

VILLAGE OF WILMETTE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014

**VILLAGE OF WILMETTE,
ILLINOIS**

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014**

Prepared by Department of Finance

Melinda Molloy, Director of Finance/Village Treasurer

Robert Amoruso, CPA, Accountant

Margaret Boyich, CPA, Accountant

Michael Braiman, 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 structure, the letter of transmittal and certificate of achievement for excellence in financial reporting.

VILLAGE OF WILMETTE, ILLINOIS

**Principal Officials
December 31, 2014**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Robert Bielinski – President

Carol Ducommun – Trustee

Daniel E. Sullivan, Jr. – Trustee

Cameron Krueger – Trustee

Alan Swanson – Trustee

Ted McKenna – Trustee

Julie Wolf – Trustee

ADMINISTRATIVE

Timothy J. Frenzer, Village Manager

Michael Braiman, Assistant Village Manager

FINANCE DEPARTMENT

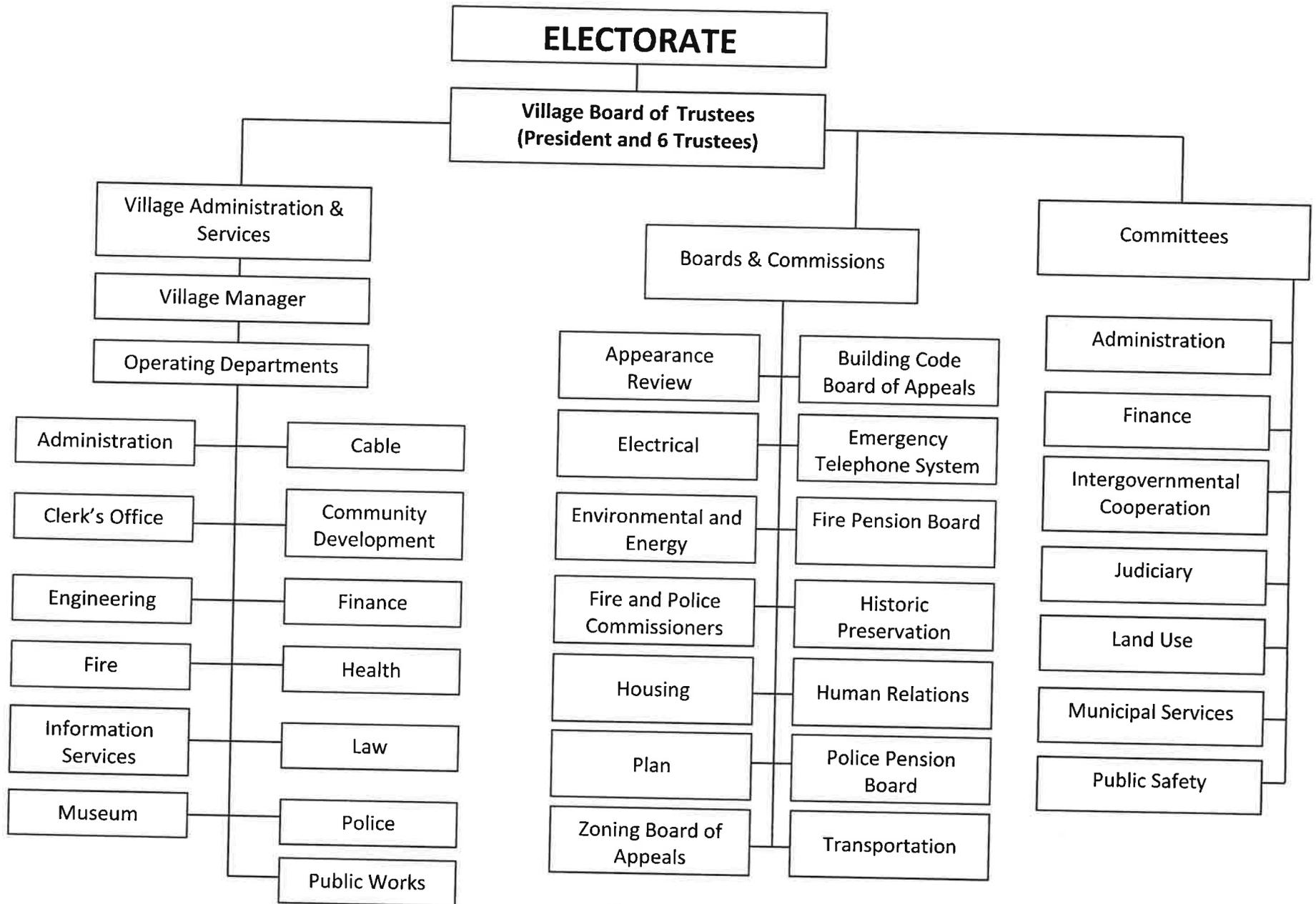
Melinda Molloy, Finance Director/Village Treasurer

Blythe Trilling, Assistant Finance Director

Robert Amoruso, Accountant

Margaret Boyich, Accountant

VILLAGE OF WILMETTE ORGANIZATIONAL STRUCTURE





1200 Wilmette Avenue.
WILMETTE, ILLINOIS 60091-0040

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Fax (847) 853-7642
TDD (847) 853-7634

April 30, 2015

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, 2014 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village issue an annual report on its financial position and activity presented in conformance with generally accepted accounting principles (GAAP), and that an independent firm of certified public accountants audit this report in accordance with generally accepted auditing standards. Although formally addressed to the elected officials and citizens of Wilmette, this financial report has numerous other users. Foremost among these other users are the bondholders of the Village, financial institutions, credit rating agencies, educational institutions, and other governmental entities.

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

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

The Reporting Entity and its Services

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

The Village operates under the council/manager form of government with a legislative body consisting of the Village President and Board of six Trustees, all elected on an at-large basis to overlapping four-year terms. The Village Manager is responsible for the day-to-day operation of the Village. The Village occupies a land area of 5.1 square miles and has a population of 27,087 per the 2010 census. The Village is a home rule municipality as defined by the Illinois constitution. Additional demographic information may be found in the statistical section of this report.

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

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

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

Accounting System and Budgetary Control

The accounts of the Village are organized on the basis of funds, and 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 U.S. Census Bureau 5-year estimated survey, the median household family income for the Village was over \$154,300. This compares to approximately \$66,100 for Cook County and \$70,100 for the State of Illinois. Wilmette ranks as the wealthiest community in the State of Illinois among communities with populations over 25,000. Unemployment has never been as serious as has been the case nationally or statewide. The unemployment rate for the Village was 3.6% at the end of 2014 which is below the State's unemployment rate of 5.7%.

Locally, the national economic downturn has had its most significant impact on real estate activity. The tax base for the Village shrank approximately 38% from 2009. Since 2010 however, real estate transfer as well as home remodeling activity has been growing in the Village. Revenue from transfer taxes has increased 97% in 2014 compared to 2009. Additionally, permit revenue was up 132% compared to 2009.

While primarily a residential community, the Village has an established business base made up of eight business areas, highlighted by the downtown area known as Village Center, Plaza del Lago, and Eden's Plaza. Eden's Plaza, the Village's largest taxpayer, was entirely redeveloped in 1994-1995. The primary anchor store, Carson Pirie Scott & Company, was completely refurbished. The remainder of the shopping center was demolished and rebuilt with several new anchor stores, including Bed, Bath & Beyond, Carson Furniture Gallery and The Fresh Market grocery store. The loss of the Crate & Barrel store at Plaza del Lago and a Borders bookstore at Eden's Plaza in 2011 were replaced by a CVS Pharmacy and a Walgreen's Pharmacy in 2012. In mid-2014, Sports Authority also opened a store in Eden's Plaza.

Rising pension costs have become problematic throughout the nation. The Village is covered by three defined-benefit pension plans that cover all qualifying employees. These include two locally managed funds, the Police Pension Fund (covering sworn police officers), the Firefighters Pension Fund (covering sworn members of the Fire Department), and one statewide fund, the Illinois Municipal Retirement Fund (IMRF), which covers all other qualified public employees. The benefits of all three of these pension plans are governed by state law and may only be amended through acts of the Illinois General Assembly. The Village continues to fund future benefit obligations based on conservative

actuarial assumptions and methods designed to meet, if not exceed, state requirements. The combined actuarial value of assets for the two locally managed funds increase 4.5% to \$83,275,397 during the year.

State legislation is a continuing concern. The State of Illinois' budget problems (much of which is pension related) could trickle down to local agencies through legislative actions that could reduce municipal revenues.

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

Major Initiatives

In responding to the nation's economic recession, the Village Board and the Village staff have endeavored to reduce costs and refocus Village government on its core municipal functions. 2014 was the third consecutive year that the Village was able to improve its net revenue picture from the budget and use its conservative projections to its advantage, enabling it to fund critically needed capital items supporting its core responsibilities with proven, not merely projected, positive revenue. To that end, the Village was able to fund the replacement of a 13-year old ambulance as well as fund critical upgrades to the Village's Enterprise Resource Planning software. Additionally, the strong performance in the General Fund allowed the Village to reduce the annual Water Fund transfer by \$200,000 which helped offset a slight decline in water revenue due to reduced weather driven consumption. In all, the Village was able to supplement the General Fund Reserve and add an additional 19% to the reserve balance.

While surpluses in the past few years have enabled the Village to address some of its most urgent capital needs in the short term, the Village's capital investment lagged. To address capital needs on a more consistent basis, the Village Board unanimously voted to increase the Home Rule Sales Tax from 0.25% to 1.00%, effective January 1, 2015. With the majority of the new revenues earmarked for critical Village infrastructure programs, and critical police, fire and public works vehicles and equipment, the Village will have a reliable, recurring revenue source dedicated to capital improvements.

Development Initiatives

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

In February of 2014 the "due diligence" phase for the property known as 611 Green Bay Road expired and the contract with the developer was cancelled. Since then, the Village received multiple, competitive offers for the purchase of the 611 Green Bay Road property for commercial redevelopment. At the September 23, 2014 Village Board meeting, Trustees adopted an ordinance authorizing a real estate sale and developer's agreement with M&R Development. The "due diligence" phase of the contract expired in December 2014 and final municipal approvals are anticipated to be completed in mid-2015 with construction in late 2015. The remaining property the Village has purchased continued to remain leased and occupied in 2014.

Marriott Residence Inn - The Village's first hotel broke ground in 2013 and opened in May 2014. The occupancy levels, for the approximate eight months the hotel was open, were 15% better than projected.

Capital Improvements - With the economic declines noted previously, capital spending has been reduced in recent years. Grants and the spending down of existing bond proceeds provided nearly all of the capital spending for governmental activities in 2011 and 2012. In 2013 a new \$1 million issuance funded the reconstruction of eight alleys, the bulk of which was completed in 2013 and almost all of the remaining proceeds were utilized to complete the alley program in 2014.

Street Resurfacing Program -In 2014, \$793,000 was allocated to resurface 1.30 miles of street, as well as curb, and sidewalk projects throughout the town. These improvements were funded from existing bond proceeds, a State grant, the State-shared motor fuel tax, and dedicated operating revenues in the General Fund (a portion of the vehicle license revenues, a local fuel tax and a pavement degradation fee). The majority of new Home Rule Sales Tax revenues will be dedicated to street resurfacing and related infrastructure improvements.

Equipment replacements and upgrades - The most of the remaining proceeds from the 2010 bond issue were spent in 2014 with the replacement of the Police Department's 911 System and replacement of the Computer Aided Dispatch server. A number of other capital projects were completed in 2014 including: Fire Department Ambulance, Lighting Improvements (partially grant funded), Fire Exhaust Extraction (partially grant funded), ERP Content Management Software, Police Handgun Replacement, Village Hall Security Improvements and, Police Vehicle Replacement.

Sewer improvements - In July of 2013, the Village Board determined to embark on an aggressive \$24 million sewer improvement program. The majority of the program will be completed in 2015. Over \$8.4 million worth of work was completed by the end of 2014. The program will be funded by bond issues, the first of which occurred in October 2013 and the

second in November of 2014. In 2013, the Village Board approved an Ordinance increasing the sewer rate by forty cents in 2014 and by forty cents in 2015 to pay the debt service associated with this program.

Water improvements – The Village continues discussions with potential new wholesale customers. In 2014, the Villages of Wilmette and Glenview agreed to extend the wholesale water contract for 30 years (from 2020 to 2050). As part of the extension, Glenview will begin purchasing Wilmette water in 2020 to supply North Maine Utilities. The addition of North Maine will increase Wilmette’s wholesale delivery by approximately 20%, without requiring any improvements to the Wilmette Water Plant or distribution system. It is anticipated that North Maine will provide additional net wholesale revenue between \$1 million and \$1.3 million. The Village also continued discussions with the Village of Kenilworth for wholesale water supply. These discussions are ongoing into 2015.

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 audit requirement has been complied with, and the Board selected the accounting firm of Lauterbach and Amen, LLP. The auditor’s report on the basic financial statements and combining and individual fund schedules as well as the information listed as supplemental is included in the financial section of 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, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

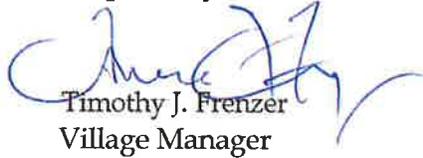
In order to be awarded a Certificate of Achievement, the Village published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for 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.

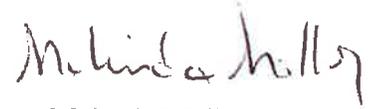
The Village was awarded the Distinguished Budget Presentation Award by the GFOA for its 2014 budget document. This was the sixteenth consecutive year that the Village has achieved this honor. In order to receive the Distinguished Budget Presentation Award the document must meet specific criteria as an 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 2015 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,


Timothy J. Frenzer
Village Manager


Melinda Molloy
Finance Director



Government Finance Officers Association

**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, 2013

Executive Director/CEO

FINANCIAL SECTION

This section includes:

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

INDEPENDENT AUDITORS' REPORT



INDEPENDENT AUDITORS' REPORT

April 30, 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilmette, Illinois, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Wilmette, Illinois, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Wilmette, Illinois', financial statements as a whole. The introductory section, combining and individual fund financial statements and budgetary comparison schedules, supplemental schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and budgetary comparison schedules and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters – Continued

Other Information – Continued

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2015, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provision of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Handwritten signature in blue ink that reads "Lauterbach + Amen LLP".

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF WILMETTE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2014

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, 2014. 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/deferred outflows exceeded its liabilities/deferred inflows by \$72,549 at December 31, 2014. Of this amount, \$11,162 (*unrestricted net position*) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased \$3,396 (4.9%) during the fiscal year ended December 31, 2014. The governmental net position increased by \$2,435 (12.8%) mainly due to strong revenue performance and planned growth in the property tax levy. The business-type net position increased by \$961 mainly due to investments in sewer and water capital assets.
- The Village implemented GASB No. 54 in 2012. At December 31, 2014 unassigned fund balance for the General Fund was \$7,857 which is 24.2% of General Fund expenditures and an improvement from the 21.1% ratio from the prior year.
- The Village's total bonded and similar debt increased \$11,166 (13.9%) at December 31, 2014. This is the result of scheduled principal retirements and approximately \$15.5 million in new debt issued in 2014 to fund a portion of the \$24 million sewer improvement program as well as the current refunding of approximately \$5 million in outstanding 2004 bonds for savings.

OVERVIEW OF THE ANNUAL REPORT

The MD&A is intended to serve as an introduction to the Village'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. The Village is not accountable for any outside organizations and therefore, no adjustments were made to blend financial information from other legally separate entities into

this report. 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 4-7) are designed to emulate the private sector in that all governmental and business-type activities are consolidated into columns that total the Village as a whole. Such a presentation allows for a broad overview of the Village's finances. 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. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and therefore are not included in the government-wide statements.

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Inter-fund activity is eliminated and the cost of assets with long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when benefits are realized.

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 asset 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.

The first government-wide statement is the Statement of Net Position. This statement presents information about all of the Village's assets/deferred outflows and liabilities/deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the Village is improving or deteriorating. Additionally, one would need to evaluate non-financial factors, such as the condition of the Village's infrastructure, the satisfaction of the residents and other information beyond the scope of this report to make a more complete assessment of the overall health of the Village.

The second government-wide statement is the Statement of Activities. This statement presents information showing how the Village's net position changed during the most recent fiscal year and is focused on both the gross and net cost of various activities 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 position 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. uncollected taxes and earned but unused vacation leave).

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 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 8-12) 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 governmental 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 Funds Total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected. The flow of current financial resources reflects bond proceeds and interfund transfers as other financing sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation eliminates these transactions and incorporates the capital assets and long-term obligations (bond and others) into the Governmental Activities column (in the Government-Wide Statements).

The Village maintains four individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the Capital Projects Fund (for the 2007, 2009, 2010, 2013 and 2014 General Obligation Bond Issues) and Debt Service Fund, which are considered to be major funds. The financial data from non-major funds are combined into a single aggregated presentation. The Village's Motor Fuel Tax Fund is its only non-major governmental fund in 2014.

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 13-17) 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 non-major enterprise fund. The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements. Individual fund data for non-major 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 18-19). 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 20-65 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 66-75 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, total assets exceed liabilities by \$72,549 as of December 31, 2014 as compared to \$69,153 at year end for 2013. The following table reflects the condensed Statement of Net Position. For more detailed information see the Statement of Net Position (pages 4-5).

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

Table 1: Statement of Net Position

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|---------------------------------------|-------------------------|------------------|--------------------------|------------------|--------------------------|-------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2013 |
| Assets | | | | | | |
| Current/Other Assets/Def. Outflows | \$ 33,388 | \$ 30,605 | \$ 26,326 | \$ 15,986 | \$ 59,714 | \$ 46,591 |
| Capital Assets | 47,695 | 48,939 | 86,901 | 80,110 | 134,596 | 129,049 |
| Total Assets/Def. Outflows | \$ 81,083 | \$ 79,544 | \$ 113,227 | \$ 96,096 | \$ 194,310 | \$ 175,640 |
| Liabilities | | | | | | |
| Current Liabilities/Def. Inflows | \$ 24,139 | \$ 22,516 | \$ 6,867 | \$ 3,717 | \$ 31,006 | \$ 26,233 |
| Noncurrent Liabilities | 35,505 | 38,024 | 55,250 | 42,230 | 90,755 | 80,254 |
| Total Liabilities/Def. Inflows | \$ 59,644 | \$ 60,540 | \$ 62,117 | \$ 45,947 | \$ 121,761 | \$ 106,487 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | \$ 15,800 | \$ 15,482 | \$ 44,837 | \$ 43,766 | \$ 60,637 | \$ 59,248 |
| Restricted | 750 | 560 | - | - | 750 | 560 |
| Unrestricted | 4,889 | 2,962 | 6,273 | 6,383 | 11,162 | 9,345 |
| Total Net position | \$ 21,439 | \$ 19,004 | \$ 51,110 | \$ 50,149 | \$ 72,549 | \$ 69,153 |

Not surprisingly, the largest portion of the Village's net position, \$60,637 or 83.6%, 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 and thus 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 restricted portion of the Village's net position, \$750, represents resources held for specific purposes. A portion is from the Motor Fuel Tax Fund that is restricted for roadway improvements, and a portion is for seized and forfeited assets resulting from Police actions. The final component of the Village's net position, the unrestricted net position, in the amount of \$11,162 or 15.4%, may be used to meet the Village's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net position, 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 as reflected in the Table 1.

Of note, current assets within the governmental activities increased \$2,783 primarily a result of an increase in cash and internal balances at year end. The increase was driven by additional revenues attributed to an improved local economy and planned growth in the property tax levy. Additionally, still included in assets is \$4,305 of property purchased for resale. Current assets within the business-type activities increased \$10,340 reflecting the increase in restricted cash in

the Sewer Fund from issuance of new debt to fund a portion of a \$24 million multi-year sewer improvement program.

Total liabilities for governmental activities declined \$895 from the prior fiscal year mainly due to the pay down of long-term debt. Total liabilities for business type activities increased \$16,170 from 2013 mainly due to the increase in general obligation bonds payable resulting from the Sewer Fund bond issuance noted in the prior paragraph.

Statement of Activities

As noted before, the Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. Table 2 provides details on changes in net position for both 2014 and 2013 broken out by governmental activities and business-type activities. The net position of the Village's governmental activities increased by \$2,435 to \$21,439 in 2014 as compared to a \$1,415 increase in 2013. The net position of business-type activities increased by \$961 to \$51,110 in 2014. In 2013, the net position increased for business-type activities by \$2,031.

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

Table 2: Statement of Activities

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|--------------------------|-------------------------|------------------|--------------------------|------------------|--------------------------|------------------|
| | 2014 | 2013 | 2014 | 2013 | 2014 | 2012 |
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 7,972 | \$ 7,663 | \$ 12,078 | \$ 12,627 | \$ 20,050 | \$ 20,290 |
| Grants / Contributions | 1,569 | 1,034 | 53 | 95 | 1,622 | 1,129 |
| General Revenues | | | | | | |
| Property Taxes | 15,356 | 14,783 | - | - | 15,356 | 14,783 |
| Other Taxes | 11,474 | 10,867 | - | - | 11,474 | 10,867 |
| Other Revenue/Transfers | 2,597 | 2,684 | (886) | (1,223) | 1,711 | 1,461 |
| Total Revenues | \$ 38,968 | \$ 37,031 | \$ 11,245 | \$ 11,499 | \$ 50,213 | \$ 48,530 |
| Expenses | | | | | | |
| General Government | \$ 3,432 | \$ 3,303 | \$ - | \$ - | \$ 3,432 | \$ 3,303 |
| Public Safety | 19,307 | 18,980 | - | - | 19,307 | 18,980 |
| Streets and Sanitation | 8,953 | 8,740 | - | - | 8,953 | 8,740 |
| Other Public Works | 1,592 | 1,656 | - | - | 1,592 | 1,656 |
| Public Health | 250 | 237 | - | - | 250 | 237 |
| Community Development | 1,678 | 1,305 | - | - | 1,678 | 1,305 |
| Interest | 1,321 | 1,395 | - | - | 1,321 | 1,395 |
| Water | - | - | 6,230 | 6,151 | 6,230 | 6,151 |
| Sewer | - | - | 3,526 | 2,861 | 3,526 | 2,861 |
| Parking | - | - | 528 | 456 | 528 | 456 |
| Total Expenses | \$ 36,533 | \$ 35,616 | \$ 10,284 | \$ 9,468 | \$ 46,817 | \$ 45,084 |
| Changes in Net Position | 2,435 | 1,415 | 961 | 2,031 | 3,396 | 3,446 |
| Net Position January 1 | 19,004 | 17,589 | 50,149 | 48,118 | 69,153 | 65,707 |
| Net Position December 31 | \$ 21,439 | \$ 19,004 | \$ 51,110 | \$ 50,149 | \$ 72,549 | \$ 69,153 |

Governmental Activities - Revenues

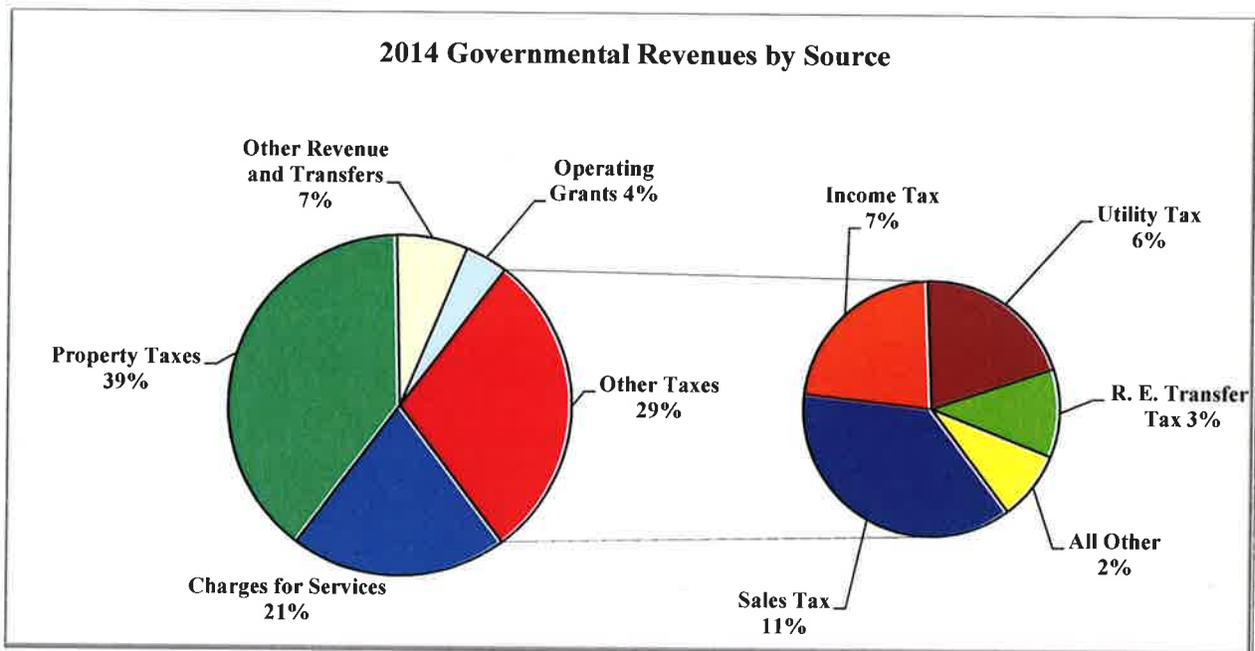
Total governmental activities revenues amounted to \$38,968 for 2014, an increase of \$1,937 or 5.2% over 2013.

Program revenues in aggregate are up \$844 when comparing 2014 to 2013. Program revenues from grants and contributions increased \$535. Because grants often occur irregularly this revenue fluctuates widely from year to year as the comparison of 2014 to 2013 demonstrates. The Village did receive \$118 from FEMA for the purchase and installation of fire apparatus exhaust extraction equipment in both fire stations, \$298 from Evanston for a portion of their share of work done on Sheridan Road, and an additional \$128 MFT distribution from the State to use on road repairs. More importantly, revenues received from governmental service charges increased \$309, or 4%, from 2013. Most of the increase, is tied to increased vehicle sticker compliance, \$134, refuse collections (driven by a contractual increase), \$103, and increased permit activity, \$72.

General revenues in aggregate are up \$1,937 from 2013. General revenues from property taxes increased, \$573 or 3.9% in 2014. The growth in property tax revenues was expected as the Village's 2013 tax levy included a 3.39% increase.

General revenues from other taxes increased, \$607 or 5.6%, in 2014. The increase in other taxes is primarily due to stronger sales tax, \$283, real estate transfer tax collections, \$204, and the first year collection of a hotel occupancy tax. All are indications of an improving economy. Utility tax receipts decreased slightly from 2013 due to the continued decline of land line usage in homes resulting in declining telecommunications tax collections.

The following graph depicts the major governmental revenue sources of the Village. The composition of the Village's 2014 governmental activities revenues is similar to the prior year. The graph highlights the importance of property taxes to fund governmental activities.



