008.

2004	2005	2006	2007	2008
7,343,577	8,166,032	8,929,074	10,499,597	11,418,376
1,154,049	1,076,158	834,828	450,725	1,189,728
2,621,235	4,423,233	4,928,203	5,845,733	3,855,656
11,118,861	13,665,423	14,692,105	16,796,055	16,463,760
35,127,266	35,475,772	36,849,485	37,956,144	39,036,902
-	-	-	-	-
1,517,047	3,340,497	2,605,420	2,884,158	2,262,176
36,644,313	38,816,269	39,454,905	40,840,302	41,299,078
42,470,843	43,641,804	45,778,559	48,455,741	50,455,278
1,154,049	1,076,158	834,828	450,725	1,189,728
4,138,282	7,763,730	7,533,623	8,729,891	6,117,832
47,763,174	52,481,692	54,147,010	57,636,357	57,762,838

VILLAGE OF WILMETTE, ILLINOIS

Changes in Net Assets - Last Six Fiscal Years December 31, 2008 (Unaudited)

	2003	2004	2005	2006	2007	2008
Expenses						
Governmental Activities						
General Government	\$ 3,575,237	3,195,919	3,330,649	3,466,888	3,395,790	3,341,486
Public Safety	13,224,840	12,681,422	13,334,526	13,727,439	15,071,445	16,501,474
Streets and Sanitation	8,086,777	6,408,770	7,460,718	7,445,005	8,270,333	8,413,098
Other Public Works	1,012,646	1,073,884	1,051,838	1,687,224	2,155,904	1,761,734
Community Development	145,857	964,234	1,116,566	1,137,139	177,124	170,743
Public Health	869,963	154,543	160,447	193,970	1,253,997	1,271,890
Interest	1,590,316	1,570,605	1,447,678	1,404,556	1,636,879	1,718,654
Total Governmental Activities Expenses	28,505,636	26,049,377	27,902,422	29,062,221	31,961,472	33,179,079
Business-Type Activities						
Waterworks	5,276,280	5,253,705	5,634,646	5,770,344	6,146,053	6,207,177
Sewerage	2,407,541	2,146,754	2,436,380	2,444,549	2,621,682	2,534,169
Parking	410,039	417,245	432,340	421,842	442,821	462,824
Total Business-Type Activities Net Assets	8,093,860	7,817,704	8,503,366	8,636,735	9,210,556	9,204,170
Total Primary Government Expenses	36,599,496	33,867,081	36,405,788	37,698,956	41,172,028	42,383,249
Program Revenues						
Governmental Activities						
Charges for Services						
General Government	139,939	234,736	247,917	265,168	288,614	292,394
Public Safety	1,402,962	1,430,121	1,533,081	1,572,175	1,993,313	2,131,372
Streets and Sanitation	1,270,178	1,301,785	1,552,340	1,649,677	1,729,235	1,840,135
Other Public Works	27,435	25,547	38,000	63,356	121,267	109,484
Community Development	1,198,382	1,173,237	1,726,586	1,569,484	1,769,744	31,266
Public Health	11,311	11,589	12,558	39,010	32,582	1,434,373
Operating Grants/Contributions	850,178	881,558	1,330,251	999,520	2,935,791	1,955,443
Capital Grants/Contributions	2,106,109	108,160	-	-	-	-
Total Governmental Activities						
Program Revenue	7,006,494	5,166,733	6,440,733	6,158,390	8,870,546	7,794,467
Business-Type Activities						
Charges for Services						
Waterworks	5,450,496	5,333,624	6,508,780	5,757,608	6,380,743	6,402,404
Sewerage	2,934,783	3,296,414	3,940,993	3,406,059	3,468,473	3,491,359
Commuter Parking	260,831	256,235	312,782	305,994	308,102	320,670
Operating Grants/Contributions	-	-	-	-	155,024	13,145
Capital Grants/Contributions	45,750	426,713	101,377	21,550	-	-
Total Business-Type Activities						
Program Revenue	8,691,860	9,312,986	10,863,932	9,491,211	10,312,342	10,227,578
Total Primary Government						
Program Revenue	15,698,354	14,479,719	17,304,665	15,649,601	19,182,888	18,022,045