Governmental Activities - Expense

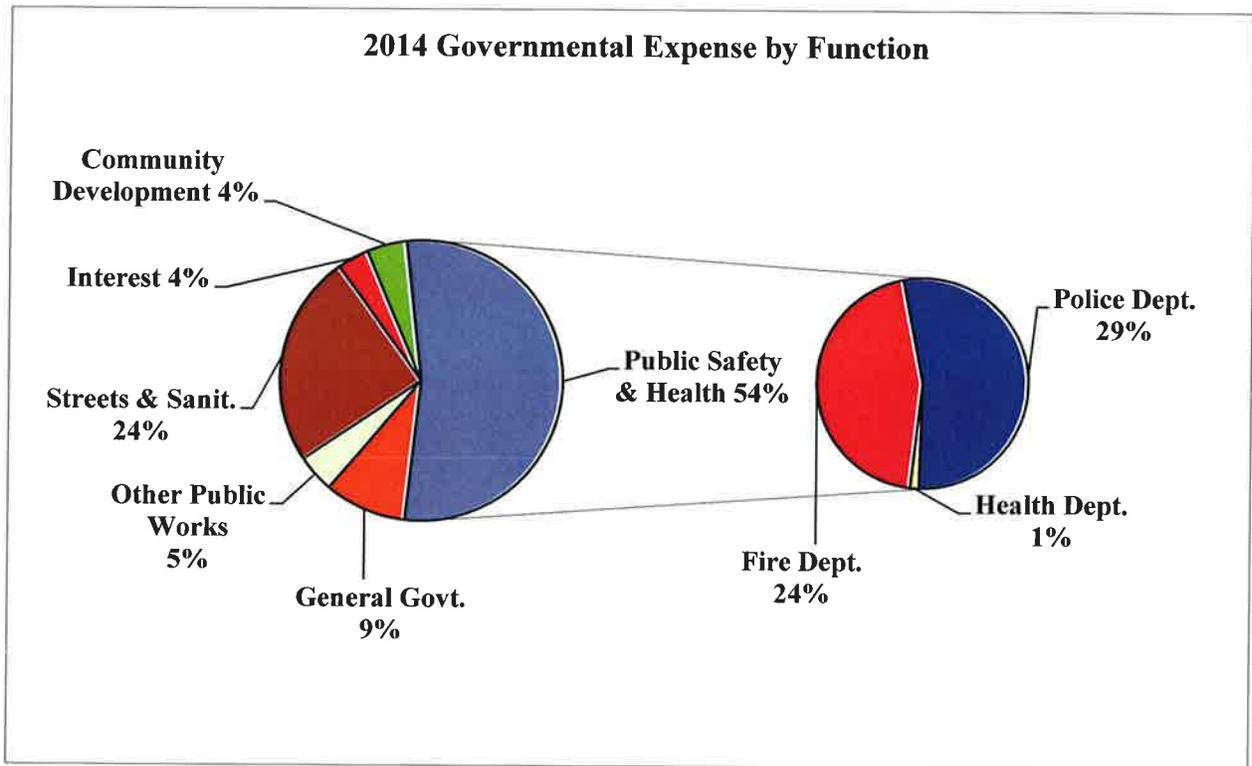
Total governmental activities expenses amounted to \$36,533 for 2014, an increase of \$917 or 2.6% over 2013.

Public Safety expenses grew \$327 or 1.7% from 2013. Notably, expenses related to the Fire Department increased by \$194. The increase is mainly attributed to building improvements that were made possible because of the receipt of a FEMA grant, \$132. The Police Department increased by \$132. The growth was due to training and implementation tied to the new E-911 system, the replacement of two squad cars, \$40 and the replacement of outdated equipment, \$50.

Streets and Sanitation expenses increased \$213 or 2.4% from 2013. Almost all the increase is related to the record snowfalls experienced in 2014. For example overtime was up \$54, snow removal up \$68, contractual work related to water main repair, \$18, and automotive costs \$44. Costs related to refuse collection and disposal, which is contract driven, was up \$20.

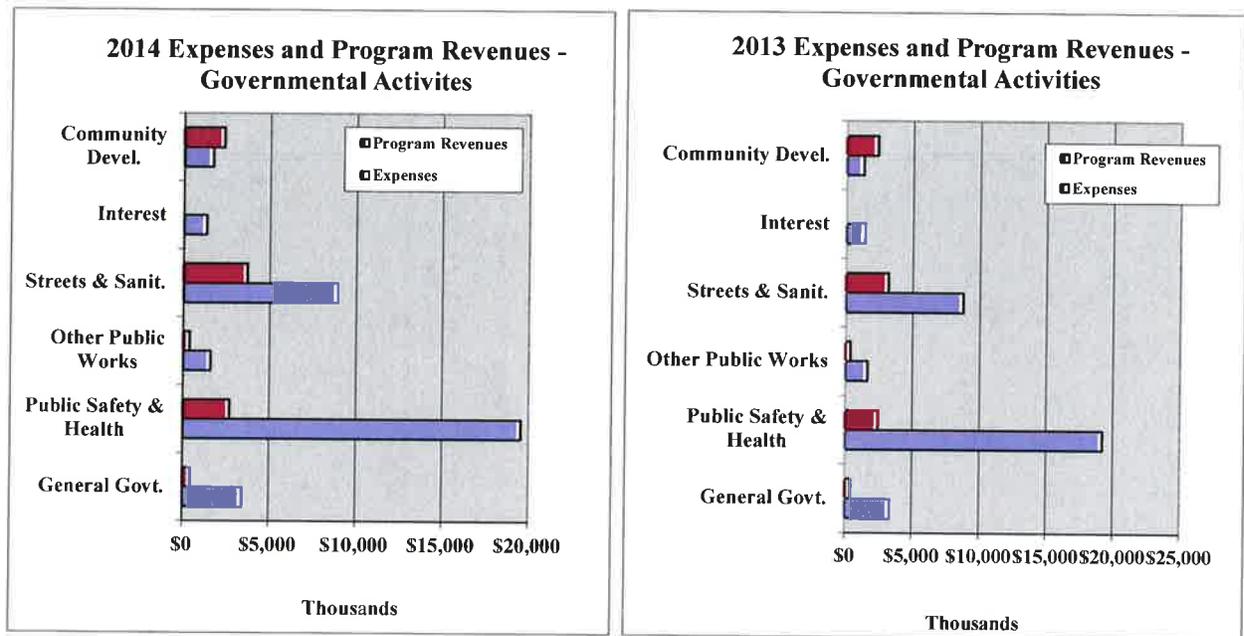
Community Development expenses increased \$373 or 28.6% from 2013. Most of the increase can be attributed to the first time payment of the Home Rule Hotel Tax Incentive Payment associated with the new Hotel-Motel Occupancy tax, \$196. Land held for Resale increased by \$49 for real estate consulting work for the west village center project. Salaries and corresponding benefits were up \$91 as a result of an increase in the building inspector's hours, which was planned, as well as additional front counter staff hours due to increased permit activity.

The following graph depicts the major governmental expense by function of the Village. The composition of the Village's 2014 governmental activities expenses is similar to 2013. The graph highlights the importance of public safety and street & sanitation services provided to Village residents.



Governmental Activities – By Program

The next two graphs provide a visual of how governmental revenues and expenses match up for each of the years 2014 and 2013. For governmental activities, program revenues covered approximately 26% of expenses. This is a slight increase from 2013 and is indicative of the improving economy in 2014. In both years, only Community Development program revenues were sufficient to match the related program expenses. All other categories are substantially subsidized by general revenues-consistent with prior years.



Business-Type Activities

As noted previously, the business-type activities reflect private sector-type operations, where the fee for service typically covers all or most of the cost of operation, including depreciation. For the Village that applies to the Water Fund, Sewer Fund and Parking Meter Fund.

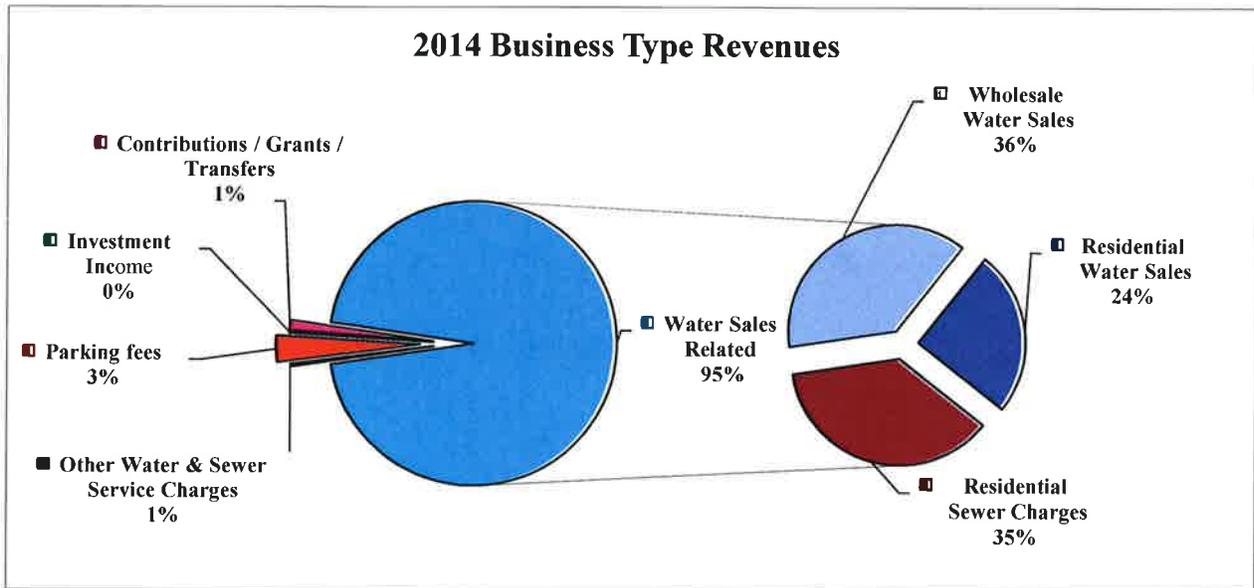
Business-Type Activities – Revenues

Total business-type activities revenues amounted to \$11,245 for 2014, a decrease of \$254 or 2.2% compared to 2013.

Program revenues are nearly all from service charges related to the sales of water and sewer. A small percentage is from parking related revenues. These service charges decreased by \$549 or 4.3% from 2013. Water sales decreased \$416 which is reflective of the approximate 5% reduction in consumption from the prior year. The volume for water sales is frequently a function of the amount of rainfall that occurs during summer months and the mild summer suppressed consumption levels. Sewer sales are based on water consumption and thus it also decreased, \$105 or 2%. The increase in the sewer rate of \$0.40 offset the impact of the consumption reduction.

Other revenues and Transfers were up \$337 or 28% from 2013. The main reason for the change is the result of a \$250 reduction in the amount of the Water Fund transfer. The annual Water Fund transfer reflects the profitable operation of our water plant from the sale of wholesale water. Due to both the mild summer dampening water usage and the General Fund's strong revenue performance during the year the amount of the transfer was reduced to \$1,000.

The following graph depicts the major business-type revenue sources of the Village. The composition of the Village's 2014 business-type activities revenues is similar to 2013.



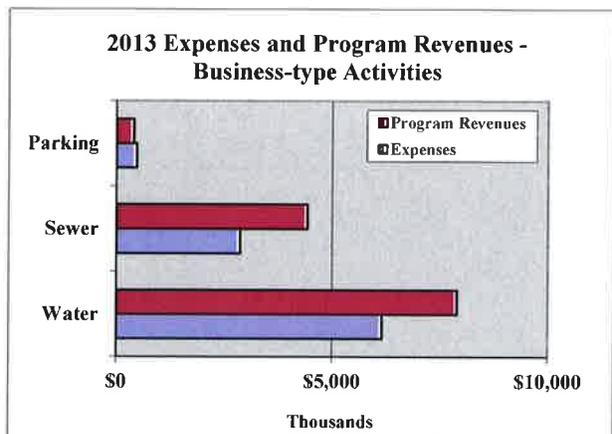
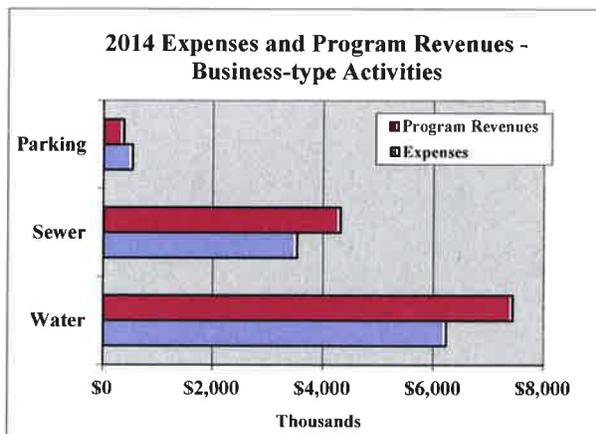
Business Type Activities – Expenses

Total business-type activities expenses amounted to \$10,284 for 2014, an increase of \$816 or 8.6% from 2013.

Expenses for the Water Fund, year over year, are comparable. The Sewer Fund expenses increased \$665 or 23.2% from 2013. The increase is comprised of an increase in capital outlay for a storm water study, \$247, depreciation by \$138 and additional bond interest expense, \$393, offset by a decline in maintenance of sewer expense of \$133.

Business Type Activities – Programs

The next two graphs provide a visual of how business-type revenues and expenses match up for each of the years 2014 and 2013. As expected, program revenues exceed expenses in the Water and Sewer Funds. The Parking Meter Fund generally operates very close to “break-even.”



FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The Village's governmental funds reported combining fund balances of \$10,748, which is \$1,584, or 17.3%, higher than last year's total of \$9,165. Of the total, \$7,857 or approximately 73.1%, of the fund balance is unassigned fund balance.

General Fund

The General Fund is the primary operating fund of the Village. At year-end, unassigned fund balance was \$7,857, which is 78.9% of the total fund balance of the fund. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents approximately 24.2% of total General Fund expenditures. The total fund balance in the fund increased by \$1,929, or 24.0%.

Other Major Funds

The Village's other major governmental funds include the Debt Service Fund and the Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds Capital Projects Fund. The Debt Service Fund is used to account for the periodic payment of principal and interest on general long-term debt. This fund had a fund balance at year-end of \$33, which is a decrease from last year of \$48, or 59.5%. Over the past several years, the Debt Service Fund has been adversely impacted by property tax refunds. To help correct a structural funding issue, the Board agreed to transfer \$60,000 from the General Fund. Additionally, going forward, the tax levy loss in collection amount for the Debt Service Fund will be increased. The Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities. This fund had a fund balance at year-end of \$70, which is a decrease of \$485, or 87.4%. The decline is expected as capital projects are completed.

Non-major Fund

The Motor Fuel Tax Fund is the only non-major governmental fund. This fund accounts 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 the State motor fuel tax. The fund balance at year-end was \$685, which is an increase of \$189, or 38.0% from last year. The increase is mainly attributable to an additional distribution from the State which was one-time in nature.

Proprietary Funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Village reports the Water Fund, and the Sewer Fund as major proprietary funds. These two funds are enterprise funds. The Village has one non-major proprietary fund, the Parking Meter Fund which is also an enterprise fund.

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

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 rates in effect for 2014 and 2013 are shown as follows:

| | <u>2014</u> | <u>2013</u> | <u>% Change</u> |
|------------------------------|-----------------|-----------------|-----------------|
| Wholesale Water Rate | \$ 1.220 / ccf | \$ 1.142 / ccf | 6.8% |
| Residential Water Rate | \$ 2.49 / ccf | \$ 2.49 / ccf | 0.0% |
| Residential Sewer Rate | \$ 3.84 / ccf | \$ 3.44 / ccf | 11.6% |
| METRA Commuter Parking Rates | \$ 2.00 per day | \$ 2.00 per day | 0.0% |
| CTA Commuter Parking Rates | \$ 4.00 per day | \$ 4.00 per day | 0.0% |

Note - the 2014 wholesale rate noted above took effect on November 18, 2013.

The Water Fund reflects all revenue and expenses related to supplying water to the residents of Wilmette as well as to the Village of Glenview and to the Illinois American Water Company. The intent of the Fund is that it not only be self-supporting but also achieve a surplus to help support general operations and services of the Village. The Fund experienced an income gain of \$1,264 before capital contributions and transfers which is \$502 less than last year. The unrestricted net position declined 17.1% to \$2,013. Environmental factors impact the amount of water required by the system each year.

The Sewer Fund reflects all the revenue and expenses related to supplying sewer services to the residents of Wilmette. The intent of the Fund is that it is self-supporting. The unrestricted net position increased 12.8% to \$3,491. The increase was planned as the Village continues to move forward on a \$24 million sewer capital improvement program.

The Parking Meter Fund had a year-end Net Position of \$4,520 which is a decrease of \$158 from last year. Parking meter revenue was down tied to a change in the payment system for the Metra lots. The Village went from a stored value card payment method to a single transaction payment method. As part of the change-over, we issued approximately \$13,000 in refunds to those who turned in their cards. The refund was equal to the initial card deposit plus any remaining balance. The other revenue impact from the payment system change is that the Village is no longer recognizing revenue for future use, i.e. the balance on the stored value cards. These revenue changes are one-time in nature. Parking expenses were over budget for the year by approximately \$22,000. The overage was caused by additional costs related to snow removal due to the winter weather and work on the Metra station.

The Internal Service Funds are combined in a single, aggregate presentation in the Proprietary Fund Financial Statements and reflect the goods and services provided by an activity to other departments on a cost-reimbursement basis. The Village has five internal service funds, the Municipal Garage Fund, the Employee Insurance Fund, the Workers’ Compensation Fund the Section 105 sick leave Fund, and the Illinois Municipal Retirement Fund.

General Fund Budgetary Highlights

The Village adopts an annual appropriation ordinance for all of its funds. One supplemental appropriation ordinance was adopted for the 2014 Budget for the final payment of the Sheridan Road Reconstruction Project.

Table 3: General Fund Budgetary Highlights - I

| | Original and Final Budget | Actual GAAP Basis | |
|--|--|----------------------------------|-----------------|
| Revenues | \$ 31,461 | \$ 33,461 | \$ 2,000 |
| Expenditures | <u>33,004</u> | <u>32,472</u> | \$ 532 |
| Excess (Deficiency) of Revenues over Expenditures | (1,543) | 989 | 2,532 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 1,200 | 1,000 | \$ (200) |
| Transfers out | <u>-</u> | <u>(60)</u> | <u>\$ (60)</u> |
| Net Changes in Fund Balance | <u>\$ (343)</u> | <u>\$ 1,929</u> | <u>\$ 2,272</u> |

The principal goal in setting the 2014 budget was to maintain service levels and keep fund operating reserves stable. While the budget would indicate a \$343 reduction, \$250 was planned to be used to fund the purchase of an aerial truck for Public Works. The use of escrowed monies and anticipated expenditure savings (primarily from the contingency appropriation) were expected to produce a balanced budget. Ultimately, improved 2014 revenues and expenditure savings resulted in the \$1,929 increase in the General Fund balance. An improving economy boosted sales tax, income tax, real estate transfer tax, and permit fees which accounted for \$1,497 of the revenue performance. Improved vehicle sticker compliance also resulted in \$184 of additional revenue. Investment earnings from our IRMA excess surplus reserve, which are not budgeted, were \$226 of the positive variance. Contingency savings of \$226 and \$232 in public safety pensions explain the majority of the expenditure performance.

CAPITAL ASSETS

The Village's capital assets for its Government and Business-Type Activities at December 31, 2014 total \$134,596. This includes land, buildings, infrastructure, equipment and construction in progress. This amount represents a net increase of \$5,547 (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 39-40.

The Governmental Activities net investment in capital assets increased from last year by \$319. The increase consists of capital additions of \$2,263 and debt repayment of \$2,047 netted with depreciation of \$3,506 and a change in unexpended bond proceeds of \$485.

Business-Type Activities net investment in capital assets increased by \$1,071. The increase is the result of capital additions of \$9,035 and a change in unexpended bond proceeds of \$7,540 which were netted against depreciation of \$2,245 and debt repayment of \$13,260. Net capital assets increased in the Sewer Fund with asset additions of \$8,299. Note that the additions were

primarily financed from existing debt and new IEPA Loan debt. Water capital additions totaled \$678. The Parking Meter Fund had very little change.

DEBT OUTSTANDING

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

Table 5: Bonded and Similar Indebtedness

| | Outstanding at Dec 31, 2013 | Issued in 2014 | Retired in 2014 | Outstanding at Dec 31, 2014 |
|--------------------------|--|---------------------------|----------------------------|--|
| General Obligation Bonds | \$ 77,005 | 20,315 | (9,625) | 87,695 |
| E.P.A. Loans | 2,939 | 641 | (152) | 3,428 |
| State Loans | 238 | - | (13) | 225 |
| Totals | 80,182 | 20,956 | (9,790) | 91,348 |
| Governmental Activities | 35,473 | 150 | (2,328) | 33,295 |
| Business-Type Activities | 44,709 | 20,806 | (7,462) | 58,053 |
| Totals | 80,182 | 20,956 | (9,790) | 91,348 |

As noted in Table 5, the Village issued additional debt in 2014. The new G.O. debt of \$20.3 million was incurred to refund the outstanding 2004 bonds for savings as well as finance costs associated with the multi-year \$24 million sewer improvement program. Additionally, the Village continued to avail itself of the Illinois EPA Water Pollution Control Loan Program and received approval for \$641 toward the Village's sewer lining and rehabilitation program. The debt retirements noted above were the required amounts per the amortization schedules for this debt.

The Village, under its home rule authority, does not have a legal debt limit. The Village's Aaa bond rating was reaffirmed by Moody's Investors Service in 2014 citing the Village's well-managed financial operations, moderate debt burden and high property values. The Village will continue to attempt to secure EPA loans due to their favorable terms and will also pursue grants whenever possible. Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 41-50.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Village's elected and appointed officials considered many factors when setting the 2015 budget, tax rates, and fees that will be charged for its governmental and business type activities. While 2014 actuals showed signs of an improving economy, most economists refer to current economic improvement as restrained when compared with past deep recession recovery cycles. Several of the Village's non-property tax revenues are still below pre-recession levels. Additionally, there are concerns that the State of Illinois budget problems (much of which is pension related) may trickle down to local agencies through legislative actions that could reduce revenues received from the State. With these factors in mind, the Village took a conservative

pension related) may trickle down to local agencies through legislative actions that could reduce revenues received from the State. With these factors in mind, the Village took a conservative approach with revenue projections, with a few exceptions, and estimated little or no growth in revenue from the estimated actuals for 2014 at the time the Budget was formulated.

As part of the financial review, the Village Board challenged staff to present a balanced budget that preserved the Village's reserves and continued to drive down the rate of increase in the Village's property tax levy. The 2015 Budget includes a 3.35% increase in the levy which is the lowest property tax increase in 17 years. The Village's share of the average Wilmette resident's property tax bill is approximately 11-12%. The budgeted increase in the Village's share of the property tax levy amounts to about a \$51 annual increase for the average Wilmette homeowner, or less than one half of one percent of the average total property tax bill.

While the Village has been able to achieve stability on the operational side of its work, the cumulative effect of lost revenue since the onset of the recession, combined with non-property tax revenue sources that underperformed compared to their pre-recession levels, meant that the Village's investment in capital has fallen behind what is needed to maintain the quality of public infrastructure and services that Wilmette residents expect from their local government. To address this capital structural deficit, the Village Board unanimously voted to increase the Home Rule Sales Tax from 0.25% to 1.00%, effective January 1, 2015. These new revenues are mainly earmarked for critical Village infrastructure programs, critical police, fire and public works vehicles and equipment. The Village will now have a reliable, recurring revenue source dedicated to capital improvements.

The FY 2015 Budget provides for a \$0.40 increase in the Sewer Fee which will fund a program for major sewer projects intended to improve sewer performance in the Village's separate sewer area (west of Ridge Road). The sewer improvement program will total approximately \$24 million and will be bond financed. The revenue associated with the sewer fee increase will offset the increased principal and interest costs related to the issuance of bonds.

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 Melinda Molloy, 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 Position
December 31, 2014**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Net Position
December 31, 2014**

| | Governmental Activities | Business-Type Activities | Total |
|---|----------------------------|-----------------------------|--------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and Investments | \$ 5,486,029 | 7,990,990 | 13,477,019 |
| Receivables - Net | 17,139,481 | 1,579,437 | 18,718,918 |
| Due from Other Governments | 2,304,729 | - | 2,304,729 |
| Internal Balances | 206,676 | 47,218 | 253,894 |
| Inventories/Prepays | 82,104 | 69,162 | 151,266 |
| Deposits | 1,140,453 | - | 1,140,453 |
| Restricted Assets - Cash and Investments | 1,392,983 | 16,639,637 | 18,032,620 |
| Total Current Assets | <u>27,752,455</u> | <u>26,326,444</u> | <u>54,078,899</u> |
| Noncurrent Assets | | | |
| Capital Assets | | | |
| Nondepreciable Capital Assets | 2,250,189 | 9,401,639 | 11,651,828 |
| Depreciable Capital Assets | 83,660,382 | 115,742,098 | 199,402,480 |
| Depreciation | (38,215,286) | (38,243,134) | (76,458,420) |
| | <u>47,695,285</u> | <u>86,900,603</u> | <u>134,595,888</u> |
| Other Assets | | | |
| Land Held for Resale | 4,305,000 | - | 4,305,000 |
| Total Noncurrent Assets | <u>52,000,285</u> | <u>86,900,603</u> | <u>138,900,888</u> |
| Total Assets | 79,752,740 | 113,227,047 | 192,979,787 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Loss on Refunding | 1,330,554 | - | 1,330,554 |
| Total Assets and Deferred Outflows of Resources | <u>81,083,294</u> | <u>113,227,047</u> | <u>194,310,341</u> |

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 | \$ 3,268,338 | 3,756,447 | 7,024,785 |
| Accrued Wages and Benefits | 264,812 | 5,191 | 270,003 |
| Accrued Interest Payable | 94,556 | 173,091 | 267,647 |
| Deposits Payable | 512,775 | 3,110 | 515,885 |
| Other Payables | 938,799 | - | 938,799 |
| Compensated Absences Payable | 755,880 | 42,100 | 797,980 |
| Current Portion Long-Term Debt | 2,212,500 | 2,801,130 | 5,013,630 |
| Total Current Liabilities | <u>8,047,660</u> | <u>6,781,069</u> | <u>14,828,729</u> |
| Noncurrent Liabilities | | | |
| Compensated Absences Payable | 3,023,520 | 168,400 | 3,191,920 |
| Net Pension Obligation Payable | 1,399,044 | - | 1,399,044 |
| IEPA Loans Payable | - | 3,252,558 | 3,252,558 |
| Notes Payable | 212,500 | - | 212,500 |
| Net General Obligation Bonds Payable | 30,870,000 | 51,829,000 | 82,699,000 |
| Total Noncurrent Liabilities | <u>35,505,064</u> | <u>55,249,958</u> | <u>90,755,022</u> |
| Total Liabilities | <u>43,552,724</u> | <u>62,031,027</u> | <u>105,583,751</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Property Taxes | 16,089,391 | - | 16,089,391 |
| Grants | 2,380 | - | 2,380 |
| Gain on Refunding | - | 86,250 | 86,250 |
| Total Deferred Inflows of Resources | <u>16,091,771</u> | <u>86,250</u> | <u>16,178,021</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>59,644,495</u> | <u>62,117,277</u> | <u>121,761,772</u> |
| NET POSITION | | | |
| Net Investment in Capital Assets | 15,800,477 | 44,837,017 | 60,637,494 |
| Restricted - Highways and Streets | 684,845 | - | 684,845 |
| Restricted - Police Seizures | 64,712 | - | 64,712 |
| Unrestricted | 4,888,765 | 6,272,753 | 11,161,518 |
| Total Net Position | <u>21,438,799</u> | <u>51,109,770</u> | <u>72,548,569</u> |

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Activities

For the Fiscal Year Ended December 31, 2014

| | Expenses | Program Revenues | | |
|---------------------------------|--------------|----------------------------|---------------------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants/ Contributions | Capital Grants/ Contributions |
| Governmental Activities | | | | |
| General Government | \$ 3,432,230 | 439,014 | 1,170 | - |
| Public Safety | 19,306,629 | 2,440,980 | 189,373 | - |
| Streets and Sanitation | 8,952,573 | 2,494,038 | 1,209,153 | - |
| Other Public Works | 1,592,014 | 202,605 | 169,880 | - |
| Public Health | 249,781 | 76,757 | - | - |
| Community Development | 1,678,387 | 2,318,366 | - | - |
| Interest on Long-Term Debt | 1,321,442 | - | - | - |
| Total Governmental Activities | 36,533,056 | 7,971,760 | 1,569,576 | - |
| Business-Type Activities | | | | |
| Water | 6,229,920 | 7,390,257 | 5,230 | 47,218 |
| Sewer | 3,526,186 | 4,317,893 | - | - |
| Parking | 527,875 | 369,977 | - | - |
| Total Business-Type Activities | 10,283,981 | 12,078,127 | 5,230 | 47,218 |
| | 46,817,037 | 20,049,887 | 1,574,806 | 47,218 |

General Revenues

Taxes

Property Taxes

Sales Taxes

State Income Taxes

Utility Taxes

Real Estate Transfer

Other Taxes

Investment Earnings

Miscellaneous

Transfers - Internal Activity

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

| Net Expense/Revenue | | |
|----------------------------|-----------------------------|--------------|
| Governmental Activities | Business-Type Activities | Total |
| (2,992,046) | - | (2,992,046) |
| (16,676,276) | - | (16,676,276) |
| (5,249,382) | - | (5,249,382) |
| (1,219,529) | - | (1,219,529) |
| (173,024) | - | (173,024) |
| 639,979 | - | 639,979 |
| (1,321,442) | - | (1,321,442) |
| (26,991,720) | - | (26,991,720) |
| - | 1,212,785 | 1,212,785 |
| - | 791,707 | 791,707 |
| - | (157,898) | (157,898) |
| - | 1,846,594 | 1,846,594 |
| (26,991,720) | 1,846,594 | (25,145,126) |
| 15,355,548 | - | 15,355,548 |
| 4,248,323 | - | 4,248,323 |
| 2,593,413 | - | 2,593,413 |
| 2,344,098 | - | 2,344,098 |
| 1,285,913 | - | 1,285,913 |
| 1,002,184 | - | 1,002,184 |
| 239,627 | 30,175 | 269,802 |
| 1,357,508 | 84,118 | 1,441,626 |
| 1,000,000 | (1,000,000) | - |
| 29,426,614 | (885,707) | 28,540,907 |
| 2,434,894 | 960,887 | 3,395,781 |
| 19,003,905 | 50,148,883 | 69,152,788 |
| 21,438,799 | 51,109,770 | 72,548,569 |

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

VILLAGE OF WILMETTE, ILLINOIS

Balance Sheet - Governmental Funds
December 31, 2014

| | General | Debt Service | Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds | Nonmajor Fund Motor Fuel Tax | Total Governmental Funds |
|--|--------------|-----------------|---|---------------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and Investments | \$ 3,376,161 | 11,809 | - | 1,019,343 | 4,407,313 |
| Receivables - Net of Allowances | | | | | |
| Property Taxes | 12,825,602 | 3,364,035 | - | - | 16,189,637 |
| Other Taxes | 139,601 | - | - | - | 139,601 |
| Accounts | 797,313 | - | - | - | 797,313 |
| Due from Other Governments | 1,724,748 | - | 511,770 | 68,211 | 2,304,729 |
| Due from Other Funds | 262,697 | - | - | - | 262,697 |
| Prepays | 82,104 | - | - | - | 82,104 |
| Deposits | 1,140,453 | - | - | - | 1,140,453 |
| Restricted Assets - Cash and Investments | 63,355 | - | 1,329,628 | - | 1,392,983 |
| Land Held for Resale | 4,305,000 | - | - | - | 4,305,000 |
| Total Assets | 24,717,034 | 3,375,844 | 1,841,398 | 1,087,554 | 31,021,830 |

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

| | General | Debt Service | Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds | Nonmajor Fund Motor Fuel Tax | Total Governmental Funds |
|---|--------------|-----------------|---|---------------------------------------|--------------------------------|
| LIABILITIES | | | | | |
| Accounts Payable | \$ 1,085,494 | - | 1,771,760 | 402,709 | 3,259,963 |
| Accrued Wages and Benefits | 264,812 | - | - | - | 264,812 |
| Due to Other Funds | 47,218 | - | - | - | 47,218 |
| Deposits Payable | 499,751 | - | - | - | 499,751 |
| Other Prepayments | 109,873 | - | - | - | 109,873 |
| Total Liabilities | 2,007,148 | - | 1,771,760 | 402,709 | 4,181,617 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Property Taxes | 12,746,620 | 3,342,771 | - | - | 16,089,391 |
| Grants | 2,380 | - | - | - | 2,380 |
| Total Deferred Inflows of Resources | 12,749,000 | 3,342,771 | - | - | 16,091,771 |
| Total Liabilities and Deferred Inflows of Resources | 14,756,148 | 3,342,771 | 1,771,760 | 402,709 | 20,273,388 |
| FUND BALANCE | | | | | |
| Nonspendable | 1,222,557 | - | - | - | 1,222,557 |
| Restricted | 64,712 | 33,073 | - | 684,845 | 782,630 |
| Assigned | 816,646 | - | 69,638 | - | 886,284 |
| Unassigned | 7,856,971 | - | - | - | 7,856,971 |
| Total Fund Balances | 9,960,886 | 33,073 | 69,638 | 684,845 | 10,748,442 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | 24,717,034 | 3,375,844 | 1,841,398 | 1,087,554 | 31,021,830 |

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 Position - Governmental Activities

December 31, 2014

| | |
|---|----------------------|
| Total Governmental Fund Balances | \$ 10,748,442 |
|---|----------------------|

Amounts reported for governmental activities in the Statement of Net Position
are different because:

| | |
|---|------------|
| Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. | 47,695,285 |
|---|------------|

| | |
|---|---------|
| 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 Position. | 232,518 |
|---|---------|

| | |
|---|--------------|
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | |
| Net Pension Obligation Payable | (1,399,044) |
| Compensated Absences Payable | (3,779,400) |
| General Obligation Bonds Payable - Net | (31,739,446) |
| State Fire Truck Loan Payable | (225,000) |
| Accrued Interest Payable | (94,556) |

| | |
|--|--------------------------|
| Net Position of Governmental Activities | <u>21,438,799</u> |
|--|--------------------------|

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended December 31, 2014

| | Series 2007, 2009, 2010, 2013 and 2014 | | | | Total |
|--|--|-----------------|--------------------------------|---------------------------------------|-----------------------|
| | General | Debt Service | General Obligation Bonds | Nonmajor Fund Motor Fuel Tax | Governmental Funds |
| Revenues | | | | | |
| Taxes | \$ 23,573,461 | 3,256,018 | - | - | 26,829,479 |
| Licenses, Permits and Fees | 4,407,036 | - | - | - | 4,407,036 |
| Intergovernmental | 323,263 | - | 335,133 | 911,180 | 1,569,576 |
| Charges for Services | 3,191,053 | - | - | - | 3,191,053 |
| Fines and Forfeitures | 373,671 | - | - | - | 373,671 |
| Investment Earnings | 234,829 | - | 904 | 1,913 | 237,646 |
| Miscellaneous | 1,357,508 | - | - | - | 1,357,508 |
| Total Revenues | 33,460,821 | 3,256,018 | 336,037 | 913,093 | 37,965,969 |
| Expenditures | | | | | |
| Current | | | | | |
| General Government | 3,258,505 | - | - | - | 3,258,505 |
| Public Safety | 19,061,947 | - | - | - | 19,061,947 |
| Streets and Sanitation | 6,156,261 | - | - | - | 6,156,261 |
| Other Public Works | 1,951,515 | - | - | - | 1,951,515 |
| Public Health | 244,963 | - | - | - | 244,963 |
| Community Development | 1,675,987 | - | - | - | 1,675,987 |
| Capital Outlay | 110,467 | - | 821,042 | 724,479 | 1,655,988 |
| Debt Service | | | | | |
| Principal Retirement | 12,500 | 2,145,000 | - | - | 2,157,500 |
| Interest and Fiscal Charges | - | 1,219,556 | - | - | 1,219,556 |
| Total Expenditures | 32,472,145 | 3,364,556 | 821,042 | 724,479 | 37,382,222 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | | | | | |
| | 988,676 | (108,538) | (485,005) | 188,614 | 583,747 |
| Other Financing Sources | | | | | |
| Debt Issuance | - | - | 150,000 | - | 150,000 |
| Payment to Escrow | - | - | (170,000) | - | (170,000) |
| Premium on Debt Issuance | - | - | 20,000 | - | 20,000 |
| Transfers In | 1,000,000 | 60,000 | - | - | 1,060,000 |
| Transfers Out | (60,000) | - | - | - | (60,000) |
| | 940,000 | 60,000 | - | - | 1,000,000 |
| Net Change in Fund Balances | 1,928,676 | (48,538) | (485,005) | 188,614 | 1,583,747 |
| Fund Balances - Beginning | 8,032,210 | 81,611 | 554,643 | 496,231 | 9,164,695 |
| Fund Balances - Ending | 9,960,886 | 33,073 | 69,638 | 684,845 | 10,748,442 |

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

For the Fiscal Year Ended December 31, 2014

| | |
|---|-------------------------|
| Net Change in Fund Balances - Total Governmental Funds | \$ 1,583,747 |
| 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 | 2,263,117 |
| Depreciation Expense | (3,506,416) |
| 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. | |
| | (7,694) |
| 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. | |
| Deductions to Compensated Absences Payable | 26,679 |
| Deductions to Net Pension Obligation Payable | 19,847 |
| Retirement of Debt | 2,327,500 |
| Issuance of General Obligation Bond | (150,000) |
| Amortization of Loss on Refunding | (130,414) |
| Changes to accrued interest on long-term debt in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | |
| | <u>8,528</u> |
| Changes in Net Position of Governmental Activities | <u><u>2,434,894</u></u> |

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Fund Net Position - Proprietary Funds
December 31, 2014**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Fund Net Position - Proprietary Funds
December 31, 2014

| | Business-Type Activities | | | | Governmental |
|---------------------------------|--------------------------|-------------------|------------------|--------------------|---------------------|
| | Nonmajor | | | Totals | Activities |
| | Water | Sewer | Parking Meter | | Internal Service |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash and Investments | \$ 1,847,316 | 5,342,108 | 801,566 | 7,990,990 | 1,078,716 |
| Restricted Assets | | | | | |
| Cash and Investments | 252,618 | 16,387,019 | - | 16,639,637 | - |
| Receivables - Net of Allowances | | | | | |
| Accounts | 784,315 | 791,873 | 3,249 | 1,579,437 | 12,930 |
| Due from Other Funds | 47,218 | - | - | 47,218 | - |
| Inventory | 67,488 | - | - | 67,488 | - |
| Prepays | 1,674 | - | - | 1,674 | - |
| Total Current Assets | <u>3,000,629</u> | <u>22,521,000</u> | <u>804,815</u> | <u>26,326,444</u> | <u>1,091,646</u> |
| Noncurrent Assets | | | | | |
| Nondepreciable Capital Assets | 578,391 | 8,164,143 | 659,105 | 9,401,639 | - |
| Depreciable Capital Assets | 50,830,701 | 59,939,504 | 4,971,893 | 115,742,098 | - |
| Depreciation | (19,984,589) | (16,378,535) | (1,880,010) | (38,243,134) | - |
| Total Noncurrent Assets | <u>31,424,503</u> | <u>51,725,112</u> | <u>3,750,988</u> | <u>86,900,603</u> | <u>-</u> |
| Total Assets | <u>34,425,132</u> | <u>74,246,112</u> | <u>4,555,803</u> | <u>113,227,047</u> | <u>1,091,646</u> |

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

| | Business-Type Activities | | | | Governmental |
|--|--------------------------|-------------------------|----------------------|-------------------------|---------------------|
| | Water | Sewer | Nonmajor | Totals | Activities |
| | | | Parking Meter | | Internal Service |
| LIABILITIES | | | | | |
| Current Liabilities | | | | | |
| Accounts Payable | \$ 513,907 | 3,206,206 | 36,334 | 3,756,447 | 8,375 |
| Accrued Wages and Benefits | 4,619 | 572 | - | 5,191 | - |
| Accrued Interest Payable | 47,482 | 125,609 | - | 173,091 | - |
| Due to Other Funds | - | - | - | - | 8,803 |
| Deposits Payable | 3,110 | - | - | 3,110 | 13,024 |
| Retiree Benefits Payable | - | - | - | - | 828,926 |
| Compensated Absences Payable | 33,210 | 8,890 | - | 42,100 | - |
| IEPA Loans Payable | - | 176,130 | - | 176,130 | - |
| General Obligation Bonds Payable | 1,170,000 | 1,455,000 | - | 2,625,000 | - |
| Total Current Liabilities | 1,772,328 | 4,972,407 | 36,334 | 6,781,069 | 859,128 |
| Noncurrent Liabilities | | | | | |
| Compensated Absences Payable | 132,840 | 35,560 | - | 168,400 | - |
| Net General Obligation Bonds Payable | 15,575,000 | 36,254,000 | - | 51,829,000 | - |
| IEPA Loans Payable | - | 3,252,558 | - | 3,252,558 | - |
| Total Noncurrent Liabilities | 15,707,840 | 39,542,118 | - | 55,249,958 | - |
| Total Liabilities | 17,480,168 | 44,514,525 | 36,334 | 62,031,027 | 859,128 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Gain of Refunding | 86,250 | - | - | 86,250 | - |
| Total Liabilities and Deferred Inflows of Resources | 17,566,418 | 44,514,525 | 36,334 | 62,117,277 | 859,128 |
| NET POSITION | | | | | |
| Net Investment in Capital Assets Unrestricted | 14,845,871 2,012,843 | 26,240,158 3,491,429 | 3,750,988 768,481 | 44,837,017 6,272,753 | - 232,518 |
| Total Net Position | 16,858,714 | 29,731,587 | 4,519,469 | 51,109,770 | 232,518 |

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds
For the Fiscal Year Ended December 31, 2014

| | Business-Type Activities - Enterprise Funds | | | | Governmental Activities Internal Service |
|---|---|-------------|------------------------------|-------------|---|
| | Water | Sewer | Nonmajor Parking Meter | Totals | |
| Operating Revenues | | | | | |
| Charges for Services | \$ 7,390,257 | 4,317,893 | 369,977 | 12,078,127 | - |
| Interfund Services | - | - | - | - | 6,784,224 |
| Total Operating Revenues | 7,390,257 | 4,317,893 | 369,977 | 12,078,127 | 6,784,224 |
| Operating Expenses | | | | | |
| Administration | 702,282 | - | - | 702,282 | - |
| Operations | 3,874,231 | 1,434,347 | 403,927 | 5,712,505 | 6,793,899 |
| Depreciation | 1,056,374 | 1,064,587 | 123,948 | 2,244,909 | - |
| Total Operating Expenses | 5,632,887 | 2,498,934 | 527,875 | 8,659,696 | 6,793,899 |
| Operating Income (Loss) | 1,757,370 | 1,818,959 | (157,898) | 3,418,431 | (9,675) |
| Nonoperating Revenues (Expenses) | | | | | |
| Investment Earnings | 14,310 | 15,865 | - | 30,175 | 1,981 |
| Grants | 5,230 | - | - | 5,230 | - |
| Insurance Recoveries | 84,118 | - | - | 84,118 | - |
| Bond Issuance Expense | - | (80,455) | - | (80,455) | - |
| Interest Expense | (597,033) | (946,797) | - | (1,543,830) | - |
| | (493,375) | (1,011,387) | - | (1,504,762) | 1,981 |
| Income (Loss) Before Capital Contributions and Transfers | 1,263,995 | 807,572 | (157,898) | 1,913,669 | (7,694) |
| Capital Contributions | 47,218 | - | - | 47,218 | - |
| Transfers Out | (1,000,000) | - | - | (1,000,000) | - |
| | (952,782) | - | - | (952,782) | - |
| Change in Net Position | 311,213 | 807,572 | (157,898) | 960,887 | (7,694) |
| Net Position - Beginning | 16,547,501 | 28,924,015 | 4,677,367 | 50,148,883 | 240,212 |
| Net Position - Ending | 16,858,714 | 29,731,587 | 4,519,469 | 51,109,770 | 232,518 |

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

VILLAGE OF WILMETTE, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2014**

See Following Page

VILLAGE OF WILMETTE, ILLINOIS

Statement of Cash Flows - Proprietary Funds
For the Fiscal Year Ended December 31, 2014

| | <u>Water</u> |
|---|-------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Customers and Users | \$ 7,819,952 |
| Receipts from Interfund Services | - |
| Payments to Employees | (2,209,692) |
| Payments to Suppliers | <u>(2,046,751)</u> |
| | <u>3,563,509</u> |
| Cash Flows from Non-Capital Financing Activities | |
| Transfers Out | (1,000,000) |
| Change in Interfund Activity | 960,159 |
| | <u>(39,841)</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Purchase of Capital Assets | (631,181) |
| Principal Issued on Debt | 3,005,000 |
| Principal Paid on Debt | (4,205,000) |
| Interest Paid on Debt | (510,783) |
| Grants | 5,230 |
| Insurance Recoveries | 84,118 |
| | <u>(2,252,616)</u> |
| Cash Flows from Investing Activities | |
| Interest Received | 14,310 |
| Net Change in Cash and Cash Equivalents | 1,285,362 |
| Cash and Cash Equivalents - Beginning | <u>814,572</u> |
| Cash and Cash Equivalents - Ending | <u><u>2,099,934</u></u> |
| Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities. | |
| Operating Income (Loss) | <u>1,757,370</u> |
| Adjustments to Reconcile Operating Income to Net Income to Net Cash | |
| Provided by (Used in) Operating Activities: | |
| Depreciation Expense | 1,056,374 |
| (Increase) Decrease in Current Assets | 429,695 |
| Increase (Decrease) in Current Liabilities | <u>320,070</u> |
| Net Cash Provided by Operating Activities | <u><u>3,563,509</u></u> |
| Noncash Capital and Related Financing Activities | |
| Capital Contributions | <u><u>47,218</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 |
| 4,604,683 | 366,728 | 12,791,363 | - |
| - | - | - | 6,783,615 |
| (504,361) | (119,530) | (2,833,583) | (801,278) |
| 1,642,159 | (266,189) | (670,781) | (5,926,221) |
| 5,742,481 | (18,991) | 9,286,999 | 56,116 |
| - | - | (1,000,000) | - |
| - | - | 960,159 | - |
| - | - | (39,841) | - |
| (8,298,811) | (58,387) | (8,988,379) | - |
| 17,801,366 | - | 20,806,366 | - |
| (3,256,724) | - | (7,461,724) | - |
| (1,198,252) | - | (1,709,035) | - |
| - | - | 5,230 | - |
| - | - | 84,118 | - |
| 5,047,579 | (58,387) | 2,736,576 | - |
| 15,865 | - | 30,175 | 1,981 |
| 10,805,925 | (77,378) | 12,013,909 | 58,097 |
| 10,923,202 | 878,944 | 12,616,718 | 1,020,619 |
| 21,729,127 | 801,566 | 24,630,627 | 1,078,716 |
| 1,818,959 | (157,898) | 3,418,431 | (9,675) |
| 1,064,587 | 123,948 | 2,244,909 | - |
| 286,790 | (3,249) | 713,236 | (609) |
| 2,572,145 | 18,208 | 2,910,423 | 66,400 |
| 5,742,481 | (18,991) | 9,286,999 | 56,116 |
| - | - | 47,218 | - |

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Fiduciary Net Position

December 31, 2014

| | Pension Trust | Agency |
|---------------------------------------|-------------------|----------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 1,939,805 | 629,102 |
| Investments | | |
| U.S. Government and Agency Securities | 16,696,617 | - |
| Mutual Funds | 40,566,292 | - |
| Corporate Bonds | 10,396,361 | - |
| Common Stock | 13,817,382 | - |
| Receivables | | |
| Accrued Interest | 221,623 | - |
| Total Assets | <u>83,638,080</u> | <u>629,102</u> |
| LIABILITIES | | |
| Accounts Payable | 21,242 | - |
| Due to Other Funds | 253,894 | - |
| Deposits Payable | - | 629,102 |
| Total Liabilities | <u>275,136</u> | <u>629,102</u> |
| NET POSITION | | |
| Held in Trust for Pension Benefits | <u>83,362,944</u> | - |

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

VILLAGE OF WILMETTE, ILLINOIS

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2014

| | Pension Trust |
|---|--------------------------|
| Additions | |
| Contributions - Employer | \$ 4,000,000 |
| Contributions - Plan Members | 828,466 |
| Total Contributions | <u>4,828,466</u> |
| Other Income | <u>40</u> |
| Investment Income | |
| Investment Earnings | 3,180,709 |
| Net Change in Fair Value | 987,146 |
| | <u>4,167,855</u> |
| Less Investment Expenses | (173,429) |
| Net Investment Income | <u>3,994,426</u> |
| Total Additions | <u>8,822,932</u> |
| Deductions | |
| Administration | 92,928 |
| Benefits and Refunds | 5,721,431 |
| | <u>5,814,359</u> |
| Change in Net Position | 3,008,573 |
| Net Position Held in Trust for Pension Benefits | |
| Beginning | <u>80,354,371</u> |
| Ending | <u><u>83,362,944</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, 2014

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). 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 |
|---------------------|---------------------|

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "the Financial Reporting Omnibus— an Amendment of GASB Statements No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary Village because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Firefighters' Pension Employees Retirement System

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

BASIS OF PRESENTATION

Government-Wide Statements

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

In the government-wide Statement of Net Position, 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/deferred outflows and receivables as well as long-term debt/deferred inflows and obligations.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

The Village's net position is reported in three parts: net investment in capital assets; restricted; and unrestricted. The Village first utilizes restricted resources to finance qualifying activities.

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

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

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

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position 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/deferred outflows, liabilities/deferred inflows, 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.

GASB Statement No. 34 sets forth minimum criteria (percentage of the assets/deferred outflows, liabilities/deferred inflows, 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, 2014

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/deferred outflows, liabilities/deferred inflows, 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/deferred outflows, liabilities/deferred inflows, 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: \$9,300,000 of Series 2004 General Obligation Refunding, \$11,735,000 of Series 2007 General Obligation Refunding and Improvements, \$1,590,000 of Series 2009 General Obligation Improvements, \$23,280,000 of Series 2010 General Obligation Refunding and Improvements, \$1,000,000 of Series 2013 General Obligation, and \$150,000 of Series 2014 General Obligation.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains one major capital projects fund, the 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds Fund, which is used to account for revenues and expenditures for road resurfacing, alley and other infrastructure improvements, public works facility improvements and large equipment replacements.

Proprietary Funds

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

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

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the District on a cost-reimbursement basis. The Village maintains five internal service funds, the Municipal Garage Fund, the Employee Insurance Fund, the Workers' Compensation Fund, the Illinois Municipal Retirement Fund, and the Section 105 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 position and changes in net position and is reported using accounting principles similar to proprietary funds.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

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 Position and the Statement of Activities, both governmental and business-type 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/deferred outflows and liabilities/deferred inflows 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, 2014

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 position (or cost recovery), financial position, and cash flows. All assets/deferred outflows and liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position. 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 Position and Statement of Activities, both governmental and business-type 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/deferred inflow is incurred or economic asset used. Revenues, expenses, gains, losses, assets/deferred outflows, and liabilities/deferred inflows 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, 2014

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/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY

Cash and Investments

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

Receivables

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

Prepays/Inventories – Land Held for Resale

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

Restricted Assets

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION OR EQUITY – Continued

Interfund Receivables, Payables and Activity

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

Capital Assets

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

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

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

| | |
|-----------------------------------|----------------|
| Buildings | 75 Years |
| Improvements Other Than Buildings | 20 Years |
| Water System Improvements | 20 - 100 Years |
| Sewer System Improvements | 25 - 75 Years |
| Storm Water Pump Stations | 25 - 50 Years |
| Machinery, Equipment and Vehicles | 3 - 20 Years |
| Parking Facilities/Improvements | 10 - 40 Years |
| Infrastructure | 20 Years |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION 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 was 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 Position. Bond premiums and discounts 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 expenses at the time of issuance.

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.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Net Position

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

Net investment in capital assets – 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 – Consists of net position 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 – All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

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. During the fiscal year, supplemental appropriations were made.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

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

| Fund | Excess |
|---|-----------|
| Section 105 Sick Leave | \$ 62,975 |
| Workers' Compensation | 214 |
| Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds | 111,189 |
| Parking Meter | 18,782 |

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.

The deposits and investments of the Pension Fund are held separately from those of other Village funds. Statutes authorize the Pension Fund 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; credit unions, 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 Funds Market Fund (Formerly known as IPTIP, Illinois Public Treasurer's Investment Pool), or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies; and separate accounts of life insurance companies and mutual funds, the mutual funds must meet specific restrictions, provided the investment in separate accounts and mutual funds does not exceed ten percent of the Pension Fund's plan net position; and corporate bonds managed through an investment advisor, rated as investment grade by one of the two largest rating services at the time of purchase. Pension Funds with plan net position of \$2.5 million or more

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

may invest up to forty-five percent of plan net position in separate accounts of life insurance companies and mutual funds. Pension Funds with plan net position of at least \$5 million that have appointed an investment advisor, may through that investment advisor invest up to forty-five percent of the plan net position in common and preferred stocks that meet specific restrictions. In addition, pension funds with plan net position of at least \$10 million that have appointed an investment advisor, may invest up to fifty percent of its net position in common and preferred stocks and mutual funds that meet specific restrictions effective July 1, 2011 and up to fifty-five percent effective July 1, 2012.

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 \$31,509,540 and the bank balances totaled \$32,110,372. At year-end the Village also has \$99 invested in the Illinois Funds.

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

The Village's investment policy states the "portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated." The Village's investment in the Illinois Funds has an average maturity of less than one year.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

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 Village 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, 2014, the Village's investments in the Illinois Funds are AAAM 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, 2014, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Village's investment policy further limits the custodial credit risk for deposits as follows: The Village requires that its primary depository pledge collateral for all deposits in excess of \$250,000. This collateral is to be held by the Village or by a third party in the Village's name and may not be released or modified without Village approval. The value of the collateral shall be determined by the Village or by the third party custodian. The necessary amount (ranging from 102% to 115% of excess FDIC insured deposits) of collateral is determined under the Village's custodial agreement with its depository bank.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2014, the Village's investment in the Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's policy states "the Village shall diversify its investments to avoid incurring unreasonable risks regarding specific security types and/or individual financial institutions. At December 31, 2014, 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, 2014

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 \$1,109,952 and the bank balances totaled \$1,132,617.