	2003	2004	2005	2006	2007	2008
Net (Expense) Revenue						
Governmental Activities	\$ (21,499,142)	(20,882,644)	(21,461,689)	(22,903,831)	(23,090,926)	(25,384,612)
Business-Type Activities	598,000	1,495,282	2,360,566	854,476	1,101,786	1,023,408
Total Net Revenue (Expense)	(20,901,142)	(19,387,362)	(19,101,123)	(22,049,355)	(21,989,140)	(24,361,204)
General Revenues and Other Changes in Net Assets						
Governmental Activities						
Taxes						
Property	8,875,622	9,418,575	10,190,069	10,843,388	11,580,802	12,032,926
Sales, Local Use	3,375,314	3,356,036	3,940,023	4,113,029	4,186,809	4,091,855
Utility	2,831,751	2,707,925	2,913,414	2,647,823	2,739,621	2,718,132
Income	1,713,517	1,757,291	2,063,436	2,263,978	2,447,409	2,617,554
Real Estate Transfer	1,345,450	1,447,829	1,512,987	1,326,561	1,366,260	880,317
Other	621,325	599,239	652,464	666,020	805,021	859,204
Investment Income	368,368	220,809	398,842	686,719	565,408	94,736
Miscellaneous	520,692	483,499	795,150	617,410	1,384,310	1,049,103
Gain (Loss) on Disposal of Capital Assets	33,750	30,500	-	-	-	-
Transfers In (Out)	599,194	661,947	597,455	765,585	119,236	708,490
Contributions	365,045	478,190	-	-	-	-
Total Governmental Activities	20,650,028	21,161,840	23,063,840	23,930,513	25,194,876	25,052,317
Business-Type Activities						
Investment Income	131,292	158,554	408,845	549,745	402,847	143,858
Gain (Loss) on Disposal of Capital Assets	(91,123)	-	-	-	-	-
Transfers In (Out)	(599,194)	(661,947)	(597,455)	(765,585)	(119,236)	(708,490)
Contributions	1,866,839	-	-	-	-	-
Total Business-Type Activities	1,307,814	(503,393)	(188,610)	(215,840)	283,611	(564,632)
Total Primary Government	21,957,842	20,658,447	22,875,230	23,714,673	25,478,487	24,487,685
Changes in Net Assets						
Governmental Activities	(849,114)	279,196	1,602,151	1,026,682	2,103,950	(332,295)
Business-Type Activities	1,905,814	991,889	2,171,956	638,636	1,385,397	458,776
Total Primary Government	1,056,700	1,271,085	3,774,107	1,665,318	3,489,347	126,481

Data Source: Village Records

Note: The Village implemented GASB No. 34 at December 31, 2008.

VILLAGE OF WILMETTE, ILLINOIS

Fund Balances of Governmental Funds - Last Ten Fiscal Years December 31, 2008 (Unaudited)

	1999	2000	2001
General Fund			
Reserved	\$ 425,404	591,673	625,531
Unreserved	4,217,227	4,546,813	3,590,642
Total General Fund	4,642,631	5,138,486	4,216,173
All Other Governmental Funds			
Reserved	83,053	11,127	30,971
Unreserved, Reported in:			
Special Revenues Funds	2,236,638	1,653,575	1,463,717
Debt Service Funds	90,480	95,003	55,802
Capital Projects Funds	2,467,973	1,947,704	658,054
Total All Other Governmental Funds	4,878,144	3,707,409	2,208,544

Data Source: Village Records

2002	2003	2004	2005	2006	2007	2008
900,743	500,461	771,163	563,159	617,896	564,620	281,354
3,979,211	4,687,146	4,727,523	5,756,062	6,391,407	7,121,664	6,350,014
4,879,954	5,187,607	5,498,686	6,319,221	7,009,303	7,686,284	6,631,368
1,918,991	5,257	-	-	-	200,000	1,261,330
1,917,625	1,056,168	1,107,427	680,990	431,201	450,725	389,728
55,720	48,994	49,334	34,553	28,366	(7,665)	(61,780)
15,926,988	13,221,678	8,977,970	4,521,700	1,816,076	8,444,739	3,787,249
19,819,324	14,332,097	10,134,731	5,237,243	2,275,643	9,087,799	5,376,527