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

| Investment Type | Fair Value | Investment Maturities - in Years | | | |
|---------------------------|--------------|----------------------------------|-----------|-----------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. Treasury Obligations | \$ 7,059,178 | 1,456,261 | 3,667,810 | 987,484 | 947,623 |
| U.S Agency Obligations | 1,053,831 | - | 856,055 | 117,901 | 79,875 |
| Corporate Bonds | 5,197,582 | 5,197,582 | - | - | - |
| Total | 13,310,591 | 6,653,843 | 4,523,865 | 1,105,385 | 1,027,498 |

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

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

Custodial Credit Risk – Deposits. The Fund’s investment policy does not limit custodial credit risk for deposits. At December 31, 2014, 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, 2014, 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. At December 31, 2014, the Pension Fund has over 5% of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard totaling \$12,430,943. The Fund also has \$6,880,244 invested in common stock and \$19,995,731 invested in mutual funds at year-end.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration of Credit Risk – Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| | | |
|---------------------------|-----|------|
| Domestic Equities | 42% | 7.8% |
| International Equities | 20% | 7.7% |
| Bonds | 35% | 2.2% |
| Hedge Funds | 0% | N/A |
| Private Real Estate | 3% | 7.3% |
| Cash and Cash Equivalents | 0% | N/A |

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the table above.

Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.01%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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 \$829,853 and the bank balances totaled \$829,853.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

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

| Investment Type | Fair Value | Investment Maturities - in Years | | | |
|---------------------------|--------------|----------------------------------|-----------|-----------|-----------------|
| | | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. Treasury Obligations | \$ 7,323,684 | 1,451,118 | 3,937,459 | 987,484 | 947,623 |
| U.S Agency Obligations | 1,259,924 | 204,553 | 861,563 | 113,933 | 79,875 |
| Corporate Bonds | 5,198,779 | 5,198,779 | - | - | - |
| Total | 13,782,387 | 6,854,450 | 4,799,022 | 1,101,417 | 1,027,498 |

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

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

Custodial Credit Risk – Deposits. The Fund's investment policy does not limit custodial credit risk for deposits. At December 31, 2014, 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, 2014, 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. At December 31, 2014, the Pension Fund has over 5% of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard totaling \$12,663,477. The Fund also has \$6,937,138 invested in common stock and \$20,570,561 invested in mutual funds at year-end.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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

Concentration of Credit Risk – Continued. The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes:

| <u>Asset Class</u> | <u>Target</u> | <u>Long-Term Expected Real Rate of Return</u> |
|---------------------------|---------------|---|
| Domestic Equities | 42% | 7.8% |
| International Equities | 20% | 7.7% |
| Bonds | 35% | 2.2% |
| Hedge Funds | 0% | N/A |
| Private Real Estate | 3% | 7.3% |
| Cash and Cash Equivalents | 0% | N/A |

Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the table above.

Rate of Return

For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.99%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

PROPERTY TAXES

Property taxes for 2014 attach as an enforceable lien on January 1, 2014, 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, 2015, and September 1, 2015. The County collects such taxes and remits them periodically. Since the 2014 levy is intended to finance the 2014 fiscal year, the levy has been recorded as receivable and deferred revenue.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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 | Workers' Compensation | \$ 8,803 |
| General | Firefighters' Pension | 253,894 |
| Water | General | <u>47,218</u> |
| | | <u>309,915</u> |

Interfund balances are in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

| Transfer In | Transfer Out | Amount |
|--------------|--------------|------------------|
| General | Water | \$ 1,000,000 |
| Debt Service | General | <u>60,000</u> |
| | | <u>1,060,000</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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------------|-----------------------|------------------|------------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 1,838,262 | - | - | 1,838,262 |
| Construction in Progress | 3,809,040 | 259,008 | 3,656,121 | 411,927 |
| | <u>5,647,302</u> | <u>259,008</u> | <u>3,656,121</u> | <u>2,250,189</u> |
| Depreciable Capital Assets | | | | |
| Buildings | 19,588,134 | 181,628 | - | 19,769,762 |
| Improvements Other Than Buildings | 47,755,091 | 4,947,814 | 29,997 | 52,672,908 |
| Motor Equipment | 8,352,867 | 142,835 | 347,121 | 8,148,581 |
| Office Furniture and Equipment | 1,017,073 | 63,622 | 197,811 | 882,884 |
| Other Equipment | 2,230,731 | 324,331 | 368,815 | 2,186,247 |
| | <u>78,943,896</u> | <u>5,660,230</u> | <u>943,744</u> | <u>83,660,382</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | 5,167,138 | 496,202 | - | 5,663,340 |
| Improvements Other Than Buildings | 22,574,909 | 2,382,180 | 29,997 | 24,927,092 |
| Motor Equipment | 5,655,060 | 412,914 | 347,121 | 5,720,853 |
| Office Furniture and Equipment | 649,680 | 68,800 | 197,811 | 520,669 |
| Other Equipment | 1,605,827 | 146,320 | 368,815 | 1,383,332 |
| | <u>35,652,614</u> | <u>3,506,416</u> | <u>943,744</u> | <u>38,215,286</u> |
| Total Depreciable Capital Assets | <u>43,291,282</u> | <u>2,153,814</u> | <u>-</u> | <u>45,445,096</u> |
| Total Capital Assets | <u>48,938,584</u> | <u>2,412,822</u> | <u>3,656,121</u> | <u>47,695,285</u> |

Depreciation expense was charged to governmental activities as follows:

| | |
|------------------------|------------------|
| General Government | \$ 172,164 |
| Streets and Sanitation | 2,877,909 |
| Public Safety - Police | 196,097 |
| Public Safety - Fire | 260,246 |
| | <u>3,506,416</u> |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

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 | Decreases | Ending Balances |
|--------------------------------------|-----------------------|------------------|----------------|--------------------|
| Nondepreciable Capital Assets | | | | |
| Land | \$ 832,453 | - | - | 832,453 |
| Landscaping | 60,231 | - | - | 60,231 |
| Construction in Progress | 1,970,314 | 7,525,542 | 986,901 | 8,508,955 |
| | <u>2,862,998</u> | <u>7,525,542</u> | <u>986,901</u> | <u>9,401,639</u> |
| Depreciable Capital Assets | | | | |
| Water System Improvements | 29,017,005 | 806,954 | - | 29,823,959 |
| Sewer System Improvements | 54,874,218 | 1,528,987 | - | 56,403,205 |
| Storm Water Pump Stations | 2,001,674 | - | - | 2,001,674 |
| Buildings | 12,753,719 | 102,626 | - | 12,856,345 |
| Machinery, Equipment, and Vehicles | 9,715,919 | 4,293 | 11,995 | 9,708,217 |
| Parking Facilities/Improvements | 4,934,604 | 54,094 | 40,000 | 4,948,698 |
| | <u>113,297,139</u> | <u>2,496,954</u> | <u>51,995</u> | <u>115,742,098</u> |
| Less Accumulated Depreciation | | | | |
| Water System Improvements | 8,889,252 | 528,837 | - | 9,418,089 |
| Sewer System Improvements | 13,854,201 | 847,289 | - | 14,701,490 |
| Storm Water Pump Stations | 1,009,803 | 38,612 | - | 1,048,415 |
| Buildings | 5,277,025 | 292,784 | - | 5,569,809 |
| Machinery, Equipment, and Vehicles | 5,234,181 | 415,164 | 11,995 | 5,637,350 |
| Parking Facilities/Improvements | 1,785,758 | 122,223 | 40,000 | 1,867,981 |
| | <u>36,050,220</u> | <u>2,244,909</u> | <u>51,995</u> | <u>38,243,134</u> |
| Total Depreciable Capital Assets | <u>77,246,919</u> | <u>252,045</u> | <u>-</u> | <u>77,498,964</u> |
| Total Capital Assets | <u>80,109,917</u> | <u>7,777,587</u> | <u>986,901</u> | <u>86,900,603</u> |

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

| | |
|---------------|------------------|
| Water | \$ 1,056,374 |
| Sewer | 1,064,587 |
| Parking Meter | <u>123,948</u> |
| | <u>2,244,909</u> |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

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

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-------------------------|-----------------------|-----------|-------------|--------------------|
| \$17,525,000 General Obligation Refunding Bonds of 2004, due in annual installments of \$530,000 to \$1,645,000 plus interest at 3.00% to 4.00% through December 1, 2020. | Debt Service | \$ 1,050,000 | - | 170,000 * | - |
| | | | | 880,000 | - |
| | Sewer | 2,280,000 | - | 1,710,000 * | - |
| | | | | 570,000 | - |
| | Water | 3,300,000 | - | 3,120,000 * | - |
| | | | | 180,000 | - |
| \$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 | 8,795,000 | - | 1,085,000 | 7,710,000 |
| | Sewer | 2,225,000 | - | 70,000 | 2,155,000 |
| | Water | 5,215,000 | - | 80,000 | 5,135,000 |
| \$9,010,000 General Obligation Refunding Bonds of 2009, due in annual installments of \$375,000 to \$960,000 plus interest at 2.00% to 3.65% through December 1, 2023. | Debt Service | 1,110,000 | - | 125,000 | 985,000 |
| | Sewer | 1,100,000 | - | 125,000 | 975,000 |
| | Water | 4,000,000 | - | 700,000 | 3,300,000 |
| \$25,895,000 General Obligation Refunding Bonds of 2010, due in annual installments of \$190,000 to \$4,430,000 plus interest at 2.00% to 4.00% through December 1, 2026. | Debt Service | 23,280,000 | - | - | 23,280,000 |
| | Sewer | 1,485,000 | - | - | 1,485,000 |
| | Water | 1,130,000 | - | - | 1,130,000 |

* Refunded

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds – Continued

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|---|-------------------------|-----------------------|-------------------|------------------|--------------------|
| \$13,605,000 General Obligation Refunding Bonds of 2011, due in annual installments of \$740,000 to \$2,305,000 plus interest at 2.00% to 3.00% through December 1, 2023. | Sewer | \$ 7,815,000 | - | 630,000 | 7,185,000 |
| | Water | 4,300,000 | - | 125,000 | 4,175,000 |
| \$9,920,000 General Obligation Bonds of 2013, due in annual installments of \$55,000 to \$1,00,000 plus interest at 2.00% to 4.35% through December 1, 2037. | Debt Service | 1,000,000 | - | 55,000 | 945,000 |
| | Sewer | 8,920,000 | - | - | 8,920,000 |
| \$20,315,000 General Obligation Bonds of 2014, due in annual installments of \$100,000 to \$1,850,000 plus interest at 3.00% to 4.00% through December 1, 2043. | Debt Service | - | 150,000 | - | 150,000 |
| | Sewer | - | 17,160,000 | - | 17,160,000 |
| | Water | - | 3,005,000 | - | 3,005,000 |
| | | <u>77,005,000</u> | <u>20,315,000</u> | <u>9,625,000</u> | <u>87,695,000</u> |

IEPA Revenue Bonds

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

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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 2006, due in annual installments of \$8,437 to \$27,333 plus interest of 2.500% through September 13, 2026. | Sewer | \$ 307,449 | - | 20,288 | 287,161 |
| IEPA Revenue Bonds of 2007, due in annual installments of \$26,641 to \$39,769 plus interest at 2.500% through October 21, 2027. | Sewer | 486,954 | - | 29,504 | 457,450 |
| IEPA Revenue Bonds of 2010, due in annual installments of \$8,822 at 0.00% interest through April 7, 2030. | Sewer | 145,562 | - | 8,822 | 136,740 |
| IEPA Revenue Bonds of 2011, due in annual installments of \$42,888 at 1.25% interest through July 18, 2031. | Sewer | 689,366 | - | 34,378 | 654,988 |
| IEPA Revenue Bonds of 2012, due in annual installments of \$47,414 at 2.295% interest through August 5, 2032. | Sewer | 726,829 | - | 30,910 | 695,919 |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

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 2013, due in semi annual installments of \$17,634 at 1.930% interest through December 1, 2033. | Sewer | \$ 582,886 | - | 27,822 | 555,064 |
| IEPA Revenue Bonds of 2014, due in semi annual installments of \$19,563 at 1.995% interest through December 3, 2034. | Sewer | - | 641,366 | - | 641,366 |
| | | 2,939,046 | 641,366 | 151,724 | 3,428,688 |

Installment Contracts/Notes Payable

In June 2013, the Village received formal notification from the Office of the State Fire Marshal and the Illinois Finance Authority that the Village had been approved for a \$250,000 interest free loan for the purchase of a fire truck. The loan is from the Fire Trust Revolving Loan Program and is to be paid back in equal installments over 20 years. The Village is using the loan to help defray the cost of the purchase of a new Emergency One Fire Pumping Apparatus to replace an approximately 25 year old pumper. As of December 31, 2014, the loan outstanding balance is \$225,000. Installment contracts/notes payable currently outstanding are governmental and are as follows:

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-------------------------|-----------------------|-----------|-------------|--------------------|
| \$250,000 Installment Contract of 2012 - due in annual installments of \$12,500 through November 1, 2032. | General | \$ 237,500 | - | 12,500 | 225,000 |

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

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/ Transfers | Deductions/ Transfers | Ending Balances | Amounts Due within One Year |
|---|-----------------------|-------------------------|--------------------------|--------------------|-----------------------------------|
| Governmental Activities | | | | | |
| Compensated Absences | \$ 3,806,079 | 26,679 | 53,358 | 3,779,400 | 755,880 |
| Net Pension Obligation | | | | | |
| Police Pension Fund | 414,028 | - | 16,988 | 397,040 | - |
| Firefighters' Pension Fund | 354,157 | - | 16,777 | 337,380 | - |
| Illinois Municipal Retirement Fund | 650,706 | 13,918 | - | 664,624 | - |
| General Obligation Bonds Payable | 35,235,000 | 150,000 | 2,315,000 | 33,070,000 | 2,200,000 |
| Installment Contracts/ Notes Payable | 237,500 | - | 12,500 | 225,000 | 12,500 |
| | <u>40,697,470</u> | <u>190,597</u> | <u>2,414,623</u> | <u>38,473,444</u> | <u>2,968,380</u> |
| Business-Type Activities | | | | | |
| Compensated Absences | \$ 191,400 | 38,200 | 19,100 | 210,500 | 42,100 |
| General Obligation Bonds Payable | 41,770,000 | 20,165,000 | 7,310,000 | 54,625,000 | 2,625,000 |
| Unamortized Bond Discounts | - | (227,916) | (56,916) | (171,000) | - |
| IEPA Loans Payable | 2,939,046 | 641,366 | 151,724 | 3,428,688 | 176,130 |
| | <u>44,900,446</u> | <u>20,616,650</u> | <u>7,423,908</u> | <u>58,093,188</u> | <u>2,843,230</u> |

For governmental activities, the General Fund makes payments on the compensated absences, the net pension obligations, the net other post-employment benefit obligation, and the installment contracts/notes payable. The Debt Service Fund makes payments on the general obligation bonds payable.

For the business-type activities compensated absences are retired by the Water and Sewer Funds. The Sewer Fund makes payments on the IEPA loans payable. The Water and Sewer Funds make payments on the general obligation bonds payable.

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin

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

Debt Service Requirements to Maturity

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

| Fiscal Year | Governmental Activities | | | |
|----------------|-------------------------------------|------------------|---|----------|
| | General Obligation Bonds Payable | | Installment Contracts/ Notes Payable | |
| | Principal | Interest | Principal | Interest |
| 2015 | \$ 2,200,000 | 1,134,680 | 12,500 | - |
| 2016 | 2,385,000 | 1,053,048 | 12,500 | - |
| 2017 | 2,555,000 | 965,800 | 12,500 | - |
| 2018 | 2,675,000 | 866,117 | 12,500 | - |
| 2019 | 2,780,000 | 762,884 | 12,500 | - |
| 2020 | 2,885,000 | 679,772 | 12,500 | - |
| 2021 | 2,985,000 | 593,349 | 12,500 | - |
| 2022 | 3,120,000 | 503,587 | 12,500 | - |
| 2023 | 3,315,000 | 410,311 | 12,500 | - |
| 2024 | 3,370,000 | 303,099 | 12,500 | - |
| 2025 | 3,095,000 | 189,624 | 12,500 | - |
| 2026 | 1,550,000 | 66,526 | 12,500 | - |
| 2027 | 75,000 | 5,200 | 12,500 | - |
| 2028 | 80,000 | 2,800 | 12,500 | - |
| 2029 | - | - | 12,500 | - |
| 2030 | - | - | 12,500 | - |
| 2031 | - | - | 12,500 | - |
| 2032 | - | - | 12,500 | - |
| Total | 33,070,000 | 7,536,797 | 225,000 | - |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

| Fiscal Year | Business-Type Activities | | | |
|----------------|-------------------------------------|------------|-----------------------|----------|
| | General Obligation Bonds Payable | | IEPA Loans Payable | |
| | Principal | Interest | Principal | Interest |
| 2015 | \$ 2,625,000 | 1,883,878 | 176,130 | 64,733 |
| 2016 | 3,090,000 | 1,814,587 | 180,867 | 61,993 |
| 2017 | 3,565,000 | 1,721,099 | 184,403 | 58,458 |
| 2018 | 3,665,000 | 1,606,824 | 188,011 | 54,850 |
| 2019 | 3,785,000 | 1,487,255 | 191,701 | 51,162 |
| 2020 | 3,560,000 | 1,360,868 | 195,467 | 47,394 |
| 2021 | 3,620,000 | 1,238,797 | 199,313 | 43,548 |
| 2022 | 3,310,000 | 1,117,372 | 203,248 | 39,614 |
| 2023 | 2,460,000 | 1,013,646 | 207,263 | 35,597 |
| 2024 | 1,730,000 | 934,498 | 211,366 | 31,493 |
| 2025 | 605,000 | 878,359 | 215,559 | 27,298 |
| 2026 | 600,000 | 860,210 | 219,846 | 23,016 |
| 2027 | 605,000 | 841,711 | 195,252 | 18,814 |
| 2028 | 605,000 | 822,550 | 158,189 | 15,330 |
| 2029 | 1,000,000 | 801,876 | 160,985 | 12,534 |
| 2030 | 1,050,000 | 768,125 | 159,422 | 9,685 |
| 2031 | 1,100,000 | 730,937 | 157,920 | 6,778 |
| 2032 | 1,100,000 | 691,437 | 117,860 | 3,948 |
| 2033 | 1,200,000 | 651,187 | 67,340 | 1,738 |
| 2034 | 1,250,000 | 606,687 | 38,546 | 578 |
| 2035 | 1,300,000 | 560,437 | - | - |
| 2036 | 1,350,000 | 508,063 | - | - |
| 2037 | 1,400,000 | 452,875 | - | - |
| 2038 | 1,500,000 | 394,375 | - | - |
| 2039 | 1,550,000 | 338,125 | - | - |
| 2040 | 1,650,000 | 280,000 | - | - |
| 2041 | 1,700,000 | 214,000 | - | - |
| 2042 | 1,800,000 | 146,000 | - | - |
| 2043 | 1,850,000 | 74,000 | - | - |
| Total | 54,625,000 | 24,799,778 | 3,428,688 | 608,561 |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding

General Obligation Bonds of 2009

On October 27, 2009, the Village passed an ordinance providing for the issuance of \$9,010,000 General Obligation Refunding and Improvements Bond Series 2009 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued to complete the Sheridan Road reconstruction project and for a current refunding of the General Obligation Refunding Bond Series of 1999, issued by the Village and outstanding in the aggregate principal amount of \$4,750,000.

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

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

General Obligation Bonds of 2010

On November 30, 2010, the Village passed an ordinance providing for the issuance of \$23,280,000 General Obligation Refunding and Improvements Bond Series 2010 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. The bonds were issued to complete various street resurfacing and alley improvements and for a current refunding of the General Obligation Refunding Bond Series of 2002, issued by the Village and outstanding in the aggregate principal amount of \$18,075,000.

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

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

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Advance Refunding – Continued

General Obligation Bonds of 2011

On December 1, 2011, the Village passed an ordinance providing for the issuance of \$13,605,000 General Obligation Refunding Bond Series 2011 and the levy and collection of a direct annual tax for the payment of principal and interest on the bonds. \$6,375,000 of the bonds were issued for an advance refunding of the Water Fund and Sewer Fund portions of the General Obligation Bond Series 2002 and \$7,230,000 were issued for a current refunding of IEPA Revenue Bonds of 1993, 1995, 1996 and 1997, issued by the Village and outstanding in the aggregate principal amount of \$11,262,794.

The advance refunding portion was undertaken to benefit from a reduced interest rate and therefore improving the overall cost of the debt. From 2013 through 2023 total debt service for this portion of the bond issue will be reduced by \$969,878 reflecting net present value savings of \$850,600. Proceeds in the amount of \$6,378,904 were used to execute the escrow agreement for the advance refunding.

The current refunding portion was undertaken to lengthen the overall maturities of the four IEPA Loans and to benefit from lower interest rates. From 2013 through 2023 total debt service for this portion of the bond issue will increase by \$812,066 but still reflecting net present value savings of \$32,500. The restructuring of this debt in this manner will provide \$3.6 million in cash flow savings through 2016.

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

General Obligation Bonds of 2014

On October 7 2014, the Village passed an ordinance providing for the issuance of \$20,315,000 General Obligation Bond Series 2014 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 capital improvements and for a current refunding of the General Obligation Refunding Bond Series of 2004, issued by the Village and outstanding in the aggregate principal amount of \$6,630,000.

This current refunding was undertaken to benefit from a reduced interest rate and therefore improving the overall cost of debt. From 2015 through the new 2020 maturity there is a reduction in debt service of \$327,514. There is a net present value savings of \$317,628.

Proceeds in the amount of \$5,018,077 from the refunding bonds were used to execute the escrow agreement. The long-term debt for the General Obligation Refunding Bond Series 2004 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, 2014**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

NET POSITION CLASSIFICATIONS

Net investment in capital assets was comprised of the following as of December 31, 2014:

| | |
|--|--------------------|
| Governmental Activities | |
| Capital Assets - Net of Accumulated Depreciation | \$ 47,695,285 |
| Plus Unspent Bond Proceeds | 69,638 |
| Less Capital Related Debt: | |
| General Obligation Bonds Payable | (33,070,000) |
| Loss on Refunding | 1,330,554 |
| Installment Contracts/Notes Payable | <u>(225,000)</u> |
| Net Investment in Capital Assets | <u>15,800,477</u> |
| Business-Type Activities | |
| Capital Assets - Net of Accumulated Depreciation | 86,900,603 |
| Plus Unspent Bond Proceeds | 15,905,352 |
| Less Capital Related Debt: | |
| Net General Obligation Bonds Payable | (54,540,250) |
| IEPA Loans Payable | <u>(3,428,688)</u> |
| Net Investment in Capital Assets | <u>44,837,017</u> |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS

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

| | Series 2007, 2009, 2010 and 2013 | | | | Totals |
|----------------------------|-------------------------------------|-----------------|--------------------------------|----------------|-------------------|
| | General | Debt Service | General Obligation Bonds | Nonmajor | |
| Fund Balances | | | | | |
| Nonspendable | | | | | |
| Prepays | \$ 82,104 | - | - | - | 82,104 |
| IRMA Insurance Deposit | 1,140,453 | - | - | - | 1,140,453 |
| | <u>1,222,557</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,222,557</u> |
| Restricted | | | | | |
| Police Seizures | 64,712 | - | - | - | 64,712 |
| Debt Service | - | 33,073 | - | - | 33,073 |
| Motor Fuel Tax | - | - | - | 684,845 | 684,845 |
| | <u>64,712</u> | <u>33,073</u> | <u>-</u> | <u>684,845</u> | <u>782,630</u> |
| Assigned | | | | | |
| Affordable Housing | 60,151 | - | - | - | 60,151 |
| Road Maintenance | 205,115 | - | - | - | 205,115 |
| Encumbrances | 551,380 | - | - | - | 551,380 |
| Capital Projects | - | - | 69,638 | - | 69,638 |
| | <u>816,646</u> | <u>-</u> | <u>69,638</u> | <u>-</u> | <u>886,284</u> |
| Unassigned | <u>7,856,971</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,856,971</u> |
| Total Fund Balances | <u>9,960,886</u> | <u>33,073</u> | <u>69,638</u> | <u>684,845</u> | <u>10,748,442</u> |

In the governmental funds financial statements, the Village considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Village first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

Assigned Fund Balance. The Village reports assigned fund balance in the General Fund and the Series 2007, 2009, 2010 and 2013 General Obligation Bond Fund, both major funds. The Village's Board, through the fund balance policy, has given authority to management (Village Manager) to assign funds in the General Fund as listed above and in the Series 2007, 2009, 2010 and 2013 General Obligation Bond Fund as stated above based on approved management and Board expenditures as determined through the annual budget process.

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

Although the Village has reported land held for resale of \$4,305,000 in the General Fund at year-end, the Village also secured a line of credit related to the purchase of the land which it has not exercised at December 31, 2014. For additional information on the line of credit see the note on page 39. Due to the fact that the Village can exercise the line of credit at any time and immediately replenish the cash in the General Fund used to purchase the land, the land held for resale is not reported as nonspendable fund balance at December 31, 2014.

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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

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 Cooperation 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 for years prior to 2004 and \$2,500 for each occurrence in 2004 and subsequent years. Beginning in 2005, members were given the option to assume higher deductibles. 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.

North Suburban Employee Benefit Cooperative (NSEBC)

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

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

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

For the year ended December 31, 2014, NSEBC had a total equity of \$1,427,402. The Village's total payments for the year ended December 31, 2014 were \$1,635,390.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES

Litigation

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

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system, the Police Pension Plan which is a single-employer pension plan, and the Firefighters' Pension Plan which is a single-employer pension plan. A separate report is not issued for the Police Pension Plan and Firefighters' Pension Plan. IMRF also issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained online at www.imrf.org. 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 (ILCS) and can only be amended by the Illinois General Assembly.

Plan Descriptions

Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Participating members hired before January 1, 2011 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) with 8 years of credited 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.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Illinois Municipal Retirement System – Continued

For participating members hired on or after January 1, 2011 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service 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 plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution rate for calendar year 2014 was 12.35 percent of the annual covered payroll.

Police Pension Plan

Plan Administration. The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active police employees.

Plan Membership. At December 31, 2014, the measurement date, membership consisted of the following:

| | |
|--|-----------|
| Inactive Plan Members Currently Receiving Benefits | 43 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 1 |
| Employees | |
| Vested | <u>44</u> |
| Total | <u>88</u> |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Police Pension Plan – Continued

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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 annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight 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 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of $\frac{1}{2}$ of the change in the Consumer Price Index for the preceding calendar year.

Contributions. 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2014, the Village's contribution was 68.9% of covered payroll.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Firefighters' Pension Fund

Plan Administration. The Firefighters' Pension Plan is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the Fund as a pension trust fund. The Fund is governed by a five-member pension board. Two members of the Board are appointed by the Village President, one member is elected by pension beneficiaries and two members are elected by active fire employees.

Plan Membership. At December 31, 2014, the measurement date, membership consisted of the following:

| | |
|--|------------|
| Inactive Plan Members Currently Receiving Benefits | 54 |
| Inactive Plan Members Entitled to but not yet Receiving Benefits | 1 |
| Employees | |
| Vested | <u>46</u> |
| Total | <u>101</u> |

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

The Firefighters' Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight 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 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 percent of the original pension and 3percent compounded annually thereafter.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions – Continued

Firefighters' Pension Fund – Continued

Benefits Provided – Continued. Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for the pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., ½ percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the police office retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent of ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions. 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 and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. For the year-ended December 31, 2014, the Village's contribution was 63.5% of covered payroll.

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, 2014

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. The Police Pension Fund has over 5% of net plan position available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard totaling \$12,430,943, and the Firefighters' Pension Fund has over 5% invested in Vanguard totaling \$12,663,477. 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.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation performed, as of December 31, 2014, using the following actuarial methods and assumptions:

| | Police Pension | Firefighters' Pension |
|----------------------------|-------------------|--------------------------|
| Actuarial Valuation Date | 12/31/2014 | 12/31/2014 |
| Actuarial Cost Method | Level % of Pay | Level % of Pay |
| Asset Valuation Method | Market | Market |
| Actuarial Assumptions | | |
| Interest Rate | 7.25% | 7.25% |
| Salary Increases | 5.50% | 5.50% |
| Cost of Living Adjustments | 3.00% | 3.00% |
| Inflation | 4.00% | 4.00% |

Mortality rates were based on the RP-2000 Mortality Table with a Blue Collar Adjustment, projected to 2013.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Discount Rate

The discount rate used to measure the total pension liability was 7.25%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liabilities calculated using the discount rate as well as what the net pension liabilities would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease (6.25%) | Current Discount Rate (7.25%) | 1% Increase (8.25%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Police Pension | | | |
| Net Pension Liability | \$ 26,185,007 | 18,221,852 | 11,637,112 |
| Firefighters' Pension | | | |
| Net Pension Liability | \$ 31,417,125 | 23,173,345 | 16,311,266 |

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Net Pension Liability

The components of the net pension liability of the Village's Plans as of December 31, 2014, calculated in accordance with GASB Statement No. 67, were as follows:

| | Police Pension | Firefighters' Pension | Totals |
|---|-------------------|--------------------------|-------------------|
| Total Pension Liability | \$ 59,622,808 | 65,135,333 | 124,758,141 |
| Plan Fiduciary Net Position | 41,400,956 | 41,961,988 | 83,362,944 |
| Village's Net Pension Liability | <u>18,221,852</u> | <u>23,173,345</u> | <u>41,395,197</u> |
| Plan Fiduciary Net Position as a Percentage of the total Pension Liability | 69.4% | 64.4% | 66.8% |

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the required supplementary information for additional information related to the funded status of the Fund.

Net Pension Obligation

Employer annual pension costs (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.

| | Illinois Municipal Retirement | Police Pension | Firefighters' Pension | Totals |
|--|-------------------------------------|-------------------|--------------------------|------------------|
| Annual Required Contribution | \$ 1,136,941 | 1,775,948 | 2,177,181 | 5,090,070 |
| Interest on Net Pension Obligation | 48,803 | 30,017 | 25,676 | 104,496 |
| Adjustment to Annual Required Contribution | (34,885) | (22,953) | (19,634) | (77,472) |
| Annual Pension Cost | 1,150,859 | 1,783,012 | 2,183,223 | 5,117,094 |
| Actual Contribution | <u>1,136,941</u> | <u>1,800,000</u> | <u>2,200,000</u> | <u>5,136,941</u> |
| Increase (Decrease) to the NPO | 13,918 | (16,988) | (16,777) | (19,847) |
| NPO - Beginning | <u>650,706</u> | <u>414,028</u> | <u>354,157</u> | <u>1,418,891</u> |
| NPO - Ending | <u>664,624</u> | <u>397,040</u> | <u>337,380</u> | <u>1,399,044</u> |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Costs

Employer contributions have been determined as follows:

| | Illinois Municipal Retirement | Police Pension | Firefighters' Pension |
|-------------------------------|--|--|--|
| Contribution Rates | | | |
| Employer | 12.35% | 43.10% | 51.80% |
| Employee | 4.50% | 9.91% | 9.455% |
| Actuarial Valuation Date | 12/31/2014 | 12/31/2014 | 12/31/2014 |
| Actuarial Cost Method | Entry Age Normal | Projected Unit Credit | Projected Unit Credit |
| Amortization Method | Level % of Projected Payroll Open Basis | Level % of Projected Payroll Closed Basis | Level % of Projected Payroll Closed Basis |
| Remaining Amortization Period | 30 Years | 27 Years | 27 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 | 7.25% Compounded Annually | 7.25% Compounded Annually |
| Projected Salary Increases | .4 to 10.0% | 5.50% | 5.50% |
| Inflation Rate Included | 4.00% | 4.00% | 4.00% |
| Cost-of-Living Adjustments | 3.00% | 3.00% | 3.00% |

VILLAGE OF WILMETTE, ILLINOIS

**Notes to the Financial Statements
December 31, 2014**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

The trend information for each plan is as follows:

| | Fiscal Year | Illinois Municipal Retirement | Police Pension | Firefighters' Pension |
|----------------------------------|----------------|-------------------------------------|-------------------|--------------------------|
| Annual Pension | 2012 | \$ 1,053,456 | 1,851,376 | 2,224,747 |
| Cost (APC) | 2013 | 1,158,751 | 1,807,270 | 2,196,166 |
| | 2014 | 1,150,859 | 1,783,012 | 2,183,223 |
| Actual Contributions | 2012 | 923,763 | 1,843,600 | 2,217,700 |
| | 2013 | 1,048,451 | 1,800,000 | 2,211,300 |
| | 2014 | 1,136,941 | 1,800,000 | 2,200,000 |
| Percentage of APC Contributed | 2012 | 100.00% | 99.58% | 99.68% |
| | 2013 | 90.48% | 99.60% | 100.69% |
| | 2014 | 98.79% | 100.95% | 100.77% |
| Net Pension Obligation | 2012 | 540,406 | 406,758 | 369,291 |
| | 2013 | 650,706 | 414,028 | 354,157 |
| | 2014 | 664,624 | 397,040 | 337,380 |

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements
December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The funded status for each plan is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC as disclosed in the NPO calculation.

| | Illinois Municipal Retirement | Police Pension | Firefighters' Pension |
|--|-------------------------------------|-------------------|--------------------------|
| Actuarial Valuation Date | 12/31/14 | 12/31/14 | 12/31/14 |
| Percent Funded | 77.76% | 68.88% | 63.46% |
| Actuarial Accrued Liability for Benefits | \$29,504,813 | \$60,035,705 | \$66,062,441 |
| Actuarial Value of Assets | \$22,943,179 | \$41,352,610 | \$41,922,787 |
| Over (Under) Funded Actuarial Accrued Liability (UAAL) | (\$6,561,634) | (\$18,683,095) | (\$24,139,654) |
| Covered Payroll (Annual Payroll of Active Employees Covered by the Plan) | \$9,205,997 | \$4,263,576 | \$4,333,254 |
| Ratio of UAAL to Covered Payroll | 71.28% | 438.20% | 557.08% |

See the schedule of funding progress in the required supplementary information immediately following the notes to the financial statements for additional information related to the funded status of the plans.

VILLAGE OF WILMETTE, ILLINOIS

Notes to the Financial Statements December 31, 2014

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

The Village has evaluated its current potential other post-employment benefits liability. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. Although the Village has former employees who have chosen to stay in the Village's health insurance plan, but they pay 100 percent of the premiums; therefore, the implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions* is immaterial. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Village has not recorded any post-employment benefit liability as of December 31, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

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

- Schedule of Funding Progress and Employer Contributions
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Employer Contributions
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Changes in the Employer's Net Pension Liability
 - Police Pension Fund
 - Firefighters' Pension Fund
- Schedule of Investment Returns
 - Police Pension Fund
 - Firefighters' Pension Fund
- Budgetary Comparison Schedule
 - General Fund

Notes to the Required Supplementary Information

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

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2014**

Funding Progress

| Actuarial Valuation Date Dec. 31 | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|---|--|--|-------------------------------------|---|-------------------------------------|---|
| 2009 | \$ 25,732,932 | \$ 31,310,510 | 82.19% | \$ 5,577,578 | \$ 8,814,790 | 63.28% |
| 2010 | 26,367,785 | 31,865,129 | 82.75% | 5,497,344 | 8,499,522 | 64.68% |
| 2011 | 24,514,832 | 31,263,056 | 78.41% | 6,748,224 | 8,570,892 | 78.73% |
| 2012 | 26,029,927 | 32,328,336 | 80.52% | 6,298,409 | 8,698,335 | 72.41% |
| 2013 | 27,400,560 | 32,470,941 | 84.38% | 5,070,381 | 8,971,450 | 56.52% |
| 2014 | 22,943,179 | 29,504,813 | 77.76% | 6,561,634 | 9,205,997 | 71.28% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|----------------|---------------------------|------------------------------------|------------------------|
| 2009 | \$ 702,539 | \$ 702,539 | 100.00% |
| 2010 | 745,408 | 956,196 | 77.96% |
| 2011 | 827,091 | 1,022,507 | 80.89% |
| 2012 | 923,763 | 1,044,670 | 88.43% |
| 2013 | 1,048,451 | 1,147,192 | 91.39% |
| 2014 | 1,136,941 | 1,136,941 | 100.00% |

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
December 31, 2014**

Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded Actuarial Liability (Overfunded) (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--------------------------|---------------------------------------|--|----------------------------------|---|-------------------------------|--|
| 2009 | \$ 31,057,872 | \$ 46,081,936 | 67.40% | \$ 15,024,064 | \$ 3,835,524 | 391.71% |
| 2010 | 31,937,125 | 48,562,989 | 65.76% | 16,625,864 | 3,945,408 | 421.40% |
| 2011 | 34,263,949 | 51,377,545 | 66.69% | 17,113,596 | 4,038,326 | 423.78% |
| 2012 | 36,626,142 | 54,342,889 | 67.40% | 17,716,747 | 4,079,924 | 434.24% |
| 2013 | 39,539,190 | 56,400,194 | 70.10% | 16,861,004 | 4,118,388 | 409.41% |
| 2014 | 41,352,610 | 60,035,705 | 68.88% | 18,683,095 | 4,263,576 | 438.20% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|-------------|------------------------|------------------------------|---------------------|
| 2009 | \$ 1,300,000 | \$ 1,535,884 | 84.64% |
| 2010 | 1,540,900 | 1,701,843 | 90.54% |
| 2011 | 1,752,700 | 1,752,679 | 100.00% |
| 2012 | 1,843,600 | 1,843,516 | 100.00% |
| 2013 | 1,800,000 | 1,799,814 | 100.01% |
| 2014 | 1,800,000 | 1,775,948 | 101.35% |

- I. At 12/31/10 the Village changes the actuarial assumption for interest rate of return from 7.40% to 7.35%. This change increased the Unfunded Accrued Actuarial Liability by \$334,981.
- II. At 12/31/11 the Village changes the actuarial assumption for interest rate of return from 7.35% to 7.30%. This change increased the Unfunded Accrued Actuarial Liability by \$349,774.
- III. At 12/31/12 the Village changes the actuarial assumption for interest rate of return from 7.30% to 7.25% and updated the assumptions for mortality, retirement rates, terminations and spousal age. These changes increased the Unfunded Accrued Actuarial Liability by \$664,563.

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 December 31, 2014

Funding Progress

| Actuarial Valuation Date | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Funded Ratio (1) ÷ (2) | (4) Unfunded (Overfunded) Actuarial Liability (2) - (1) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5) |
|--------------------------|---------------------------------------|--|----------------------------------|---|-------------------------------|--|
| 2009 | \$ 31,700,500 | \$ 49,748,319 | 63.72% | \$ 18,047,819 | \$ 3,928,010 | 459.46% |
| 2010 | 32,553,522 | 53,786,181 | 60.52% | 21,232,659 | 4,143,165 | 512.47% |
| 2011 | 34,989,002 | 57,149,163 | 61.22% | 22,160,161 | 4,107,555 | 539.50% |
| 2012 | 37,377,777 | 59,860,901 | 62.44% | 22,483,124 | 4,208,146 | 534.28% |
| 2013 | 40,126,135 | 61,553,823 | 65.19% | 21,427,688 | 4,206,186 | 509.43% |
| 2014 | 41,922,787 | 66,062,441 | 63.46% | 24,139,654 | 4,333,254 | 557.08% |

Employer Contributions

| Fiscal Year | Employer Contributions | Annual Required Contribution | Percent Contributed |
|-------------|------------------------|------------------------------|---------------------|
| 2009 | \$ 1,620,000 | \$ 1,833,191 | 88.37% |
| 2010 | 1,880,700 | 2,018,698 | 93.16% |
| 2011 | 2,152,600 | 2,152,570 | 100.00% |
| 2012 | 2,217,700 | 2,217,611 | 100.00% |
| 2013 | 2,211,300 | 2,189,397 | 101.00% |
| 2014 | 2,200,000 | 2,177,181 | 101.05% |

- I. At 12/31/10 the Village changed the actuarial assumption for interest rate of return from 7.40% to 7.35%. This change increased the Unfunded Accrued Actuarial Liability by \$351,288.
- II. At 12/31/11 the Village changes the actuarial assumption for interest rate of return from 7.35% to 7.30%. This change increased the Unfunded Accrued Actuarial Liability by \$368,504.
- III. At 12/31/12 the Village changes the actuarial assumption for interest rate of return from 7.30% to 7.25% and updated the assumptions for mortality, retirement rates, terminations and spousal age. These changes increased the Unfunded Accrued Actuarial Liability by \$292,826.

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2014**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered-Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|-------------|-------------------------------------|--|-----------------------------------|--------------------------|---|
| 2014 | \$ 1,775,948 | \$ 1,800,000 | \$ 24,052 | \$ 4,263,576 | 42.2% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Valuation Date | December 31, 2014 |
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 27 Years |
| Asset Valuation Method | 3-Year Smoothed Market |
| Inflation | 4.0% |
| Salary Increases | 5.5% |
| Investment Rate of Return | 7.25% |
| Retirement Age | 50-70 |
| Mortality | RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment, Projected to 2013. |

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Employer Contributions
December 31, 2014**

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Contribution | Contribution Excess/ (Deficiency) | Covered- Employee Payroll | Contributions as a Percentage of Covered-Employee Payroll |
|----------------|---|--|---|---------------------------------|--|
| 2014 | \$ 2,177,181 | \$ 2,200,000 | \$ 22,819 | \$ 4,333,254 | 50.8% |

Notes to the Required Supplementary Information:

| | |
|-------------------------------|--|
| Actuarial Valuation Date | December 31, 2014 |
| Actuarial Cost Method | Projected Unit Credit |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 27 Years |
| Asset Valuation Method | 3-Year Smoothed Market |
| Inflation | 4.0% |
| Salary Increases | 5.5% |
| Investment Rate of Return | 7.25% |
| Retirement Age | 50-70 |
| Mortality | RP-2000 Combined Healthy Mortality Table with a Blue Collar Adjustment, Projected to 2013. |

Note: The information presented above is formatted to comply with the requirement of GASB Statement No. 67.

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2014

| | <u>2014</u> |
|--|--------------------------|
| Total Pension Liability | |
| Service Cost | \$ 1,028,254 |
| Interest | 4,128,751 |
| Differences Between Expected and Actual Experience | (165,348) |
| Benefit Payments, Including Refunds of Member Contributions | <u>(2,577,760)</u> |
| Net Change in Total Pension Liability | 2,413,897 |
| Total Pension Liability - Beginning | <u>57,208,911</u> |
| Total Pension Liability - Ending | <u><u>59,622,808</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 1,800,000 |
| Contributions - Members | 423,565 |
| Net Investment Income | 1,985,708 |
| Benefit Payments, Including Refunds of Member Contributions | (2,577,761) |
| Administrative Expense | <u>(24,963)</u> |
| Net Change in Plan Fiduciary Net Position | 1,606,549 |
| Plan Net Position - Beginning | <u>39,794,407</u> |
| Plan Net Position - Ending | <u><u>41,400,956</u></u> |
| Employers Net Pension Liability | <u>\$ 18,221,852</u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 69.4% |
| Covered-Employee Payroll | \$ 4,263,579 |
| Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll | 427.4% |

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information Schedule of Changes in the Employer's Net Pension Liability December 31, 2014

| | <u>2014</u> |
|--|-----------------------------|
| Total Pension Liability | |
| Service Cost | \$ 1,353,552 |
| Interest | 4,447,479 |
| Differences Between Expected and Actual Experience | 915,150 |
| Benefit Payments, Including Refunds of Member Contributions | <u>(3,143,670)</u> |
| Net Change in Total Pension Liability | 3,572,511 |
| Total Pension Liability - Beginning | <u>61,562,822</u> |
| Total Pension Liability - Ending | <u><u>65,135,333</u></u> |
| Plan Fiduciary Net Position | |
| Contributions - Employer | \$ 2,200,000 |
| Contributions - Members | 404,901 |
| Net Investment Income | 2,008,758 |
| Benefit Payments, Including Refunds of Member Contributions | (3,143,670) |
| Administrative Expense | <u>(67,965)</u> |
| Net Change in Plan Fiduciary Net Position | 1,402,024 |
| Plan Net Position - Beginning | <u>40,559,964</u> |
| Plan Net Position - Ending | <u><u>41,961,988</u></u> |
| Employers Net Pension Liability | <u><u>\$ 23,173,345</u></u> |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 64.4% |
| Covered-Employee Payroll | \$ 4,333,254 |
| Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll | 534.8% |

VILLAGE OF WILMETTE, ILLINOIS

Police Pension Fund

Required Supplementary Information
Schedule of Investment Returns
December 31, 2014

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 2014 | 5.01% |

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Investment Returns

December 31, 2014

| Fiscal Year | Annual Money- Weighted Rate of Return, Net of Investment Expense |
|----------------|--|
| 2014 | 4.99% |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Required Supplementary Information
 Schedule of Revenues, Expenditures and
 Changes in Fund Balance - Budget and Actual
 For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|------------|
| Revenues | | |
| Taxes | \$ 22,816,700 | 23,573,461 |
| Licenses, Permits and Fees | 3,486,300 | 4,407,036 |
| Intergovernmental | 476,250 | 323,263 |
| Charges for Services | 3,120,530 | 3,191,053 |
| Fines and Forfeitures | 353,700 | 373,671 |
| Investment Earnings | 15,021 | 234,829 |
| Miscellaneous | 1,192,537 | 1,357,508 |
| Total Revenues | 31,461,038 | 33,460,821 |
| Expenditures | | |
| General Government | 3,391,745 | 3,258,505 |
| Public Safety | 19,253,965 | 19,061,947 |
| Streets and Sanitation | 6,119,801 | 6,156,261 |
| Other Public Works | 2,371,129 | 1,951,515 |
| Public Health | 256,875 | 244,963 |
| Community Development | 1,493,080 | 1,675,987 |
| Capital Outlay | 104,935 | 110,467 |
| Debt Service | | |
| Principal Retirement | 12,500 | 12,500 |
| Total Expenditures | 33,004,030 | 32,472,145 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,542,992) | 988,676 |
| Other Financing Sources | | |
| Transfers In | 1,200,000 | 1,000,000 |
| Transfers Out | - | (60,000) |
| | 1,200,000 | 940,000 |
| Net Change in Fund Balance | (342,992) | 1,928,676 |
| Fund Balance - Beginning | | 8,032,210 |
| Fund Balance - Ending | | 9,960,886 |

OTHER SUPPLEMENTARY INFORMATION

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

Such statements and schedules include:

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

GENERAL FUND

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

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 FUND

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

Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds Fund

The Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds Fund is used to account for revenue and expenditures for road resurfacing, alley and other infrastructure improvements, Public Works facility improvements and large equipment replacements.

ENTERPRISE FUNDS

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

Water Fund

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

Sewer Fund

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

Parking Meter Fund

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

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.

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
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|-----------------------------------|---------------------------------|------------|
| Taxes | | |
| Property Taxes | \$ 12,040,700 | 12,099,530 |
| Municipal Sales Tax | 3,388,070 | 3,709,236 |
| Municipal Sales Tax - Home Rule | 528,600 | 539,087 |
| State Income Tax | 2,402,600 | 2,593,413 |
| Real Estate Transfer Tax | 1,011,000 | 1,285,913 |
| Utility Tax | 2,500,000 | 2,344,098 |
| E-911 Surcharge | 225,000 | 222,912 |
| Wireless 911 Tax | 173,040 | 180,088 |
| Personal Property Replacement Tax | 240,300 | 264,480 |
| Fuel Use Tax | 90,000 | 79,863 |
| Hotel Tax | 217,390 | 254,841 |
| Total Taxes | 22,816,700 | 23,573,461 |
| Licenses, Permits and Fees | | |
| Licenses | | |
| Animal | 1,500 | 1,235 |
| Business | 245,000 | 260,385 |
| Vehicle | 1,360,000 | 1,544,394 |
| Taxi | 19,100 | 16,550 |
| Liquor Licenses | 70,000 | 83,265 |
| Permits | | |
| Building | 1,082,200 | 1,549,087 |
| Demolition | 51,500 | 109,775 |
| Electric | 67,000 | 96,052 |
| Plumbing | 46,400 | 63,844 |
| Right-of Way | 19,600 | 23,255 |
| Other | 123,500 | 162,700 |
| Fees | | |
| Plan Review | 78,300 | 85,393 |
| Pavement Degradation Fee | 36,100 | 67,233 |
| Inspections | 252,400 | 301,234 |
| Filing | 23,700 | 29,171 |
| Permit Penalties | 10,000 | 13,463 |
| Total Licenses, Permits, and Fees | 3,486,300 | 4,407,036 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014**