VILLAGE OF WILMETTE, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years December 31, 2008 (Unaudited)

Source	1999	2000	2001	2002
Taxes	\$ 16,966,482	17,796,767	17,985,396	18,211,850
Licenses and Permits	1,594,893	1,526,400	1,570,827	1,606,897
Intergovernmental	3,524	3,526	3,080	2,038,342
Charges for Services	3,212,219	3,133,083	3,151,875	4,456,680
Fines and Forfeits	320,254	286,133	267,000	297,992
Investment Income	423,464	560,906	399,686	816,990
Miscellaneous	771,058	692,720	739,168	880,594
Total	23,291,894	23,999,535	24,117,032	28,309,345

Note: 1999 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

2003	2004	2005	2006	2007	2008
19,547,732	20,076,053	21,272,393	21,860,799	23,125,922	23,199,988
2,094,575	2,172,187	2,824,120	2,678,714	3,382,726	3,034,314
2,171,534	200,560	1,177,017	999,520	2,935,791	1,955,443
1,605,341	1,640,957	1,946,356	2,168,121	2,278,003	2,413,363
350,291	363,871	340,006	312,035	274,026	391,347
368,368	220,809	390,758	538,001	497,251	273,773
554,442	513,999	684,793	617,410	1,384,310	1,049,103
26,692,283	25,188,436	28,635,443	29,174,600	33,878,029	32,317,331

VILLAGE OF WILMETTE, ILLINOIS

General Governmental Expenditures By Function - Last Ten Fiscal Years December 31, 2008 (Unaudited)

Function	1999	2000	2001	2002
General Government	\$ 2,223,336	2,223,039	2,577,904	2,748,934
Public Safety	9,043,787	9,630,599	10,330,474	10,323,232
Streets and Sanitation	5,405,380	5,822,727	5,831,953	5,563,500
Other Public Works	927,023	983,121	933,645	899,030
Public Health	156,271	162,908	163,634	148,368
Community Development	709,525	785,065	782,215	846,395
Capital Outlay	3,418,887	3,788,753	6,032,847	8,741,902
Debt Service				
Principal	1,945,881	2,047,229	2,166,972	2,306,600
Interest and Fiscal Charges	1,442,871	1,410,160	1,564,737	2,333,643
Total	25,272,961	26,853,601	30,384,381	33,911,604

Note: 1999 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

2003	2004	2005	2006	2007	2008
3,575,237	3,195,919	3,330,649	3,466,888	3,147,259	3,195,090
13,224,840	12,681,422	13,334,526	13,727,439	14,863,098	15,844,052
8,086,777	6,408,770	7,460,718	7,445,005	6,795,616	6,346,863
1,012,646	1,073,884	1,051,838	1,687,224	2,149,004	1,759,034
145,857	154,543	160,447	193,970	177,824	170,243
869,963	964,234	1,116,566	1,137,139	1,451,671	1,386,238
-	-	-	-	5,068,278	5,178,517
-	-	-	-	1,254,235	2,208,316
1,590,316	1,570,605	1,447,678	1,404,556	1,501,513	1,703,656
28,505,636	26,049,377	27,902,422	29,062,221	36,408,498	37,792,009

VILLAGE OF WILMETTE, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years December 31, 2008 (Unaudited)

	1999	2000	2001	2002
Revenues				
Taxes	\$ 16,966,482	17,796,767	17,985,396	18,211,850
Licenses and Permits	1,594,893	1,526,400	1,570,827	1,606,897
Intergovernmental	3,524	3,526	3,080	2,038,342
Charges for Services and Fees	3,212,219	3,133,083	3,151,875	4,456,680
Fines and Forfeits	320,254	286,133	267,000	297,992
Investment Income	423,464	560,906	399,686	816,990
Miscellaneous	771,058	692,720	739,168	880,594
Total Revenues	23,291,894	23,999,535	24,117,032	28,309,345
Expenditures				
General Government	2,223,336	2,223,039	2,577,904	2,748,934
Public Safety	9,043,787	9,630,599	10,330,474	10,323,232
Streets and Sanitation	5,405,380	5,822,727	5,831,953	5,563,500
Other Public Works	927,023	983,121	933,645	899,030
Public Health	156,271	162,908	163,634	148,368
Community Development	709,525	785,065	782,215	846,395
Capital Outlay	3,418,887	3,788,753	6,032,847	8,741,902
Debt Service				
Principal	1,945,881	2,047,229	2,166,972	2,306,600
Interest and Fiscal Charges	1,442,871	1,410,160	1,564,737	2,333,643
Total Expenditures	25,272,961	26,853,601	30,384,381	33,911,604
Excess of Revenues Over (Under) Expenditures	(1,981,067)	(2,854,066)	(6,267,349)	(5,602,259)
Other Financing Sources (Uses)				
Proceeds from Bonds	4,050,000	2,000,000	3,000,000	25,156,952
Proceeds from I.E.P.A. Loan	-	-	-	-
Proceeds from Installment Contract	-	-	-	165,000
Payments to Escrow Agent	-	-	-	(1,914,886)
Transfers In	700,000	700,000	700,000	700,000
Transfers Out	(153,122)	(185,855)	(157,242)	(284,329)
Total Other Financing Sources (Uses)	4,596,878	2,514,145	3,542,758	23,822,737
Net Change in Fund Balances	2,615,811	(339,921)	(2,724,591)	18,220,478
Debt Service as a Percentage of Noncapital Expenditures	15.51%	14.99%	15.32%	18.44%

Note: 1999 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

2003	2004	2005	2006	2007	2008
18,762,978	19,286,895	21,272,393	21,860,799	23,125,922	23,199,988
2,094,575	2,172,187	2,824,120	2,678,714	3,382,726	3,034,314
2,816,192	989,718	1,177,017	999,520	2,935,791	1,955,443
1,605,341	1,640,957	1,946,356	2,168,121	2,278,003	2,413,363
350,291	363,871	340,006	312,035	274,026	391,347
274,252	260,765	390,758	538,001	497,251	273,773
694,537	513,999	684,793	617,410	1,384,310	1,049,103
26,598,166	25,228,392	28,635,443	29,174,600	33,878,029	32,317,331
2,769,169	2,934,612	2,989,626	3,073,424	3,147,259	3,195,090
11,527,958	12,272,889	13,184,417	13,859,888	14,863,098	15,844,052
5,181,212	4,857,268	5,327,047	5,237,550	6,795,616	6,346,863
1,012,646	1,043,884	1,107,204	1,687,224	2,149,004	1,759,034
145,857	154,543	160,447	193,970	177,824	170,243
869,963	964,234	1,116,566	1,137,139	1,451,671	1,386,238
6,104,435	5,303,393	6,734,692	4,468,596	5,068,278	5,178,517
885,000	1,010,000	1,261,869	1,167,764	1,254,235	2,208,316
1,593,255	1,581,375	1,429,943	1,386,148	1,501,513	1,703,656
30,089,495	30,122,198	33,311,811	32,211,703	36,408,498	37,792,009
(3,491,329)	(4,893,806)	(4,676,368)	(3,037,103)	(2,530,469)	(5,474,678)
-	9,300,000	-	-	11,673,827	-
-	-	-	-	-	-
65,586	314,979	-	-	-	-
-	(9,269,407)	-	-	(1,773,457)	-
757,886	800,000	1,300,000	1,302,029	600,000	850,000
(158,692)	(138,053)	(700,585)	(536,444)	(480,764)	(141,510)
664,780	1,007,519	599,415	765,585	10,019,606	708,490
(2,826,549)	(3,886,287)	(4,076,953)	(2,271,518)	7,489,137	(4,766,188)
10.33%	10.44%	10.18%	9.30%	9.07%	12.13%