| | Original and Final Budget | Actual |
|---|---------------------------------|-----------|
| Intergovernmental | | |
| Police Grants | \$ 20,000 | 20,525 |
| Fire Grants | 10,000 | 12,888 |
| Fire Ventilation Improvements Grant | - | 118,800 |
| State Grant - Skokie / Hibbard Improvements | 400,000 | 103,518 |
| Elmwood Avenue Right-of-way Grants | 10,000 | 28,750 |
| IRMA - Back Safety Grant | - | 1,170 |
| Village Buildings - Lighting Improvements Grant | 36,250 | 37,612 |
| Total Intergovernmental | 476,250 | 323,263 |
| Charges for Services | | |
| Refuse Collection Charges | 2,322,600 | 2,444,433 |
| Refuse Collection Charges - unbilled | - | (60,000) |
| Sales of Yard Waste Bags | 105,000 | 94,772 |
| Ambulance Transport Charges | 405,400 | 439,246 |
| Fire Alarms | 10,000 | 1,800 |
| Burglar Alarms | 20,000 | 25,498 |
| Elevator Inspections | 10,000 | 15,984 |
| Sanitarian Services | 65,270 | 66,520 |
| Computer Aided Dispatch Services | 500 | - |
| Damage to Village Property | 30,000 | 14,833 |
| 611 Greenbay Rd. Services | - | 7,452 |
| Shore Line Place Services | 20,300 | 20,972 |
| Fairfield Court Services | 55,000 | 60,375 |
| French Market Services | 2,100 | 2,100 |
| Engineering & Consulting Reimbursements | - | 1,680 |
| Park District Personnel Reimbursements | 58,000 | 37,787 |
| School & Park District Ethernet Reimbursements | 6,560 | 6,564 |
| Other Police Service Charges | 600 | 800 |
| Health Department Charges | 8,200 | 10,237 |
| Atrium Unit Closing Fees | 1,000 | - |
| Total Charges for Services | 3,120,530 | 3,191,053 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---|---------------------------------|------------|
| Fines and Forfeitures | | |
| Court Fines | \$ 90,000 | 72,033 |
| Vehicle License and Parking | 260,000 | 297,860 |
| Animal and Impounding Fees | 3,700 | 3,778 |
| Total Fines and Forfeitures | 353,700 | 373,671 |
| Investment Earnings | | |
| Interest | 15,021 | 8,612 |
| I.R.M.A. Excess Surplus Investment Earnings | - | 226,217 |
| Total Investment Earnings | 15,021 | 234,829 |
| Miscellaneous | | |
| Rental Income | | |
| Wilmette Park District | 55,000 | 54,406 |
| Cellular Antennae Leases | 310,000 | 346,363 |
| Depot Nuevo | 48,887 | 48,887 |
| 1225 Central | 31,200 | 31,200 |
| 3545 Lake Avenue | 2,400 | 2,400 |
| Sale of General Capital Assets | 10,000 | 49,923 |
| Cable TV Franchise Fees | 535,000 | 531,012 |
| Cable PEG Fees | 28,500 | 46,345 |
| Commercial Waste Collection Franchise Fees | 87,550 | 88,076 |
| Interest Payments from Property Tax Collections | 1,000 | 391 |
| Other | 21,000 | 24,524 |
| Contributions for Affordable Housing | 20,000 | 20,000 |
| Donations | - | 11,186 |
| Police Seizures | 20,000 | 21,654 |
| Section 125 Plan Liability Write-offs | - | 251 |
| Insurance Recoveries | - | 54,619 |
| Housing Assistance Program Lien Collections | - | 1,800 |
| Contribution from Wilmette Historical Society | 22,000 | 24,471 |
| Total Miscellaneous | 1,192,537 | 1,357,508 |
| Total Revenues | 31,461,038 | 33,460,821 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|-------------------------------|---------------------------------|----------------|
| General Government | | |
| Legislative | | |
| Memberships | \$ 17,610 | 18,250 |
| Professional Services | - | 1,250 |
| Annual Audit | 10,700 | 9,998 |
| Incidentals | 2,000 | 1,129 |
| Total Legislative | <u>30,310</u> | <u>30,627</u> |
| General Administration | | |
| Salaries - Regular | 430,700 | 381,515 |
| Salaries - Overtime | 300 | - |
| Employee Benefits | 137,890 | 129,563 |
| Memberships | 4,410 | 5,092 |
| Professional Services | 4,810 | 2,858 |
| Community Notification System | 5,000 | 3,981 |
| Lease/Purchase - Copier | 8,650 | 8,264 |
| Pre-employment Exams | 3,500 | 5,948 |
| Office Supplies | 3,000 | 2,808 |
| Incidentals | 1,500 | 1,269 |
| Training | 6,020 | 9,130 |
| Personnel Training | 500 | - |
| Employee Recognition Program | 7,500 | 10,581 |
| Newsletters | 13,500 | 13,990 |
| Publishing Legal Notices | 2,000 | 1,390 |
| Classified Advertisements | 1,000 | 3,628 |
| Total General Administration | <u>630,280</u> | <u>580,017</u> |
| Information Services | | |
| Salaries - Regular | 254,500 | 237,830 |
| Employee Benefits | 90,390 | 84,835 |
| Memberships | 250 | 250 |
| Professional Services | 4,650 | 3,027 |
| Contractual Hardware Support | 3,200 | 3,742 |
| Contractual Software Support | 112,600 | 146,335 |
| PC Software Subscription | 38,925 | 34,583 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|-----------------------------------|---------------------------------|-----------|
| General Government - Continued | | |
| Information Services - Continued | | |
| Contractual Internet Expenditures | \$ 4,000 | 5,650 |
| Computer Communications | 23,000 | 22,362 |
| Computer Parts | 9,000 | 20,443 |
| Computer Software | 2,000 | 1,235 |
| Office Supplies | 500 | 499 |
| Automotive | 5,400 | 5,370 |
| Incidentals | 200 | 256 |
| Training | 7,950 | 3,500 |
| Computer Equipment | 44,200 | 44,677 |
| Total Information Services | 600,765 | 614,594 |
| Finance Department | | |
| Salaries - Regular | 616,975 | 663,623 |
| Salaries - Overtime | 2,000 | 1,200 |
| Employee Benefits | 203,460 | 206,034 |
| Memberships | 1,500 | 1,087 |
| Professional Services | 28,000 | 26,566 |
| Lease/Purchase - Copier | 16,000 | 16,651 |
| Bank Charges | 42,500 | 42,018 |
| Postage - General Office | 35,000 | 29,647 |
| Contractual Services | 9,300 | 21,997 |
| Maintenance of Office Equipment | 2,800 | 2,736 |
| Telephone - Office Service | 28,000 | 30,728 |
| Telephone - Maintenance | 5,000 | 5,485 |
| Telephone - Cellular Service | 19,500 | 19,309 |
| Telephone - Long Distance | 200 | 262 |
| Office Supplies | 17,600 | 17,311 |
| Supplies Other than Office | 8,900 | 9,785 |
| Training | 500 | 660 |
| Publishing Legal Notices | 2,000 | 1,220 |
| Total Finance Department | 1,039,235 | 1,096,319 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---|---------------------------------|---------|
| General Government - Continued | | |
| Law Department | | |
| Memberships | \$ 1,285 | 2,199 |
| Code Revision service | 4,000 | 1,505 |
| Special Attorney Fees | 50,000 | 82,368 |
| Contractual Corporation Counsel Services | 203,100 | 203,409 |
| Corp. Counsel Services - 611 Greenbay Rd. | - | 7,452 |
| Supplies - Legal | 750 | 458 |
| Incidentals | 150 | 20 |
| Litigation Costs | 5,000 | 6,454 |
| Total Law Department | 264,285 | 303,865 |
| Boards and Commissions | | |
| Incidentals | 500 | 58 |
| Housing Commission | 37,920 | 45,909 |
| Historic Preservation Commission | 1,600 | 567 |
| Human Relations Commission | 29,200 | 7,008 |
| Bicycle Task Force | 2,000 | 1,750 |
| Total Boards and Commissions | 71,220 | 55,292 |
| Historical Museum | | |
| Salaries - Regular | 112,725 | 119,088 |
| Employee Benefits | 26,160 | 26,256 |
| Total Historical Museum | 138,885 | 145,344 |
| Cable Programming Services | | |
| Salaries - Regular | 90,000 | 82,252 |
| Salaries - Other | 1,600 | 1,645 |
| Employee Benefits | 32,825 | 31,843 |
| Memberships | 190 | 185 |
| Contractual Website Services | 4,000 | 3,960 |
| Maintenance - Office Equipment | 1,500 | 4,007 |
| Hi-Speed Ethernet Service | 14,500 | 14,052 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|------------------|
| General Government - Continued | | |
| Cable Programming Services - Continued | | |
| Supplies - Office | \$ 450 | - |
| Supplies - Video | 2,500 | 1,958 |
| Incidentals | 400 | - |
| Training | 600 | 42 |
| Office Space Rent | 13,200 | 12,120 |
| CATV Sound System Improvements | - | 3,724 |
| Total Cable Programming Services | <u>161,765</u> | <u>155,788</u> |
| Insurance | | |
| General Liability and Property Insurance | | |
| Fixed Premiums | 175,000 | 123,514 |
| Village Use of IRMA Excess Surplus Reserve | - | 101,045 |
| Deductible Payments | 30,000 | 42,487 |
| Total Insurance | <u>205,000</u> | <u>267,046</u> |
| Contingencies | | |
| Regular | 225,000 | - |
| Computer Equipment | - | 18,356 |
| Atrium Condo Resales | 25,000 | 5,222 |
| Total Contingencies | <u>250,000</u> | <u>23,578</u> |
| Total General Government | 3,391,745 | 3,272,470 |
| NonGAAP Activity | | |
| Less Current Year Encumbrances | - | (13,965) |
| Total General Government | <u>3,391,745</u> | <u>3,258,505</u> |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|------------------------------------|---------------------------------|-----------|
| Public Safety | | |
| Fire and Police Commission | | |
| Salaries - Regular | \$ 39,025 | 38,854 |
| Employee Benefits | 15,910 | 14,518 |
| Professional Services | 20,000 | 27,410 |
| Classified Advertisements | - | 100 |
| Total Fire and Police Commission | 74,935 | 80,882 |
| Police | | |
| General Operations | | |
| Salaries - Regular | 4,434,300 | 4,319,054 |
| Salaries - Overtime | 298,175 | 326,589 |
| Salaries - Overtime - Grant Funded | 21,900 | - |
| Employee Benefits | 2,805,535 | 2,641,358 |
| Memberships | 730 | 1,140 |
| Physical Exams | 15,000 | 8,954 |
| Contractual Animal Observation | 15,250 | 16,960 |
| Maintenance - Equipment | 21,110 | 13,349 |
| Maintenance - Radios | 32,950 | 21,227 |
| Uniforms | 36,300 | 48,245 |
| Range Supplies | 6,500 | 6,000 |
| Supplies Other than Office | 10,250 | 8,664 |
| Community Relations Materials | 2,000 | 1,467 |
| Automotive | 319,900 | 318,140 |
| Incidentals | 6,000 | 4,818 |
| Training | 26,500 | 27,500 |
| Police Seizure Expense | 20,000 | 21,654 |
| Crime Lab Contributions | 38,215 | 38,213 |
| NIPAS Contribution | 8,670 | 6,166 |
| Major Crimes Task Force | 4,100 | 4,100 |
| NIPSTA Contribution | 8,140 | 7,304 |
| Motor Equipment | 74,000 | 70,454 |
| Other Equipment | 50,000 | 48,533 |
| Total General Operations | 8,255,525 | 7,959,889 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---|---------------------------------|---------|
| Public Safety - Continued | | |
| Police - Continued | | |
| General Services | | |
| Salaries - Regular | \$ 496,950 | 492,441 |
| Salaries - Overtime | 300 | 2,532 |
| Employee Benefits | 150,850 | 191,263 |
| Memberships | 510 | 385 |
| Professional Services | 14,950 | 12,149 |
| Lease/Purchase - Copier | 6,100 | 6,570 |
| Maintenance - Office Equipment | 500 | 4,908 |
| Reaccreditation Fees | 7,000 | 4,495 |
| L.E.A.D.S./P.I.M.S. Program | 3,600 | 3,000 |
| Professional Services - Police Grant Work | 12,000 | - |
| Towing - Contractual | 800 | - |
| Computer Communications | 3,450 | 2,891 |
| Uniforms | 300 | 24 |
| Office Supplies | 8,000 | 7,592 |
| Supplies Other than Office | 2,000 | 889 |
| Incidentals | 300 | 38 |
| Training | 1,200 | 674 |
| Care of Prisoners | 1,000 | 31 |
| Total General Services | 709,810 | 729,882 |
| Public Safety Communications | | |
| Salaries - Regular | 691,925 | 653,637 |
| Salaries - Overtime | 64,000 | 71,800 |
| Employee Benefits | 264,705 | 251,112 |
| Memberships | 160 | 157 |
| Contractual Regional Fire Dispatch | 191,300 | 189,314 |
| Contractual Software Support - C.A.D. | 62,825 | 57,431 |
| Computer Software -- 911 System | - | 6,964 |
| Maintenance - Office Equipment | 300 | 5,580 |
| Maintenance - E-911 System | 58,230 | 46,368 |
| Maintenance - NORCOM Network | 75,350 | 77,574 |
| IWIN Program | 9,000 | 7,785 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|------------|
| Public Safety - Continued | | |
| Police - Continued | | |
| Public Safety Communications - Continued | | |
| Computer Communications | \$ 8,340 | 8,268 |
| Uniforms | 3,000 | 3,260 |
| Incidentals | 200 | - |
| Training | 1,500 | 2,295 |
| Total Public Safety Communications | 1,430,835 | 1,381,545 |
| School Crossing Protection | | |
| Salaries - Regular | 223,700 | 213,740 |
| Employee Benefits | 20,870 | 20,119 |
| Uniforms | 1,000 | 328 |
| Supplies Other than Office | 500 | - |
| Total School Crossing Protection | 246,070 | 234,187 |
| Total Police | 10,642,240 | 10,305,503 |
| Emergency Fire and Medical Services | | |
| Salaries - Regular | 4,508,750 | 4,650,696 |
| Salaries - Overtime | 287,200 | 335,748 |
| Salaries - Off-Duty Response | 21,325 | 6,168 |
| Employee Benefits | 3,346,895 | 3,197,701 |
| Memberships | 3,590 | 2,733 |
| Professional Services | 2,500 | 75 |
| Lease/Purchase - Copier | 5,000 | 3,994 |
| Physical Exams | 16,190 | 16,349 |
| Maintenance - Equipment | 5,650 | 4,908 |
| Maintenance - Radios | 4,850 | 3,684 |
| Maintenance - Breathing Equipment | 6,475 | 7,663 |
| Maintenance - Telemetry Equipment | 750 | 631 |
| Maintenance - Special Rescue Equipment | 8,350 | 7,987 |
| Reaccreditation Fees | 1,250 | 1,250 |
| Computer Communications | 24,150 | 23,041 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---|---------------------------------|------------|
| Public Safety - Continued | | |
| Emergency Fire and Medical Services - Continued | | |
| Uniforms | \$ 24,300 | 25,497 |
| Protective Clothing | 23,000 | 23,029 |
| Supplies - Fire Hose | 9,500 | 8,333 |
| Supplies - Medical | 9,450 | 9,750 |
| Supplies - Emergency Equipment | 2,750 | 2,284 |
| Supplies - Office | 3,000 | 2,450 |
| Supplies - Other than Office | 7,950 | 6,798 |
| Materials - Public Education Programming | 4,500 | 4,068 |
| Automotive | 145,600 | 144,780 |
| Incidentals | 750 | 753 |
| Training | 43,040 | 34,955 |
| NIPSTA Contribution | 8,325 | 7,470 |
| MABAS Contribution | 5,500 | 5,275 |
| Rent - Commonwealth Edison | 1,500 | 575 |
| Motor Equipment | - | 275,970 |
| Building Improvements | - | 132,253 |
| Other Equipment | 4,700 | 4,664 |
| Total Emergency Fire and Medical Services | 8,536,790 | 8,951,532 |
| Total Public Safety | 19,253,965 | 19,337,917 |
| NonGAAP Activity | | |
| Less Current Year Encumbrances | - | (275,970) |
| Total Public Safety | 19,253,965 | 19,061,947 |
| Streets and Sanitation | | |
| Streets Department | | |
| Salaries - Regular | 876,700 | 811,274 |
| Salaries - Overtime | 80,725 | 128,644 |
| Employee Benefits | 340,615 | 325,058 |
| Memberships | 1,580 | 1,469 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|-----------|
| Streets and Sanitation - Continued | | |
| Streets Department - Continued | | |
| Professional Services | \$ 400 | - |
| Lease/Purchase - Copier | 5,000 | 4,463 |
| Contractual Services | 52,060 | 44,997 |
| Contractual Snow Removal | 73,110 | 125,369 |
| Maintenance - Office Equipment | 475 | 235 |
| J.U.L.I.E. Expenditures | 5,405 | 5,403 |
| Landscaping and Maintenance of Public Right of Way | 28,205 | 24,800 |
| Lease Leaf Packers | 106,940 | 112,926 |
| Leaf Disposal | 117,000 | 128,921 |
| Pager Rental | 1,550 | 1,507 |
| Uniforms | 5,800 | 5,703 |
| Supplies - Miscellaneous Tools and Equipment | 3,000 | 2,862 |
| Supplies - Office | 3,800 | 3,290 |
| Supplies - Other than Office | 1,000 | 1,102 |
| Materials - Traffic Signs | 29,880 | 21,293 |
| Materials - Salt | 138,755 | 205,182 |
| Materials - Street Repair and Landscaping | 27,000 | 26,336 |
| Automotive | 581,100 | 577,866 |
| Incidentals | 1,000 | 1,248 |
| Training | 5,245 | 4,835 |
| NIPSTA Contribution | 1,500 | 1,500 |
| Other Equipment | - | 14,624 |
| Total Streets Department | 2,487,845 | 2,580,907 |
| Refuse Collection and Disposal | | |
| Contractual Refuse Collection | 994,995 | 994,224 |
| Recycling Collection | 771,145 | 771,136 |
| Landfill Tipping Fees | 496,000 | 483,419 |
| Contractual Yard Waste Collection | 210,660 | 210,659 |
| Yard Waste Disposal | 30,000 | 24,392 |
| Yard Waste Supplies | 2,550 | 1,998 |
| Promotional and Educational | 600 | - |
| Total Refuse Collection and Disposal | 2,505,950 | 2,485,828 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|---------|
| Streets and Sanitation - Continued | | |
| Maintenance of Trees | | |
| Salaries - Regular | \$ 257,600 | 257,397 |
| Salaries - Overtime | 7,725 | 5,347 |
| Employee Benefits | 117,570 | 114,177 |
| Contractual Services | 2,000 | 690 |
| Tree Planting Program | 20,000 | 15,190 |
| Contractual Tree Pruning | 178,700 | 147,048 |
| Emerald Ash Borer - Tree Removals | 103,000 | 103,000 |
| Uniforms | 1,100 | 997 |
| Materials | 2,000 | 1,895 |
| Automotive | 61,400 | 61,030 |
| Training | 1,100 | 980 |
| Total Maintenance of Trees | 752,195 | 707,751 |
| Street Lighting | | |
| Salaries - Regular | 118,550 | 115,676 |
| Salaries - Overtime | 5,650 | 3,642 |
| Employee Benefits | 54,360 | 49,745 |
| Contractual Services | 4,100 | 1,134 |
| Maintenance & Disposal of Transformers | 700 | - |
| Uniforms | 1,380 | 1,149 |
| Street Light Pole Painting | 12,500 | 12,287 |
| Supplies | 22,675 | 21,357 |
| Supplies - Light Poles and Parts | 25,000 | 23,590 |
| Commonwealth Edison Leased Lighting | 20,000 | 20,437 |
| Street Light Power - Village System | 73,000 | 97,202 |
| Automotive | 38,000 | 37,790 |
| Training | 370 | 240 |
| Total Street Lighting | 376,285 | 384,249 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---------------------------------------|---------------------------------|-----------|
| Streets and Sanitation - Continued | | |
| Street Lighting - Continued | | |
| Total Streets and Sanitation | \$ 6,122,275 | 6,158,735 |
| NonGAAP Activity | | |
| Plus Prior Year Encumbrances | 35,816 | 35,816 |
| Less Current Year Encumbrances | (38,290) | (38,290) |
| Total Streets and Sanitation | 6,119,801 | 6,156,261 |
| Other Public Works | | |
| Village Engineer | | |
| Salaries - Regular | 433,700 | 393,453 |
| Salaries - Overtime | 500 | - |
| Employee Benefits | 165,955 | 144,810 |
| Memberships | 1,410 | 1,278 |
| Professional Services | 12,500 | 20,653 |
| Plan Review Services | 55,000 | 79,719 |
| Plan Review Services -- Non-Operating | 5,000 | - |
| Maintenance - Office Equipment | 1,600 | 1,520 |
| Maintenance - Traffic Signals | 44,100 | 44,051 |
| Sidewalk Replacement Program | 20,000 | 19,840 |
| Curb Replacement Program | 8,000 | 7,822 |
| Alley Maintenance Program | 173,000 | 167,909 |
| Pavement Marking Program | 20,000 | 19,981 |
| Brick Street Maintenance | 40,000 | 39,996 |
| Crack Sealing Program | 10,000 | 9,370 |
| Street Resurfacing Program | 48,000 | 48,565 |
| Skokie / Hibbard Road Improvements | 400,000 | 103,518 |
| Locust Road Improvements | 175,000 | 70,554 |
| Supplies - Office | 1,000 | 1,319 |
| Supplies - Other than Office | 2,300 | 2,269 |
| Automotive | 23,200 | 23,050 |
| Incidentals | 1,500 | 1,775 |
| Training | 2,500 | 657 |
| Total Village Engineer | 1,644,265 | 1,202,109 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
 For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|------------------------------------|---------------------------------|-----------|
| Other Public Works - Continued | | |
| Building and Grounds | | |
| Salaries - Regular | \$ 213,175 | 223,763 |
| Salaries - Overtime | 9,325 | 10,026 |
| Employee Benefits | 79,440 | 76,907 |
| Memberships | 400 | 244 |
| Contractual Services | 107,710 | 92,193 |
| Contractual Custodial Services | 63,420 | 63,793 |
| Heating and Cooling System Repairs | 57,500 | 47,464 |
| Uniforms | 1,000 | 706 |
| Supplies - Building | 39,400 | 49,723 |
| Supplies - Grounds | 2,500 | 2,478 |
| Supplies - Printing | 6,000 | 3,944 |
| Building and Furniture Repairs | 42,000 | 70,563 |
| Heating - Gas | 30,000 | 57,286 |
| Automotive | 14,800 | 14,770 |
| Training | 250 | - |
| Building Improvements | 57,315 | 88,590 |
| Total Building and Grounds | 724,235 | 802,450 |
| Total Other Public Works | 2,368,500 | 2,004,559 |
| NonGAAP Activity | | |
| Plus Prior Year Encumbrances | 2,629 | 1,087 |
| Less Current Year Encumbrances | - | (54,131) |
| Total Other Public Works | 2,371,129 | 1,951,515 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|-----------|
| Public Health | | |
| Salaries - Regular | \$ 167,825 | 167,998 |
| Employee Benefits | 62,960 | 62,291 |
| Memberships | 590 | 600 |
| Lab Services - Contractual | 1,300 | 1,191 |
| Maintenance - Office Equipment | 200 | 375 |
| Supplies - Laboratory | 13,500 | 3,496 |
| Supplies - Office | 300 | 145 |
| Automotive | 7,300 | 7,220 |
| Incidentals | 700 | 422 |
| Training | 1,000 | 315 |
| C.P.R. Program | 1,200 | 910 |
| | <hr/> | <hr/> |
| Total Public Health | 256,875 | 244,963 |
| Community Development | | |
| Community Development | | |
| Salaries - Regular | 755,000 | 797,121 |
| Salaries - Overtime | 500 | - |
| Employee Benefits | 258,565 | 257,416 |
| Memberships | 2,985 | 2,876 |
| Professional Services | 4,550 | 4,695 |
| Digital Records Conversion | 3,000 | 36,090 |
| Contractual Planning & Inspection Services | 60,000 | 91,720 |
| Contractual Planning & Inspection Services - Non-Operating | 22,500 | 3,408 |
| Contractual Elevator Inspection Services | 8,000 | 11,580 |
| Maintenance - Office Equipment | 1,000 | 336 |
| Supplies - Office | 2,500 | 2,418 |
| Supplies - Other than Office | 1,450 | 1,521 |
| Automotive | 51,000 | 50,730 |
| Incidentals | 400 | 182 |
| Training | 2,100 | 1,099 |
| Publishing Legal Notices | 4,000 | 1,668 |
| | <hr/> | <hr/> |
| Total Community Development | 1,177,550 | 1,262,860 |

VILLAGE OF WILMETTE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|-------------------|
| Community Development - Continued | | |
| Business Development | | |
| Salaries - Regular | \$ 49,950 | 49,944 |
| Employee Benefits | 17,165 | 15,521 |
| Memberships | 1,375 | 1,370 |
| Business Promotion Activities | 49,150 | 42,298 |
| Incidentals | 500 | 625 |
| Depot Nuevo Property Taxes | - | 29,191 |
| Hotel Tax Rebate | 167,390 | 195,973 |
| Land Held for Resale - Holding Costs | 30,000 | 82,163 |
| Total Business Development | <u>315,530</u> | <u>417,085</u> |
| Total Community Development | 1,493,080 | 1,679,945 |
| Plus NonGAAP Activity | | |
| Less Current Year Encumbrances | - | (3,958) |
| Total Community Development | <u>1,493,080</u> | <u>1,675,987</u> |
| Capital Outlay: | | |
| Elmwood Avenue Right-of-Way Improvements | 20,000 | 32,432 |
| Five Village Bike Trail expense | - | (6,900) |
| Motor Equipment | 250,000 | 250,000 |
| Total Capital Outlay | 270,000 | 275,532 |
| Plus NonGAAP Activity | | |
| Less Current Year Encumbrances | (165,065) | (165,065) |
| Total Capital Outlay | <u>104,935</u> | <u>110,467</u> |
| Debt Service | | |
| Fire Truck Loan Principal Retirement | 12,500 | 12,500 |
| Total Debt Service | <u>12,500</u> | <u>12,500</u> |
| Total Expenditures | <u>33,004,030</u> | <u>32,472,145</u> |

VILLAGE OF WILMETTE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|-----------|
| Revenues | | |
| Taxes | | |
| Property Taxes | \$ 3,233,300 | 3,256,018 |
| Expenditures | | |
| Debt Service | | |
| Principal Retirement | 2,145,000 | 2,145,000 |
| Interest and Fiscal Charges | 1,221,000 | 1,219,556 |
| Total Expenditures | 3,366,000 | 3,364,556 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (132,700) | (108,538) |
| Other Financing Sources (Uses) | | |
| Debt Issuance | - | 150,000 |
| Payment to Escrow | - | (170,000) |
| Premium on Debt Issuance | - | 20,000 |
| Transfers In | - | 60,000 |
| | - | 60,000 |
| Net Change in Fund Balance | (132,700) | (48,538) |
| Fund Balance - Beginning | | 81,611 |
| Fund Balance - Ending | | 33,073 |

VILLAGE OF WILMETTE, ILLINOIS

Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds - Capital Projects Fund

Schedule of Revenues, Expenditures, and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original Budget | Final Budget | Actual |
|---|--------------------|------------------|----------------------|
| Revenues | | | |
| Intergovernmental - Evanston Contribution | | | |
| Evanston Sheridan Road Contribution | \$ - | 297,973 | 297,973 |
| Winnetka CAD Contribution | - | - | 18,580 |
| Kenilworth CAD Contribution | - | - | 18,580 |
| Total Intergovernmental | - | 297,973 | 335,133 |
| Investment Earnings | - | - | 904 |
| Total Revenues | - | 297,973 | 336,037 |
| Expenditures | | | |
| Capital Outlay | 411,880 | 709,853 | 821,042 |
| Net Change in Fund Balances | <u>(411,880)</u> | <u>(411,880)</u> | (485,005) |
| Fund Balances - Beginning | | | <u>554,643</u> |
| Fund Balances - Ending | | | <u><u>69,638</u></u> |

VILLAGE OF WILMETTE, ILLINOIS

Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds - Capital Projects Fund

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original Budget | Final Budget | Actual |
|--|--------------------|-----------------|---------|
| Capital Outlay | | | |
| Alley Improvements Program | \$ 100,000 | 100,000 | 97,704 |
| Sheridan Road Improvements | - | 297,973 | 297,973 |
| Five Village Bike Trail | - | - | 971 |
| Computer Equipment | 60,000 | 60,000 | 63,622 |
| Police 911 System Replacement | - | - | 122,701 |
| Total Capital Outlay | 160,000 | 457,973 | 582,971 |
| NonGAAP Activity | | | |
| Plus Prior Year Encumbrances -- 911 System | 251,880 | 251,880 | 238,071 |
| Total Expenditures | 411,880 | 709,853 | 821,042 |

VILLAGE OF WILMETTE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

Schedule of Revenues, Expenditures and
Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|-------------------------------|---------------------------------|----------------|
| Revenues | | |
| Intergovernmental | | |
| Motor Fuel Tax Allotments | \$ 640,000 | 911,180 |
| Investment Earnings | 3,800 | 1,913 |
| Total Revenues | <u>643,800</u> | <u>913,093</u> |
| Expenditures | | |
| Capital Outlay | | |
| Road Resurfacing Improvements | <u>800,000</u> | <u>724,479</u> |
| Net Change in Fund Balance | <u>(156,200)</u> | 188,614 |
| Fund Balance - Beginning | | <u>496,231</u> |
| Fund Balance - Ending | | <u>684,845</u> |

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

| | Original Budget | Final Budget | Actual |
|---|--------------------|--------------------|-------------------|
| Operating Revenues | | | |
| Charges for Services | | | |
| Water Sales | | | |
| Residential | \$ 3,028,000 | 3,028,000 | 3,083,250 |
| Unbilled Water Sales | - | - | (160,000) |
| Village of Glenview | 3,429,400 | 3,429,400 | 3,477,106 |
| Illinois American Water Company | 967,300 | 967,300 | 951,421 |
| Other Water Sales | - | - | 1,852 |
| Other | 100,000 | 100,000 | 36,628 |
| Total Operating Revenues | <u>7,524,700</u> | <u>7,524,700</u> | <u>7,390,257</u> |
| Operating Expenses | | | |
| Administration | | | |
| General | 157,340 | 157,340 | 170,046 |
| Administrative | 552,830 | 552,830 | 532,236 |
| Operations | | | |
| Water Plant Operations | 2,549,095 | 2,549,095 | 2,397,780 |
| Distribution | 1,131,415 | 1,131,415 | 1,203,549 |
| Meter and Reservoir Maintenance | 283,305 | 283,305 | 272,902 |
| Depreciation | - | - | 1,056,374 |
| Total Operating Expenses | <u>4,673,985</u> | <u>4,673,985</u> | <u>5,632,887</u> |
| Operating Income | <u>2,850,715</u> | <u>2,850,715</u> | <u>1,757,370</u> |
| Nonoperating Revenues (Expenses) | | | |
| Investment Earnings | 15,000 | 15,000 | 14,310 |
| Lighting Grant | - | - | 5,230 |
| Transmission Main Repair Insurance Recovery | - | - | 84,118 |
| Interest Expense | (630,240) | (630,240) | (597,033) |
| | <u>(615,240)</u> | <u>(615,240)</u> | <u>(493,375)</u> |
| Income Before Capital Contributions and Transfers | <u>2,235,475</u> | <u>2,235,475</u> | <u>1,263,995</u> |
| Capital Contributions | - | | 47,218 |
| Transfers Out | (1,200,000) | (1,200,000) | (1,000,000) |
| | <u>(1,200,000)</u> | <u>(1,200,000)</u> | <u>(952,782)</u> |
| Change in Net Position | <u>1,035,475</u> | <u>1,035,475</u> | 311,213 |
| Net Position - Beginning | | | <u>16,547,501</u> |
| Net Position - Ending | | | <u>16,858,714</u> |

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original Budget | Final Budget | Actual |
|--|--------------------|-----------------|---------|
| Administration | | | |
| General | | | |
| Salaries - Regular | \$ 66,950 | 66,950 | 74,232 |
| Salaries - Overtime | 500 | 500 | 82 |
| Employee Benefits | 22,840 | 22,840 | 19,010 |
| Annual Audit | 14,000 | 14,000 | 14,000 |
| Bank Charges | 24,000 | 24,000 | 38,423 |
| Postage | 22,350 | 22,350 | 18,402 |
| Supplies - Office - Administrative | 4,000 | 4,000 | 3,634 |
| Supplies - Office - Water Plant | 2,100 | 2,100 | 2,176 |
| Incidentals | 100 | 100 | 87 |
| Training | 500 | 500 | - |
| Total General | 157,340 | 157,340 | 170,046 |
| Administrative | | | |
| Salaries - Regular | 302,600 | 302,600 | 289,023 |
| Employee Benefits | 104,330 | 104,330 | 93,050 |
| Memberships | 2,700 | 2,700 | 2,012 |
| Contractual Grounds Maintenance | 1,700 | 1,700 | - |
| Telephone - Regular Service | 23,000 | 23,000 | 31,630 |
| Telephone - Maintenance | 1,500 | 1,500 | 1,450 |
| Telephone - Cellular | 6,000 | 6,000 | 5,579 |
| Supplies - Building | 8,000 | 8,000 | 7,485 |
| Building Furniture and Repairs | 6,400 | 6,400 | 7,503 |
| Training | 6,400 | 6,400 | 4,304 |
| General Liability and Property Insurance | 90,200 | 90,200 | 90,200 |
| Total Administrative | 552,830 | 552,830 | 532,236 |

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original Budget | Final Budget | Actual |
|--|--------------------|-----------------|-----------|
| Operations | | | |
| Water Plant Operations | | | |
| Salaries - Regular | \$ 1,168,850 | 1,168,850 | 1,116,461 |
| Salaries - Accrued Vacation | - | - | 2,800 |
| Salaries - Overtime | 32,350 | 32,350 | 20,038 |
| Employee Benefits | 500,695 | 500,695 | 470,956 |
| Professional Services - SCADA System Maintenance | 2,400 | 2,400 | - |
| Contractual Services | 27,600 | 27,600 | 24,489 |
| Maintenance of Equipment | 34,900 | 34,900 | 26,063 |
| Video Communications | - | - | 456 |
| Uniforms | 5,800 | 5,800 | 3,331 |
| Supplies | 29,000 | 29,000 | 26,165 |
| Supplies - Building Lighting Grant | - | - | 5,203 |
| Supplies - Computer Parts | 1,000 | 1,000 | 649 |
| Supplies - Laboratory | 11,000 | 11,000 | 10,472 |
| Equipment Repairs | 32,000 | 32,000 | 38,110 |
| Power | 350,000 | 350,000 | 321,507 |
| Heating Gas | 55,000 | 55,000 | 53,869 |
| Chemicals | 172,000 | 172,000 | 148,995 |
| Automotive | 25,500 | 25,500 | 25,350 |
| Incidentals | 1,000 | 1,000 | 463 |
| Water Reclamation District User Charges | 100,000 | 100,000 | 84,472 |
| Park District Lab Testing Supplies | - | - | 17,931 |
| High-Lift Pump Rebuild | 30,000 | 30,000 | 13,004 |
| Basins #1 & #2 Improvements | 60,000 | 60,000 | 46,726 |
| Discharge Valve Improvements | - | - | 3,254 |
| | 2,639,095 | 2,639,095 | 2,460,764 |
| Less Nonoperating Items | | | |
| Capital Outlay | (90,000) | (90,000) | (62,984) |
| Total Water Plant Operations | 2,549,095 | 2,549,095 | 2,397,780 |

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original Budget | Final Budget | Actual |
|--|--------------------|------------------|------------------|
| Operations - Continued | | | |
| Distribution | | | |
| Salaries - Regular | \$ 473,725 | 473,725 | 446,431 |
| Salaries - Accrued Vacation | - | - | 8,150 |
| Salaries - Overtime | 33,150 | 33,150 | 34,756 |
| Employee Benefits | 225,435 | 225,435 | 211,929 |
| Contractual Services | 120,000 | 120,000 | 122,245 |
| Uni-Directional Main Flushing | 37,000 | 37,000 | - |
| Transmission Main Repair | - | - | 106,311 |
| Maintenance - Distribution System | 11,000 | 11,000 | 38,672 |
| Uniforms | 4,630 | 4,630 | 4,095 |
| Supplies - Miscellaneous Tools and Equipment | 9,000 | 9,000 | 10,494 |
| Materials | 63,600 | 63,600 | 54,594 |
| Automotive | 123,600 | 123,600 | 122,960 |
| Incidentals | 200 | 200 | 465 |
| Training | 3,575 | 3,575 | 3,260 |
| Fire Hydrant Painting | 6,500 | 6,500 | - |
| Replacement Fire Hydrants | 20,000 | 20,000 | 19,697 |
| Distribution Valve Exercising | - | - | 19,490 |
| Distribution Improvements | 123,000 | 123,000 | 217,004 |
| | <u>1,254,415</u> | <u>1,254,415</u> | <u>1,420,553</u> |
| Less Nonoperating Items | | | |
| Capital Outlay | (123,000) | (123,000) | (217,004) |
| Total Distribution | <u>1,131,415</u> | <u>1,131,415</u> | <u>1,203,549</u> |
| Meter and Reservoir Maintenance | | | |
| Salaries - Regular | 122,550 | 122,550 | 124,669 |
| Salaries - Overtime | 600 | 600 | - |
| Employee Benefits | 57,355 | 57,355 | 55,320 |
| Contractual Services | 9,000 | 9,000 | 5,889 |
| Maintenance - Reservoir/Pumping Station | 3,500 | 3,500 | 100 |
| Maintenance - Standpipe | 4,600 | 4,600 | 4,334 |
| Uniforms | 700 | 700 | 624 |
| Supplies | 2,300 | 2,300 | 2,166 |
| Supplies - Reservoir | 3,000 | 3,000 | 1,545 |
| Water Meters - Cost of Sales | 20,000 | 20,000 | 15,886 |

VILLAGE OF WILMETTE, ILLINOIS

Water - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original Budget | Final Budget | Actual |
|--|--------------------|------------------|------------------|
| Operations - Continued | | | |
| Meter and Reservoir Maintenance - Continued | | | |
| Water Meters - Repair Parts | \$ 1,400 | 1,400 | 3,169 |
| Water Meter Replacement Program | 33,000 | 33,000 | 34,260 |
| Automotive | 25,000 | 25,000 | 24,890 |
| Training | 300 | 300 | 50 |
| Water Reservoir Roof | 35,000 | 35,000 | 63,590 |
| | <u>318,305</u> | <u>318,305</u> | <u>336,492</u> |
| Less Nonoperating Items | | | |
| Capital Outlay | (35,000) | (35,000) | (63,590) |
| Total Meter and Reservoir Maintenance | <u>283,305</u> | <u>283,305</u> | <u>272,902</u> |
| Capital Outlay | | | |
| High Lift Pump Conversion | 80,000 | 80,000 | 3,512 |
| Sheridan Road Water Main | - | 324,872 | 324,872 |
| Building Renovations and Piping Improvements | 105,000 | 105,000 | 3,547 |
| Filter Valve Improvements | - | - | 2,889 |
| | <u>185,000</u> | <u>509,872</u> | <u>334,820</u> |
| Less Nonoperating Items | | | |
| Capital Outlay | (185,000) | (509,872) | (334,820) |
| Total Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt Service | | | |
| G.O. Bond Proceeds | - | - | (3,005,000) |
| Principal Refunded | - | - | 3,120,000 |
| Principal Retirement | 1,085,000 | 1,085,000 | 1,085,000 |
| Interest Expense | 629,240 | 629,240 | 595,533 |
| Bond Registrar Fees | 1,000 | 1,000 | 1,500 |
| | <u>1,715,240</u> | <u>1,715,240</u> | <u>1,797,033</u> |
| Less Nonoperating Items | | | |
| Debt Service | (1,715,240) | (1,715,240) | (1,797,033) |
| Total Debt Service | <u>-</u> | <u>-</u> | <u>-</u> |
| Depreciation | - | - | 1,056,374 |
| Total Operating Expenses | <u>4,673,985</u> | <u>4,673,985</u> | <u>5,632,887</u> |

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|----------------------------------|---------------------------------|--------------------|
| Operating Revenues | | |
| Charges for Services | | |
| Sewer Charges | \$ 4,613,800 | 4,499,893 |
| Sewer Charges - Unbilled | - | (182,000) |
| Total Operating Revenues | <u>4,613,800</u> | <u>4,317,893</u> |
| Operating Expenses | | |
| Operations | | |
| Maintenance of Sewers | 1,238,275 | 1,135,132 |
| Storm Water Pumping Station | 52,840 | 52,205 |
| Capital Outlay | 265,000 | 247,010 |
| Depreciation | - | 1,064,587 |
| Total Operating Expenses | <u>1,556,115</u> | <u>2,498,934</u> |
| Operating Income | <u>3,057,685</u> | <u>1,818,959</u> |
| Nonoperating Revenues (Expenses) | | |
| Investment Earnings | 12,000 | 15,865 |
| Bond Issuance Expense | - | (80,455) |
| Interest Expense | (864,000) | (946,797) |
| | <u>(852,000)</u> | <u>(1,011,387)</u> |
| Change in Net Position | <u>2,205,685</u> | 807,572 |
| Net Position - Beginning | | <u>28,924,015</u> |
| Net Position - Ending | | <u>29,731,587</u> |

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

**Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2014**

| | Original and Final Budget | Actual |
|--|---------------------------------|-----------|
| Operations | | |
| Maintenance of Sewers | | |
| Salaries - Regular | \$ 498,200 | 470,888 |
| Salaries - Accrued Vacation | - | 8,150 |
| Salaries - Overtime | 9,350 | 13,921 |
| Employee Benefits | 229,195 | 216,108 |
| Contractual Services | 120,000 | 97,726 |
| Contractual Sewer Maintenance | 210,000 | 160,315 |
| N.P.D.E.S. Phase II | 6,000 | 6,000 |
| Uniforms | 4,630 | 3,732 |
| Supplies - Miscellaneous Tools and Equipment | 2,500 | 2,781 |
| Materials | 32,775 | 29,210 |
| Automotive | 123,600 | 122,960 |
| Incidentals | 200 | 1,538 |
| Training | 1,825 | 1,803 |
| Sewer Main Improvements | 300,000 | 293,129 |
| Total Maintenance of Sewers | 1,538,275 | 1,428,261 |
| Less Nonoperating Items | | |
| Capital Outlay | (300,000) | (293,129) |
| Total Maintenance of Sewers | 1,238,275 | 1,135,132 |
| Storm Water Pumping Station | | |
| Salaries - Overtime | 9,400 | 11,402 |
| Employee Benefits | 2,040 | 2,260 |
| Contractual Services | 2,500 | - |
| Maintenance - Equipment | 2,400 | 6,374 |
| Supplies | 1,200 | 1,270 |
| Supplies - Outfall Control | 500 | - |
| Power | 30,000 | 25,671 |
| Heating Gas | 4,800 | 5,465 |
| Other Improvements | - | (237) |
| Total Storm Water Pumping Station | 52,840 | 52,205 |

VILLAGE OF WILMETTE, ILLINOIS

Sewer - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---------------------------------|---------------------------------|--------------|
| Capital Outlay | | |
| Sewer Lining and Rehabilitation | \$ 820,000 | 642,796 |
| Storm Water Study | 265,000 | 245,580 |
| Relief Sewer Improvements | | |
| Manhole Rehabilitations | 1,900,000 | 961,433 |
| Princeton Place Outfall | 2,500,000 | 54,028 |
| Harms Road Pump Station | 5,870,000 | 3,507,245 |
| Sewer Capacity Improvements | 2,000,000 | 2,841,609 |
| | 13,355,000 | 8,252,691 |
| Less Nonoperating Items | | |
| Capital Outlay | (13,090,000) | (8,005,681) |
| Total Capital Outlay | 265,000 | 247,010 |
| Debt Service | | |
| IEPA Loan Proceeds | (820,000) | (641,366) |
| G.O. Bond Proceeds | (10,000,000) | (17,160,000) |
| Bond Issuance Expense | 58,000 | 80,455 |
| Principal Refunded | - | 1,710,000 |
| Principal Retirement | 1,549,000 | 1,546,723 |
| Interest Expense | 863,000 | 946,047 |
| Bond Registrar Fees | 1,000 | 750 |
| | (8,349,000) | (13,517,391) |
| Less Nonoperating Items | | |
| Debt Service | 8,349,000 | 13,517,391 |
| Total Debt Service | - | - |
| Depreciation | - | 1,064,587 |
| Total Operating Expenses | 1,556,115 | 2,498,934 |

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|-----------------------------|---------------------------------|-----------|
| Operating Revenues | | |
| Charges for Services | | |
| Parking Fees | \$ 401,465 | 369,977 |
| Operating Expenses | | |
| Operations | | |
| Central Business District | 218,595 | 242,135 |
| CTA Station | 152,900 | 138,801 |
| Burmeister Parking Facility | 13,650 | 22,991 |
| Depreciation | - | 123,948 |
| Total Operating Expenses | 385,145 | 527,875 |
| Change in Net Position | 16,320 | (157,898) |
| Net Position - Beginning | | 4,677,367 |
| Net Position - Ending | | 4,519,469 |

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Revenues - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---------------------------------|---------------------------------|----------------|
| Charges for Services | | |
| Central Business District | | |
| Parking Meter Revenue | \$ 40,500 | 94,441 |
| Debit Card Revenue | 148,000 | 66,934 |
| Permit Fees | 46,200 | 37,070 |
| METRA Station Rent | 2,765 | - |
| Total Central Business District | <u>237,465</u> | <u>198,445</u> |
| CTA Station | | |
| Commuter Daily Drop Box | 117,000 | 122,395 |
| Commuter Permit Fees | 20,700 | 21,280 |
| Merchant Permit Fees | 3,900 | 4,212 |
| Residential Permit Fees | 1,400 | 2,720 |
| Total CTA Station | <u>143,000</u> | <u>150,607</u> |
| Burmeister Parking Facility | | |
| Permit Fees | <u>21,000</u> | <u>20,925</u> |
| Total Operating Revenues | <u>401,465</u> | <u>369,977</u> |

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|----------------|
| Operations | | |
| Central Business District | | |
| Salaries - Regular | \$ 76,300 | 77,007 |
| Salaries - Overtime | 2,125 | - |
| Employee Benefits | 30,510 | 28,878 |
| Banking Charges | - | 4,633 |
| Contractual Services - Railroad Property | 19,555 | 21,061 |
| Contractual Snow Plowing | 17,545 | 22,632 |
| Building Supplies - Railroad Property | 315 | 326 |
| Grounds Supplies - Village Property | 4,370 | 1,945 |
| Grounds Supplies - Railroad Property | 2,000 | 1,652 |
| Building Repairs - Railroad Property | - | 23,631 |
| Power - METRA Station | 4,200 | 4,504 |
| Heating Gas - Railroad Property | 1,400 | 1,953 |
| Lighting | 5,000 | 6,004 |
| Parking Meter Parts - Village Property | 400 | 400 |
| Parking Meter Parts - Railroad Property | 1,500 | 1,859 |
| Rent - Commuter Lot | 47,500 | 39,169 |
| Rent - Poplar Drive Lots | 2,800 | 3,538 |
| Rent - St. Augustine Lot | 2,400 | 2,208 |
| Rent - Masonic Temple Lot | 675 | 735 |
| METRA Parking Collection System | 55,000 | 54,094 |
| Total Central Business District | <u>273,595</u> | <u>296,229</u> |
| Less Nonoperating Items | | |
| Capital Outlay | (55,000) | (54,094) |
| Total Central Business District | <u>218,595</u> | <u>242,135</u> |
| CTA Station | | |
| Salaries - Regular | 41,825 | 42,523 |
| Salaries - Overtime | 3,400 | - |
| Employee Benefits | 19,380 | 17,919 |
| Bank Charges | 2,800 | 3,038 |
| Contractual Services | 2,090 | 2,006 |
| Contractual Grounds Maintenance | 4,000 | 5,254 |

VILLAGE OF WILMETTE, ILLINOIS

Parking Meter - Nonmajor Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|------------------------------------|---------------------------------|----------------|
| Operations - Continued | | |
| CTA Station - Continued | | |
| Contractual Snow Plowing | \$ 9,950 | 12,922 |
| Equipment Repairs | 2,155 | 174 |
| Materials | 2,800 | 959 |
| Rent - CTA | 64,500 | 54,006 |
| Total CTA Station | <u>152,900</u> | <u>138,801</u> |
| Burmeister Parking Facility | | |
| Contractual Services | 4,600 | 9,220 |
| Materials | 1,150 | 1,119 |
| Lighting | 7,900 | 12,652 |
| Replacement of Surveillance System | - | 4,292 |
| Total Burmeister Parking Facility | <u>13,650</u> | <u>27,283</u> |
| Less Nonoperating Items | | |
| Capital Outlay | - | (4,292) |
| Total Burmeister Parking Facility | <u>13,650</u> | <u>22,991</u> |
| Depreciation | - | 123,948 |
| Total Operating Expenses | <u>385,145</u> | <u>527,875</u> |

VILLAGE OF WILMETTE, ILLINOIS

Internal Service Funds

Combining Statement of Net Position
December 31, 2014

| | <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 | - |
| Deposits Payable | - |
| Other Retiree Deposits Payable | - |
| Due to Other Funds | <u>-</u> |
| Total Liabilities | <u>-</u> |
| NET POSITION | |
| Unrestricted | <u><u>-</u></u> |

| Employee Insurance | Workers' Compensation | Illinois Municipal Retirement | Section 105 Sick Leave | Totals |
|--------------------|-----------------------|-------------------------------|------------------------|-----------|
| - | - | 5,395 | 1,073,321 | 1,078,716 |
| - | 11,783 | - | 1,147 | 12,930 |
| - | 11,783 | 5,395 | 1,074,468 | 1,091,646 |
| - | 2,980 | 5,395 | - | 8,375 |
| - | - | - | 13,024 | 13,024 |
| - | - | - | 828,926 | 828,926 |
| - | 8,803 | - | - | 8,803 |
| - | 11,783 | 5,395 | 841,950 | 859,128 |
| - | - | - | 232,518 | 232,518 |

VILLAGE OF WILMETTE, ILLINOIS

Internal Service Funds

Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Fiscal Year Ended December 31, 2014

| | <u>Municipal Garage</u> |
|--------------------------|-----------------------------|
| Operating Revenues | |
| Interfund Services | \$ 1,551,896 |
| Operating Expenses | |
| Operations | <u>1,551,896</u> |
| Operating Income (Loss) | - |
| Nonoperating Revenues | |
| Investment Earnings | <u>-</u> |
| Change in Net Position | - |
| Net Position - Beginning | <u>-</u> |
| Net Position - Ending | <u><u>-</u></u> |

| Employee Insurance | Workers' Compensation | Illinois Municipal Retirement | Section 105 Sick Leave | Totals |
|--------------------|-----------------------|-------------------------------|------------------------|-----------|
| 2,677,138 | 320,914 | 1,974,276 | 260,000 | 6,784,224 |
| 2,677,138 | 320,914 | 1,974,276 | 269,675 | 6,793,899 |
| - | - | - | (9,675) | (9,675) |
| - | - | - | 1,981 | 1,981 |
| - | - | - | (7,694) | (7,694) |
| - | - | - | 240,212 | 240,212 |
| - | - | - | 232,518 | 232,518 |

VILLAGE OF WILMETTE, ILLINOIS

Internal Service Funds

Combining Statement of Cash Flows
For the Fiscal Year Ended December 31, 2014

| | <u>Municipal Garage</u> |
|--|-----------------------------|
| Cash Flows from Operating Activities | |
| Receipts from Interfund Services | \$ 1,551,896 |
| Payments to Employees | (662,588) |
| Payments to Suppliers | (889,308) |
| | <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 |
|--------------------|-----------------------|-------------------------------|------------------------|-------------|
| 2,677,138 | 321,452 | 1,974,276 | 258,853 | 6,783,615 |
| (138,690) | - | - | - | (801,278) |
| (2,540,513) | (321,452) | (1,976,821) | (198,127) | (5,926,221) |
| (2,065) | - | (2,545) | 60,726 | 56,116 |
| - | - | - | 1,981 | 1,981 |
| (2,065) | - | (2,545) | 62,707 | 58,097 |
| 2,065 | - | 7,940 | 1,010,614 | 1,020,619 |
| - | - | 5,395 | 1,073,321 | 1,078,716 |
| - | - | - | (9,675) | (9,675) |
| - | 538 | - | (1,147) | (609) |
| (2,065) | (538) | (2,545) | 71,548 | 66,400 |
| (2,065) | - | (2,545) | 60,726 | 56,116 |

VILLAGE OF WILMETTE, ILLINOIS

Municipal Garage - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|------------------|
| Operating Revenues | | |
| Interfund Services | | |
| General Fund Billings | \$ 1,247,700 | 1,240,746 |
| Sewer Fund Billings | 123,600 | 122,960 |
| Water Fund Billings | 174,100 | 173,200 |
| Insurance Reimbursements | 11,960 | 14,990 |
| Total Operating Revenues | <u>1,557,360</u> | <u>1,551,896</u> |
| Operating Expenses | | |
| Operations | | |
| Maintenance | | |
| Regular Salaries | 651,950 | 659,180 |
| Overtime Salaries | 2,500 | 3,408 |
| Employee Benefits | 248,765 | 252,859 |
| Contractual Services | 40,000 | 39,168 |
| Contractual Maintenance - Emergency Vehicles | 97,785 | 61,557 |
| Maintenance - Radios | 200 | - |
| Contractual Services - Vehicle Washing | 1,170 | 351 |
| Automobile Insurance and Claims | 59,000 | 59,000 |
| Uniforms | 3,500 | 3,255 |
| Supplies - Automotive Parts | 139,000 | 166,768 |
| Supplies - Auto Shop | 15,000 | 24,728 |
| Supplies - Vehicle Striping and Safety | 2,000 | 1,156 |
| Gasoline and Oil | 284,000 | 270,950 |
| Mechanics' Tool Allowance | 2,690 | 2,903 |
| Incidentals | 175 | 209 |
| Training | 4,100 | 3,101 |
| Licenses, Titles and Inspection Fees | 4,275 | 3,303 |
| Squad Car Transfer Rehabilitation | 1,250 | - |
| Total Operating Expenses | <u>1,557,360</u> | <u>1,551,896</u> |
| Change in Net Position | <u>-</u> | - |
| Net Position - Beginning | | - |
| Net Position - Ending | | <u>-</u> |

VILLAGE OF WILMETTE, ILLINOIS

Employee Insurance - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|------------------|
| Operating Revenues | | |
| Interfund Services | | |
| General Fund Billings | \$ 2,193,930 | 2,088,464 |
| Municipal Garage Fund Billings | 106,200 | 100,977 |
| Parking Meter Fund Billings | 21,170 | 21,071 |
| Sewer Fund Billings | 111,520 | 102,571 |
| Water Fund Billings | 405,500 | 364,055 |
| Total Operating Revenues | <u>2,838,320</u> | <u>2,677,138</u> |
| Operating Expenses | | |
| Operations | | |
| Flexible Benefit Program Contributions | 141,120 | 138,690 |
| Employee Health Insurance | | |
| North Suburban Employee Benefit Co-Op | 1,337,800 | 1,207,717 |
| HMO - Illinois | 1,289,400 | 1,275,688 |
| Employee Life Insurance | 40,000 | 37,346 |
| Unemployment Compensation | 30,000 | 17,541 |
| Other Insurance Expense | - | 156 |
| Total Operating Expenses | <u>2,838,320</u> | <u>2,677,138</u> |
| Change in Net Position | <u>-</u> | - |
| Net Position - Beginning | | <u>-</u> |
| Net Position - Ending | | <u>-</u> |

VILLAGE OF WILMETTE, ILLINOIS

Workers' Compensation - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--------------------------------|---------------------------------|----------------|
| Operating Revenues | | |
| Interfund Services | | |
| General Fund Billings | \$ 262,140 | 243,124 |
| Municipal Garage Fund Billings | 10,780 | 10,180 |
| Parking Meter Fund Billings | 2,090 | 1,910 |
| Sewer Fund Billings | 8,530 | 8,020 |
| Water Fund Billings | 37,160 | 34,170 |
| Insurance Reimbursements | - | 23,510 |
| Total Operating Revenues | <u>320,700</u> | <u>320,914</u> |
| Operating Expenses | | |
| Operations | | |
| Workers' Compensation | | |
| Fixed Premium Portion | 278,800 | 278,800 |
| Payment of Deductibles | 41,900 | 42,114 |
| Total Operating Expenses | <u>320,700</u> | <u>320,914</u> |
| Change in Net Position | <u>-</u> | - |
| Net Position - Beginning | | <u>-</u> |
| Net Position - Ending | | <u>-</u> |

VILLAGE OF WILMETTE, ILLINOIS

Illinois Municipal Retirement - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---------------------------------|---------------------------------|------------------|
| Operating Revenues | | |
| Interfund Services | | |
| General Fund Billings | \$ 1,329,540 | 1,297,960 |
| Municipal Garage Fund Billings | 119,930 | 132,243 |
| Parking Meter Fund Billings | 24,910 | 23,816 |
| Sewer Fund Billings | 101,600 | 98,998 |
| Water Fund Billings | 440,440 | 421,259 |
| Total Operating Revenues | <u>2,016,420</u> | <u>1,974,276</u> |
| Operating Expenses | | |
| Operations | | |
| Employer IMRF Contributions | 1,152,950 | 1,148,105 |
| Employer FICA Contributions | 594,170 | 567,155 |
| Employer Medicare Contributions | 269,300 | 259,016 |
| Total Operating Expenses | <u>2,016,420</u> | <u>1,974,276</u> |
| Change in Net Position | <u>-</u> | - |
| Net Position - Beginning | | - |
| Net Position - Ending | | <u>-</u> |

VILLAGE OF WILMETTE, ILLINOIS

Section 105 Sick Leave - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--------------------------------|---------------------------------|----------------|
| Operating Revenues | | |
| Interfund Services | | |
| General Fund Billings | \$ 181,550 | 210,980 |
| Municipal Garage Fund Billings | 8,070 | 9,460 |
| Sewer Fund Billings | 7,500 | 8,780 |
| Water Fund Billings | 28,880 | 30,780 |
| Total Operating Revenues | <u>226,000</u> | <u>260,000</u> |
| Operating Expenses | | |
| Operations | | |
| Retiree Medical Insurance | 6,700 | 7,300 |
| Retiree Medical Reimbursements | 200,000 | 262,375 |
| Total Operating Expenses | <u>206,700</u> | <u>269,675</u> |
| Operating Income (Loss) | 19,300 | (9,675) |
| Nonoperating Revenues | | |
| Investment Earnings | <u>4,000</u> | <u>1,981</u> |
| Change in Net Position | <u>23,300</u> | (7,694) |
| Net Position - Beginning | | <u>240,212</u> |
| Net Position - Ending | | <u>232,518</u> |