VILLAGE OF WILMETTE, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Year December 31, 2008 (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
1998	\$ 861,183,490	\$ 3,407,486	\$ 136,626	\$ 864,727,602	2.1799	\$ 0.854
1999	891,271,087	3,509,801	132,765	894,913,653	2.2505	0.854
2000	882,765,423	3,500,518	135,787	886,401,728	2.2235	0.902
2001	1,127,562,716	4,164,954	139,261	1,131,866,931	2.3098	0.748
2002	1,210,079,062	4,432,414	158,585	1,214,670,061	2.4689	0.739
2003	1,202,287,401	4,377,864	167,938	1,206,833,203	2.4598	0.788
2004	1,492,689,803	5,056,436	184,479	1,497,930,718	2.5757	0.689
2005	1,623,962,496	5,472,282	174,078	1,629,608,856	2.7320	0.671
2006	1,616,506,819	5,577,543	172,349	1,622,256,711	2.7076	0.728
2007	2,049,171,401	6,942,143	185,588	2,056,299,132	2.8439	0.597

2008 Data - Currently Not Available

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

Direct and Overlapping Property Tax Rates

December 31, 2008 (Unaudited)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Village of Wilmette										
General Corporate Rate	\$ 0.739	0.723	0.753	0.614	0.584	0.608	0.530	0.521	0.530	0.432
Debt Service Rate	0.115	0.132	0.149	0.134	0.155	0.180	0.159	0.150	0.159	0.165
Total Direct Tax Rate	0.854	0.854	0.902	0.748	0.739	0.788	0.689	0.671	0.689	0.597
Overlapping										
School District #39	3.087	3.193	3.454	2.742	2.610	2.707	2.238	2.151	2.238	1.848
School District #203	1.871	1.845	1.936	1.611	1.935	1.799	1.621	1.577	1.621	1.299
Community College #535	0.205	0.203	0.213	0.186	0.179	0.186	0.161	0.158	0.161	0.141
Wilmette Park District	0.430	0.423	0.528	0.425	0.510	0.526	0.440	0.413	0.440	0.360
Wilmette Public Library	0.343	0.338	0.351	0.309	0.315	0.352	0.315	0.283	0.315	0.245
Cook County	0.911	0.877	0.824	0.778	0.690	0.659	0.593	0.547	0.593	0.458
Sanitary District	0.444	0.419	0.415	0.401	0.371	0.361	0.347	0.315	0.347	0.263
Forest Preserve District	0.072	0.070	0.069	0.067	0.061	0.059	0.060	0.060	0.060	0.053
New Trier Township	0.057	0.057	0.058	0.046	0.045	0.048	0.039	0.039	0.039	0.034
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.007	0.006	0.004	0.001	0.005	0.001	-
Mosquito Abatement Dist.	0.011	0.011	0.011	0.010	0.009	0.009	0.008	0.008	0.008	0.008
Total Tax Rate	8.293	8.298	8.769	7.330	7.470	7.498	6.512	6.227	6.512	5.306

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

Principal Property Tax Payers - Current Year and Ten Years Ago December 31, 2008 (Unaudited)

Taxpayer	2008			1998		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Joseph Freed & Associates	\$ 41,918,813	1	2.04%	\$ 21,604,370	1	2.80%
1630 Sheridan Corp.	17,581,303	2	0.85%	5,654,167	3	0.73%
Plaza del Lago, Inc.	13,879,515	3	0.67%	8,185,808	2	1.06%
L.J. Thalmann & Co.	7,701,452	4	0.37%	4,434,726	4	0.58%
Albertson's	6,278,475	5	0.31%			
William C. Kagan	5,851,620	6	0.28%	2,219,156	9	0.29%
Landau & Heyman	5,725,172	7	0.28%	2,823,528	5	0.37%
Avgeris & Assoc.	4,091,345	8	0.20%	2,746,307	6	0.36%
Wolin-Levin	3,971,321	9	0.19%	1,583,216	13	0.21%
Manor Health Care Corp.	3,804,336	10	0.19%	2,219,352	8	0.29%
Beth Corp.	3,483,769	11	0.17%	2,193,360	10	0.28%
Westmoreland Country Club	3,481,172	12	0.17%	2,555,700	7	0.33%
Michigan Shores Club	2,975,479	13	0.14%	1,554,371	14	0.20%
Wilmette Imports	2,895,685	14	0.14%			
Walgreen's	2,287,878	15	0.11%			
Jeffrey Strange				1,747,670	11	0.23%
Ameritech				1,707,937	12	0.22%
	<u>125,927,335</u>		<u>6.11%</u>	<u>61,229,668</u>		<u>7.94%</u>

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Property Tax Levies and Collections December 31, 2008 (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
1998	\$ 7,384,700	\$ 7,271,327	98.46%	\$ 253,767	\$ 7,525,094	101.90%
1999	7,642,700	7,553,626	98.83%	47,235	7,600,861	99.45%
2000	7,994,173	7,971,753	99.72%	(20,743)	7,951,010	99.46%
2001	8,461,616	8,384,855	99.09%	14,509	8,399,364	99.26%
2002	8,968,044	8,855,063	98.74%	38,720	8,893,783	99.17%
2003	9,505,136	9,039,215	95.10%	407,897	9,447,112	99.39%
2004	10,306,726	10,082,058	97.82%	126,036	10,208,094	99.04%
2005	10,925,600	10,681,712	97.77%	140,084	10,821,796	99.05%
2006	11,801,600	10,492,759	88.91%	1,296,544	11,789,303	99.90%
2007	12,272,800	11,841,358	96.48%	189,070	12,030,428	98.03%
2008	12,999,000	*	*	*	*	*

* 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, 2008 (Unaudited)

Fiscal Year Ended Dec 31	Governmental Activities			Business-Type Activities							Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Installment Contracts	Water General Obligation Bonds	Sewer General Obligation Bonds	Parking Meter General Obligation Bonds	Water Revenue Bonds	IEPA Revolving Loans						
1999	\$ 10,883,333	\$ 88,467	\$ 14,201,667	\$ -	\$ 1,275,000	\$ -	\$ 27,168,800	\$ 53,617,267	5.25%	\$ 2,021.01			
2000	12,233,333	82,860	14,031,667	-	1,150,000	-	25,771,571	53,269,431	3.46%	1,926.49			
2001	14,510,000	76,860	15,735,000	-	1,065,000	-	24,327,934	55,714,794	3.62%	2,014.93			
2002	35,210,000	227,650	20,440,000	2,000,000	975,000	-	22,836,334	81,688,984	5.31%	2,954.29			
2003	34,330,000	281,232	20,150,000	1,980,000	880,000	-	21,492,258	79,113,490	5.14%	2,861.14			
2004	33,590,000	583,969	22,175,000	4,760,000	785,000	-	19,906,130	81,800,099	5.32%	2,958.31			
2005	32,445,000	467,100	21,790,000	4,715,000	670,000	-	18,267,269	78,354,369	5.10%	2,833.69			
2006	31,390,000	354,336	21,320,000	4,670,000	555,000	-	16,972,126	75,261,462	4.89%	2,721.84			
2007	40,195,000	280,101	20,880,000	7,070,000	435,000	-	15,827,763	84,687,864	5.51%	3,062.74			
2008	38,030,000	236,785	20,215,000	7,020,000	310,000	-	14,031,016	79,842,801	5.19%	2,887.52			

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years December 31, 2008 (Unaudited)

Fiscal Year Ended Dec. 31	Gross General Obligation Bonds	Total Equalized Assessed Valuation	Percentage of Equalized Assessed Valuation	Per Capita
1999	\$ 10,883,333	\$ 894,913,653	1.22%	\$ 410.23
2000	12,233,333	886,401,728	1.38%	442.42
2001	14,510,000	1,131,866,931	1.28%	524.75
2002	35,210,000	1,214,670,061	2.90%	1,273.37
2003	34,330,000	1,206,833,203	2.84%	1,241.55
2004	33,590,000	1,497,930,718	2.24%	1,214.78
2005	32,445,000	1,629,608,856	1.99%	1,173.38
2006	31,390,000	1,622,256,711	1.93%	1,135.22
2007	40,195,000	2,056,299,132	1.95%	1,453.65
2008	38,030,000	2,056,299,132	1.85%	1,375.36

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

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

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Schedule of Direct and Overlapping Bonded Debt December 31, 2008 (Unaudited)

Governmental Unit	Gross Debt	*Percentage to Debt Applicable to Village	Village's Share of Debt
Village of Wilmette	\$ 38,030,000	100.000 %	\$ 38,030,000
School Districts:			
Avoca School District #37	4,093,945	34.538	1,413,967
Kenilworth School District #38	11,600,000	2.336	270,976
Wilmette School District #39	11,895,000	95.082	11,310,004
Community College #535	-	7.797	-
New Trier Township High School District #203	16,795,357	32.950	5,534,070
Total School Districts	44,384,302		18,529,017
Other Agencies:			
Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago	3,130,800,000	1.291	40,418,628
Wilmette Park District	1,392,699,076	1.318	18,355,774
Glenview Park District	31,220,000	100.000	31,220,000
Wilmette Public Library District	13,718,000	.187	25,653
	-	.000	-
Total Other Agencies	4,568,437,076		90,020,054
Total Overlapping Debt	4,612,821,378		108,549,071
Total Direct and Overlapping Debt	\$ 4,650,851,378		\$ 146,579,071

* 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, 2008 (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, 2008 (Unaudited)

Fiscal Year Ended December 31	General Obligation Bonds Serviced by Water, Sewer and Parking Revenues and Illinois Environmental Protection Agency Loans Serviced by Sewer Revenues *					
	Operating Revenues (1)	Less: Operating Expenses (2)	Net Available Revenue (3)	Debt Service		Coverage (4)
				Principal	Interest	
1999	\$ 5,051,910	\$ 3,020,501	\$ 2,031,409	\$ 661,500	\$ 705,131	1.49
2000	4,741,163	3,158,607	1,582,556	390,000	847,900	1.28
2001	5,074,759	3,205,293	1,869,466	381,667	863,116	1.50
2002	5,320,019	3,214,693	2,105,326	385,000	1,042,556	1.47
2003	8,646,110	4,752,315	3,893,795	1,940,099	1,910,077	1.01
2004	8,886,273	4,402,576	4,483,697	2,046,127	1,971,160	1.12
2005	10,762,555	4,993,804	5,768,751	2,138,861	1,869,222	1.44
2006	9,469,661	5,051,138	4,418,523	2,323,360	1,793,394	1.07
2007	10,157,318	5,538,804	4,618,514	2,483,118	1,780,847	1.08
2008	10,214,433	5,603,520	4,610,913	2,679,063	1,682,119	1.06

*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, 2008 (Unaudited)

Fiscal Year Ended December 31	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
1999	26,530	\$ 1,020,476	\$ 38,465	N/A	6,896	1.70%
2000	27,651	1,537,700	55,611	42.2	8,383	2.60%
2001	27,651	1,537,700	55,611	42.2	8,383	2.60%
2002	27,651	1,537,700	55,611	42.2	8,383	2.60%
2003	27,651	1,537,700	55,611	42.2	8,383	2.60%
2004	27,651	1,537,700	55,611	42.2	8,383	2.60%
2005	27,651	1,537,700	55,611	42.2	8,383	2.60%
2006	27,651	1,537,700	55,611	42.2	8,383	2.60%
2007	27,651	1,537,700	55,611	42.2	8,383	2.60%
2008	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 Ten Fiscal Years Ago December 31, 2008 (Unaudited)

Employer	2008			1998		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Wilmette School District #39	629	1	N/A	400	1	N/A
Loyola Academy	270	2	N/A	230	3	N/A
Jewel	240	3	N/A			
Carson, Pirie, Scott & Co.	230	4	N/A	300	2	N/A
Village of Wilmette	203	5	N/A	198	4	N/A
Koenig & Strey, Inc.	135	6	N/A	100	5	N/A
Chalet Nursery	125	7	N/A			
ManorCare Health Services	110	8	N/A	70	8	N/A
Wilmette Park District	76	9	N/A			
Westmoreland Country Club	69	10	N/A	75	6	N/A
Loyola University				70	7	N/A
Regina Dominican				63	9	N/A
Bed, Bath & Beyond				60	10	N/A
	<u>2,087</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, 2008 (Unaudited)

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Government										
Administration & Law	8.25	7.05	7.15	7.15	7.15	7.15	7.15	7.15	7.25	7.10
Finance & Information										
Services	10.70	13.18	13.18	12.43	13.38	12.63	12.53	12.51	12.51	12.51
Other	2.88	3.56	3.56	3.18	3.05	3.05	2.55	3.05	3.15	3.15
Police										
Officers	43.00	43.00	43.00	45.00	45.00	45.00	46.00	46.00	46.00	45.00
Telecommunicators	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00	8.00
Other Civilians	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50	17.50
Fire										
Firefighters and Officers	44.00	44.00	45.00	45.00	45.00	45.00	45.00	44.00	44.00	45.00
Civilians	3.08	3.33	2.75	2.25	2.25	2.25	2.00	3.00	2.45	2.45
Health	2.20	2.20	2.20	2.00	2.00	1.75	1.75	1.75	1.88	1.88
Public Works										
Streets and Sanitation	27.42	33.92	34.17	31.42	29.10	28.85	30.10	30.60	32.10	32.10
Water and Sewer	28.13	28.63	29.50	29.25	29.50	29.50	30.00	30.00	31.00	30.00
Engineering	7.55	7.55	7.55	7.55	7.55	7.55	7.55	7.55	7.55	7.55
Other	4.25	4.25	3.75	3.75	3.75	3.75	3.75	3.75	3.50	3.50
Community Development	11.00	11.65	11.50	11.25	11.25	11.25	11.25	11.25	12.25	12.20
Total	218.95	228.82	229.81	226.73	225.48	224.23	226.13	226.11	229.14	227.94

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years December 31, 2008 (Unaudited)

Function/Program	1999	2000	2001
Police			
Part I Offenses	N/A	N/A	N/A
Other Offenses	N/A	N/A	N/A
Calls for Service	N/A	N/A	N/A
Felonies	585	575	526
Misdemeanors (Part II Crimes)	1,567	1,414	1,515
Miscellaneous Offenses (Incidents Reported)	19,442	17,365	17,282
Traffic Accidents	1,111	1,148	1,055
Fire			
Emergency Responses	3,266	3,280	3,527
Fires Extinguished	62	53	47
Inspections	700	700	537
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)	12,760	12,410	12,467
Peak Daily Consumption (Thousands of Gallons)	25,922	21,919	22,916

N/A - Not Available

Data Source: Village Records

2002	2003	2004	2005	2006	2007	2008
N/A	N/A	N/A	N/A	N/A	N/A	513
N/A	N/A	N/A	N/A	N/A	N/A	630
N/A	N/A	N/A	N/A	N/A	N/A	18,040
521	465	488	486	423	367	N/A
1,549	2,010	2,026	1,843	1,912	1,703	N/A
16,494	17,246	17,612	16,162	15,046	15,116	N/A
1,092	1,054	1,006	1,021	964	959	1,115
3,226	3,108	2,981	3,195	3,180	4,104	3,679
35	48	50	57	51	59	43
638	475	400	610	618	1,250	1,037
3.87	3.07	4.00	3.25	3.50	2.10	0.75
784	1,031	2,153	2,811	1,909	1,590	2,058
12,715	13,026	12,430	13,941	11,931	12,207	11,931
27,829	24,477	20,905	29,540	24,474	22,545	24,474

VILLAGE OF WILMETTE, ILLINOIS

Capital Asset Statistics by Function/Program - Last Ten Fiscal Years December 31, 2008 (Unaudited)

Function/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	19	19	19	19	19	19	20	20	20
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Streets (Miles)	86.5	86.5	86.5	86.5	87.8	87.8	87.8	87.8	87.8	87.8
Streetlights	2,430	2,430	2,430	2,429	2,510	2,510	2,510	2,510	2,580	2,580
Traffic Signals:										
Village Owned	6	6	7	7	7	8	8	9	9	9
Other	18	18	18	18	18	17	17	17	17	17
Water										
Water Mains (Miles)	91	91	91	91	91	91	91	91	91	91
Fire Hydrants	962	962	974	975	975	975	975	977	982	982
System Capacity	38	38	38	34	34	42	44	44	44	44
(Millions of Gallons)										

Data Source: Village Records