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

Combining Statement of Fiduciary Net Position
December 31, 2014

| | Police Pension | Firefighters' Pension | Totals |
|---------------------------------------|-------------------|--------------------------|------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 1,109,952 | 829,853 | 1,939,805 |
| Investments | | | |
| U.S. Government and Agency Securities | 8,113,009 | 8,583,608 | 16,696,617 |
| Mutual Funds | 19,995,731 | 20,570,561 | 40,566,292 |
| Corporate Bonds | 5,197,582 | 5,198,779 | 10,396,361 |
| Common Stock | 6,880,244 | 6,937,138 | 13,817,382 |
| Receivables | | | |
| Accrued Interest | 108,262 | 113,361 | 221,623 |
| Total Assets | 41,404,780 | 42,233,300 | 83,638,080 |
| LIABILITIES | | | |
| Accounts Payable | 3,824 | 17,418 | 21,242 |
| Due to Other Funds | - | 253,894 | 253,894 |
| Total Liabilities | 3,824 | 271,312 | 275,136 |
| NET POSITION | | | |
| Held in Trust for Pension Benefits | 41,400,956 | 41,961,988 | 83,362,944 |

VILLAGE OF WILMETTE, ILLINOIS

Pension Trust Funds

Combining Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2014

| | Police Pension | Firefighters' Pension | Totals |
|--|-------------------|--------------------------|------------|
| Additions | | | |
| Contributions - Employer | \$ 1,800,000 | 2,200,000 | 4,000,000 |
| Contributions - Plan Members | 423,565 | 404,901 | 828,466 |
| Total Contributions | 2,223,565 | 2,604,901 | 4,828,466 |
| Other Income | - | 40 | 40 |
| Investment Income | | | |
| Investment Earnings | 1,595,810 | 1,584,899 | 3,180,709 |
| Net Change in Fair Value | 475,724 | 511,422 | 987,146 |
| | 2,071,534 | 2,096,321 | 4,167,855 |
| Less Investment Expenses | (85,826) | (87,603) | (173,429) |
| Net Investment Income | 1,985,708 | 2,008,718 | 3,994,426 |
| Total Additions | 4,209,273 | 4,613,659 | 8,822,932 |
| Deductions | | | |
| Administration | 24,963 | 67,965 | 92,928 |
| Benefits and Refunds | 2,577,761 | 3,143,670 | 5,721,431 |
| Total Deductions | 2,602,724 | 3,211,635 | 5,814,359 |
| Change in Net Position | 1,606,549 | 1,402,024 | 3,008,573 |
| Net Position Held in Trust for Pension Benefits | | | |
| Beginning | 39,794,407 | 40,559,964 | 80,354,371 |
| Ending | 41,400,956 | 41,961,988 | 83,362,944 |

VILLAGE OF WILMETTE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|--|---------------------------------|-------------------|
| Additions | | |
| Contributions - Employer | \$ 1,870,000 | 1,800,000 |
| Contributions - Plan Members | 433,000 | 423,565 |
| Total Contributions | <u>2,303,000</u> | <u>2,223,565</u> |
| Investment Income | | |
| Investment Earnings | 2,430,000 | 1,595,810 |
| Net Change in Fair Value | - | 475,724 |
| | <u>2,430,000</u> | <u>2,071,534</u> |
| Less Investment Expenses | (60,000) | (85,826) |
| Net Investment Income | <u>2,370,000</u> | <u>1,985,708</u> |
| Total Additions | <u>4,673,000</u> | <u>4,209,273</u> |
| Deductions | | |
| Administration | 13,000 | 24,963 |
| Benefits and Refunds | 2,700,000 | 2,577,761 |
| Total Deductions | <u>2,713,000</u> | <u>2,602,724</u> |
| Change in Net Position | <u>1,960,000</u> | 1,606,549 |
| Net Position Held in Trust for Pension Benefits | | |
| Beginning | | <u>39,794,407</u> |
| Ending | | <u>41,400,956</u> |

VILLAGE OF WILMETTE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Fiduciary Net Position - Budget and Actual
For the Fiscal Year Ended December 31, 2014

| | Original and Final Budget | Actual |
|---|---------------------------------|-------------------|
| Additions | | |
| Contributions - Employer | \$ 2,362,000 | 2,200,000 |
| Contributions - Plan Members | 412,000 | 404,901 |
| Total Contributions | <u>2,774,000</u> | <u>2,604,901</u> |
| Other Income | - | 40 |
| Investment Income | | |
| Investment Earnings | 2,544,800 | 1,584,899 |
| Net Change in Fair Value | - | 511,422 |
| | <u>2,544,800</u> | <u>2,096,321</u> |
| Less Investment Expenses | (50,000) | (87,603) |
| Net Investment Income | <u>2,494,800</u> | <u>2,008,718</u> |
| Total Additions | <u>5,268,800</u> | <u>4,613,659</u> |
| Deductions | | |
| Administration | 12,000 | 67,965 |
| Benefits and Refunds | <u>3,377,000</u> | <u>3,143,670</u> |
| Total Deductions | <u>3,389,000</u> | <u>3,211,635</u> |
| Change in Net Position | <u>1,879,800</u> | 1,402,024 |
| Net Position Held in Trust for Pension Benefits | | |
| Beginning | | <u>40,559,964</u> |
| Ending | | <u>41,961,988</u> |

VILLAGE OF WILMETTE, ILLINOIS

Agency Fund - Fire Insurance Tax

**Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2014**

| | <u>Beginning Balances</u> | <u>Additions</u> | <u>Deductions</u> | <u>Ending Balances</u> |
|----------------------|-------------------------------|------------------|-------------------|----------------------------|
| ASSETS | | | | |
| Cash and Investments | <u>\$ 639,398</u> | <u>66,264</u> | <u>76,560</u> | <u>629,102</u> |
| LIABILITIES | | | | |
| Deposits Payable | <u>639,398</u> | <u>66,264</u> | <u>76,560</u> | <u>629,102</u> |

SUPPLEMENTAL SCHEDULES

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2007
December 31, 2014**

| | |
|-------------------------|-----------------------|
| 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 | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Wells Fargo Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|-------------------|-------------------|-------------------|
| 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>15,000,000</u> | <u>2,178,158</u> | <u>17,178,158</u> |
| | 7,710,000 | Debt Service Fund | |
| | 2,155,000 | Sewer Fund | |
| | <u>5,135,000</u> | Water Fund | |
| | <u>15,000,000</u> | | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2009
December 31, 2014**

| | |
|-------------------------|-----------------------|
| Date of Issue | October 27, 2009 |
| Date of Maturity | December 1, 2023 |
| Authorized Issue | \$9,010,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.00% to 3.65% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Wells Fargo Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|------------------|-------------------|------------------|
| 2015 | \$ 960,000 | 172,118 | 1,132,118 |
| 2016 | 360,000 | 145,718 | 505,718 |
| 2017 | 370,000 | 134,918 | 504,918 |
| 2018 | 380,000 | 123,355 | 503,355 |
| 2019 | 390,000 | 111,480 | 501,480 |
| 2020 | 495,000 | 98,806 | 593,806 |
| 2021 | 505,000 | 82,223 | 587,223 |
| 2022 | 900,000 | 64,800 | 964,800 |
| 2023 | 900,000 | 32,850 | 932,850 |
| | <u>5,260,000</u> | <u>966,268</u> | <u>6,226,268</u> |
| | 985,000 | Debt Service Fund | |
| | 975,000 | Sewer Fund | |
| | <u>3,300,000</u> | Water Fund | |
| | <u>5,260,000</u> | | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bonds of 2010

December 31, 2014

| | |
|-------------------------|-----------------------|
| Date of Issue | November 9, 2010 |
| Date of Maturity | December 1, 2026 |
| Authorized Issue | \$25,895,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.00% to 4.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Wells Fargo Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|-------------------|-------------------|-------------------|
| 2015 | \$ 205,000 | 839,626 | 1,044,626 |
| 2016 | 395,000 | 835,526 | 1,230,526 |
| 2017 | 190,000 | 827,626 | 1,017,626 |
| 2018 | 1,145,000 | 822,874 | 1,967,874 |
| 2019 | 3,295,000 | 788,524 | 4,083,524 |
| 2020 | 2,670,000 | 689,674 | 3,359,674 |
| 2021 | 2,765,000 | 609,574 | 3,374,574 |
| 2022 | 3,055,000 | 526,624 | 3,581,624 |
| 2023 | 3,245,000 | 434,974 | 3,679,974 |
| 2024 | 4,430,000 | 329,512 | 4,759,512 |
| 2025 | 3,025,000 | 180,000 | 3,205,000 |
| 2026 | 1,475,000 | 59,000 | 1,534,000 |
| | <u>25,895,000</u> | <u>6,943,534</u> | <u>32,838,534</u> |
| | 23,280,000 | Debt Service Fund | |
| | 1,485,000 | Sewer Fund | |
| | <u>1,130,000</u> | Water Fund | |
| | <u>25,895,000</u> | | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**General Obligation Refunding Bonds of 2011
December 31, 2014**

| | |
|-------------------------|-----------------------|
| Date of Issue | December 1, 2011 |
| Date of Maturity | December 1, 2023 |
| Authorized Issue | \$13,605,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.00% to 3.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Wells Fargo Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|-------------------|------------------|-------------------|
| 2015 | \$ 770,000 | 305,412 | 1,075,412 |
| 2016 | 945,000 | 290,012 | 1,235,012 |
| 2017 | 765,000 | 271,112 | 1,036,112 |
| 2018 | 775,000 | 255,813 | 1,030,813 |
| 2019 | 955,000 | 238,375 | 1,193,375 |
| 2020 | 1,375,000 | 214,500 | 1,589,500 |
| 2021 | 2,210,000 | 173,250 | 2,383,250 |
| 2022 | 2,305,000 | 106,950 | 2,411,950 |
| 2023 | 1,260,000 | 37,800 | 1,297,800 |
| | <u>11,360,000</u> | <u>1,893,224</u> | <u>13,253,224</u> |
| | 7,185,000 | Sewer Fund | |
| | <u>4,175,000</u> | Water Fund | |
| | <u>11,360,000</u> | | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2013

December 31, 2014

| | |
|-------------------------|-----------------------|
| Date of Issue | November 7, 2013 |
| Date of Maturity | December 1, 2037 |
| Authorized Issue | \$9,920,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 2.00% to 4.35% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Wells Fargo Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|-----------|-------------------|------------|
| 2015 | \$ 60,000 | 359,172 | 419,172 |
| 2016 | 60,000 | 357,972 | 417,972 |
| 2017 | 60,000 | 356,772 | 416,772 |
| 2018 | 65,000 | 355,572 | 420,572 |
| 2019 | 65,000 | 354,272 | 419,272 |
| 2020 | 165,000 | 352,972 | 517,972 |
| 2021 | 165,000 | 349,674 | 514,674 |
| 2022 | 170,000 | 345,960 | 515,960 |
| 2023 | 170,000 | 341,710 | 511,710 |
| 2024 | 570,000 | 337,460 | 907,460 |
| 2025 | 575,000 | 320,360 | 895,360 |
| 2026 | 575,000 | 303,110 | 878,110 |
| 2027 | 580,000 | 285,286 | 865,286 |
| 2028 | 585,000 | 266,726 | 851,726 |
| 2029 | 500,000 | 246,250 | 746,250 |
| 2030 | 500,000 | 227,500 | 727,500 |
| 2031 | 500,000 | 207,500 | 707,500 |
| 2032 | 500,000 | 187,500 | 687,500 |
| 2033 | 500,000 | 167,500 | 667,500 |
| 2034 | 500,000 | 147,500 | 647,500 |
| 2035 | 1,000,000 | 127,500 | 1,127,500 |
| 2036 | 1,000,000 | 86,000 | 1,086,000 |
| 2037 | 1,000,000 | 43,500 | 1,043,500 |
| | 9,865,000 | 6,127,768 | 15,992,768 |
| | 945,000 | Debt Service Fund | |
| | 8,920,000 | Sewer Fund | |
| | 9,865,000 | | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

General Obligation Bonds of 2014
December 31, 2014

| | |
|-------------------------|-----------------------|
| Date of Issue | December 2, 2014 |
| Date of Maturity | December 1, 2043 |
| Authorized Issue | \$20,315,000 |
| Denomination of Bonds | \$5,000 |
| Interest Rates | 3.00% to 4.00% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | December 1 |
| Payable at | Wells Fargo Bank |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|-------------------|-------------------|-------------------|
| 2015 | \$ 970,000 | 719,073 | 1,689,073 |
| 2016 | 1,005,000 | 691,975 | 1,696,975 |
| 2017 | 1,260,000 | 661,825 | 1,921,825 |
| 2018 | 545,000 | 624,025 | 1,169,025 |
| 2019 | 500,000 | 607,675 | 1,107,675 |
| 2020 | 535,000 | 592,675 | 1,127,675 |
| 2021 | - | 576,625 | 576,625 |
| 2022 | - | 576,625 | 576,625 |
| 2023 | 200,000 | 576,625 | 776,625 |
| 2024 | 100,000 | 570,625 | 670,625 |
| 2025 | 100,000 | 567,625 | 667,625 |
| 2026 | 100,000 | 564,625 | 664,625 |
| 2027 | 100,000 | 561,625 | 661,625 |
| 2028 | 100,000 | 558,625 | 658,625 |
| 2029 | 500,000 | 555,625 | 1,055,625 |
| 2030 | 550,000 | 540,625 | 1,090,625 |
| 2031 | 600,000 | 523,438 | 1,123,438 |
| 2032 | 600,000 | 503,938 | 1,103,938 |
| 2033 | 700,000 | 483,687 | 1,183,687 |
| 2034 | 750,000 | 459,187 | 1,209,187 |
| 2035 | 300,000 | 432,937 | 732,937 |
| 2036 | 350,000 | 422,062 | 772,062 |
| 2037 | 400,000 | 409,375 | 809,375 |
| 2038 | 1,500,000 | 394,375 | 1,894,375 |
| 2039 | 1,550,000 | 338,125 | 1,888,125 |
| 2040 | 1,650,000 | 280,000 | 1,930,000 |
| 2041 | 1,700,000 | 214,000 | 1,914,000 |
| 2042 | 1,800,000 | 146,000 | 1,946,000 |
| 2043 | 1,850,000 | 74,000 | 1,924,000 |
| | <u>20,315,000</u> | <u>14,227,622</u> | <u>34,542,622</u> |
| | 150,000 | Debt Service Fund | |
| | 17,160,000 | Sewer Fund | |
| | <u>3,005,000</u> | Water Fund | |
| | <u>20,315,000</u> | | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2006

December 31, 2014

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|----------------|---------------|----------------|
| 2015 | \$ 20,797 | 7,050 | 27,847 |
| 2016 | 21,320 | 6,527 | 27,847 |
| 2017 | 21,857 | 5,990 | 27,847 |
| 2018 | 22,407 | 5,441 | 27,848 |
| 2019 | 22,971 | 4,877 | 27,848 |
| 2020 | 23,548 | 4,299 | 27,847 |
| 2021 | 24,140 | 3,707 | 27,847 |
| 2022 | 24,748 | 3,100 | 27,848 |
| 2023 | 25,370 | 2,477 | 27,847 |
| 2024 | 26,007 | 1,839 | 27,846 |
| 2025 | 26,662 | 1,184 | 27,846 |
| 2026 | 27,334 | 514 | 27,848 |
| | <u>287,161</u> | <u>47,005</u> | <u>334,166</u> |
| | <u>287,161</u> | Sewer Fund | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2007

December 31, 2014

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|----------------|---------------|----------------|
| 2015 | \$ 30,247 | 11,248 | 41,495 |
| 2016 | 31,008 | 10,488 | 41,496 |
| 2017 | 31,788 | 9,707 | 41,495 |
| 2018 | 32,588 | 8,908 | 41,496 |
| 2019 | 33,408 | 8,089 | 41,497 |
| 2020 | 34,248 | 7,247 | 41,495 |
| 2021 | 35,109 | 6,386 | 41,495 |
| 2022 | 35,993 | 5,502 | 41,495 |
| 2023 | 36,898 | 4,597 | 41,495 |
| 2024 | 37,826 | 3,669 | 41,495 |
| 2025 | 38,778 | 2,717 | 41,495 |
| 2026 | 39,753 | 1,742 | 41,495 |
| 2027 | 39,806 | 743 | 40,549 |
| | <u>457,450</u> | <u>81,043</u> | <u>538,493</u> |
| | <u>457,450</u> | Sewer Fund | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2010

December 31, 2014

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|----------------|------------|----------------|
| 2015 | \$ 8,822 | - | 8,822 |
| 2016 | 8,822 | - | 8,822 |
| 2017 | 8,822 | - | 8,822 |
| 2018 | 8,822 | - | 8,822 |
| 2019 | 8,822 | - | 8,822 |
| 2020 | 8,822 | - | 8,822 |
| 2021 | 8,822 | - | 8,822 |
| 2022 | 8,822 | - | 8,822 |
| 2023 | 8,822 | - | 8,822 |
| 2024 | 8,822 | - | 8,822 |
| 2025 | 8,822 | - | 8,822 |
| 2026 | 8,822 | - | 8,822 |
| 2027 | 8,822 | - | 8,822 |
| 2028 | 8,822 | - | 8,822 |
| 2029 | 8,822 | - | 8,822 |
| 2030 | 4,410 | - | 4,410 |
| | <u>136,740</u> | - | <u>136,740</u> |
| | <u>136,740</u> | Sewer Fund | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2011
December 31, 2014

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

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|-----------|------------|---------|
| 2015 | \$ 34,808 | 8,079 | 42,887 |
| 2016 | 35,244 | 7,642 | 42,886 |
| 2017 | 35,687 | 7,201 | 42,888 |
| 2018 | 36,134 | 6,753 | 42,887 |
| 2019 | 36,588 | 6,300 | 42,888 |
| 2020 | 37,046 | 5,841 | 42,887 |
| 2021 | 37,511 | 5,377 | 42,888 |
| 2022 | 37,981 | 4,906 | 42,887 |
| 2023 | 38,457 | 4,430 | 42,887 |
| 2024 | 38,939 | 3,948 | 42,887 |
| 2025 | 39,427 | 3,459 | 42,886 |
| 2026 | 39,922 | 2,965 | 42,887 |
| 2027 | 40,422 | 2,464 | 42,886 |
| 2028 | 40,929 | 1,958 | 42,887 |
| 2029 | 41,443 | 1,445 | 42,888 |
| 2030 | 41,962 | 925 | 42,887 |
| 2031 | 42,488 | 399 | 42,887 |
| | 654,988 | 74,092 | 729,080 |
| | 654,988 | Sewer Fund | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2012

December 31, 2014

| | |
|-------------------------|--|
| Date of Issue | September 28, 2012 |
| Date of Maturity | August 5, 2032 |
| Authorized Issue | \$742,022 |
| Denomination of Bonds | Various |
| Interest Rate | 2.295% |
| Interest Dates | February 5 and August 5 |
| Principal Maturity Date | August 5 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|------------------|-----------------|---------------|
| 2015 | \$ 31,624 | 15,791 | 47,415 |
| 2016 | 32,353 | 15,061 | 47,414 |
| 2017 | 33,100 | 14,314 | 47,414 |
| 2018 | 33,864 | 13,550 | 47,414 |
| 2019 | 34,646 | 12,768 | 47,414 |
| 2020 | 35,446 | 11,969 | 47,415 |
| 2021 | 36,263 | 11,151 | 47,414 |
| 2022 | 37,101 | 10,314 | 47,415 |
| 2023 | 37,957 | 9,457 | 47,414 |
| 2024 | 38,833 | 8,581 | 47,414 |
| 2025 | 39,729 | 7,685 | 47,414 |
| 2026 | 40,646 | 6,768 | 47,414 |
| 2027 | 41,585 | 5,829 | 47,414 |
| 2028 | 42,545 | 4,870 | 47,415 |
| 2029 | 43,526 | 3,888 | 47,414 |
| 2030 | 44,532 | 2,884 | 47,416 |
| 2031 | 45,559 | 1,856 | 47,415 |
| 2032 | 46,610 | 804 | 47,414 |
| | 695,919 | 157,540 | 853,459 |
| | 695,919 | Sewer Fund | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

IEPA Revenue Bonds of 2013

December 31, 2014

| | |
|-------------------------|--|
| Date of Issue | November 26, 2013 |
| Date of Maturity | December 1, 2033 |
| Authorized Issue | \$582,886 |
| Denomination of Bonds | Various |
| Interest Rate | 1.930% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | June 1 and December 1 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|------------------|-----------------|---------------|
| 2015 | \$ 24,675 | 10,594 | 35,269 |
| 2016 | 25,154 | 10,115 | 35,269 |
| 2017 | 25,642 | 9,627 | 35,269 |
| 2018 | 26,138 | 9,131 | 35,269 |
| 2019 | 26,645 | 8,624 | 35,269 |
| 2020 | 27,162 | 8,107 | 35,269 |
| 2021 | 27,688 | 7,581 | 35,269 |
| 2022 | 28,226 | 7,043 | 35,269 |
| 2023 | 28,773 | 6,496 | 35,269 |
| 2024 | 29,332 | 5,937 | 35,269 |
| 2025 | 29,900 | 5,369 | 35,269 |
| 2026 | 30,480 | 4,789 | 35,269 |
| 2027 | 31,070 | 4,199 | 35,269 |
| 2028 | 31,673 | 3,596 | 35,269 |
| 2029 | 32,288 | 2,981 | 35,269 |
| 2030 | 32,913 | 2,356 | 35,269 |
| 2031 | 33,552 | 1,717 | 35,269 |
| 2032 | 34,203 | 1,066 | 35,269 |
| 2033 | 29,550 | 403 | 29,953 |
| | 555,064 | 109,731 | 664,795 |
| | 555,064 | Sewer Fund | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

**IEPA Revenue Bonds of 2014
December 31, 2014**

| | |
|-------------------------|--|
| Date of Issue | December 5, 2014 |
| Date of Maturity | December 3, 2034 |
| Authorized Issue | \$640,503 |
| Denomination of Bonds | Various |
| Interest Rate | 1.995% |
| Interest Dates | June 1 and December 1 |
| Principal Maturity Date | June 1 and December 1 |
| Payable at | Illinois Environmental Protection Agency |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| Fiscal Year | Principal | Interest | Totals |
|----------------|-----------|------------|---------|
| 2015 | \$ 25,157 | 11,971 | 37,128 |
| 2016 | 26,966 | 12,160 | 39,126 |
| 2017 | 27,507 | 11,619 | 39,126 |
| 2018 | 28,058 | 11,067 | 39,125 |
| 2019 | 28,621 | 10,504 | 39,125 |
| 2020 | 29,195 | 9,931 | 39,126 |
| 2021 | 29,780 | 9,346 | 39,126 |
| 2022 | 30,377 | 8,749 | 39,126 |
| 2023 | 30,986 | 8,140 | 39,126 |
| 2024 | 31,607 | 7,519 | 39,126 |
| 2025 | 32,241 | 6,884 | 39,125 |
| 2026 | 32,888 | 6,238 | 39,126 |
| 2027 | 33,547 | 5,579 | 39,126 |
| 2028 | 34,220 | 4,906 | 39,126 |
| 2029 | 34,906 | 4,220 | 39,126 |
| 2030 | 35,605 | 3,520 | 39,125 |
| 2031 | 36,320 | 2,806 | 39,126 |
| 2032 | 37,047 | 2,078 | 39,125 |
| 2033 | 37,790 | 1,335 | 39,125 |
| 2034 | 38,548 | 578 | 39,126 |
| | 641,366 | 139,150 | 780,516 |
| | 641,366 | Sewer Fund | |

VILLAGE OF WILMETTE, ILLINOIS

Long-Term Debt Requirements

Installment Contract of 2012

December 31, 2014

| | |
|-------------------------|----------------------------|
| Date of Issue | July 24, 2012 |
| Date of Maturity | November 1, 2032 |
| Original Contract | \$250,000 |
| Interest Rate | 0.000% |
| Interest Dates | Monthly |
| Principal Maturity Date | Monthly |
| Payable at | Illinois Finance Authority |

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Totals</u> |
|------------------------|------------------|-----------------|---------------|
| 2015 | \$ 12,500 | - | 12,500 |
| 2016 | 12,500 | - | 12,500 |
| 2017 | 12,500 | - | 12,500 |
| 2018 | 12,500 | - | 12,500 |
| 2019 | 12,500 | - | 12,500 |
| 2020 | 12,500 | - | 12,500 |
| 2021 | 12,500 | - | 12,500 |
| 2022 | 12,500 | - | 12,500 |
| 2023 | 12,500 | - | 12,500 |
| 2024 | 12,500 | - | 12,500 |
| 2025 | 12,500 | - | 12,500 |
| 2026 | 12,500 | - | 12,500 |
| 2027 | 12,500 | - | 12,500 |
| 2028 | 12,500 | - | 12,500 |
| 2029 | 12,500 | - | 12,500 |
| 2030 | 12,500 | - | 12,500 |
| 2031 | 12,500 | - | 12,500 |
| 2032 | 12,500 | - | 12,500 |
| | 225,000 | - | 225,000 |
| | 225,000 | General 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 Position by Component - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 8,166,032 | 8,929,074 | 10,499,597 | 11,418,376 | 14,080,279 | 13,744,098 | 14,596,442 | 14,842,391 | 15,481,696 | 15,800,477 |
| Restricted | 1,076,158 | 834,828 | 450,725 | 1,189,728 | 331,412 | 632,132 | 385,231 | 549,806 | 560,482 | 749,557 |
| Unrestricted | 4,423,233 | 4,928,203 | 5,845,733 | 3,855,656 | 1,755,021 | 1,893,264 | 1,790,398 | 2,197,088 | 2,961,727 | 4,888,765 |
| Total Governmental Activities Net Position | 13,665,423 | 14,692,105 | 16,796,055 | 16,463,760 | 16,166,712 | 16,269,494 | 16,772,071 | 17,589,285 | 19,003,905 | 21,438,799 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | 35,475,772 | 36,849,485 | 37,956,144 | 39,036,902 | 40,104,715 | 41,149,679 | 42,287,795 | 41,954,891 | 43,766,118 | 44,837,017 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | 3,340,497 | 2,605,420 | 2,884,158 | 2,262,176 | 2,034,508 | 2,838,742 | 3,509,342 | 6,162,747 | 6,382,765 | 6,272,753 |
| Total Business-Type Activities Net Position | 38,816,269 | 39,454,905 | 40,840,302 | 41,299,078 | 42,139,223 | 43,988,421 | 45,797,137 | 48,117,638 | 50,148,883 | 51,109,770 |
| Total Net Position | | | | | | | | | | |
| Net Investment in Capital Assets | 43,641,804 | 45,778,559 | 48,455,741 | 50,455,278 | 54,184,994 | 54,893,777 | 56,884,237 | 56,797,282 | 59,247,814 | 60,637,494 |
| Restricted | 1,076,158 | 834,828 | 450,725 | 1,189,728 | 331,412 | 632,132 | 385,231 | 549,806 | 560,482 | 749,557 |
| Unrestricted | 7,763,730 | 7,533,623 | 8,729,891 | 6,117,832 | 3,789,529 | 4,732,006 | 5,299,740 | 8,359,835 | 9,344,492 | 11,161,518 |
| Total Primary Government Net Position | 52,481,692 | 54,147,010 | 57,636,357 | 57,762,838 | 58,305,935 | 60,257,915 | 62,569,208 | 65,706,923 | 69,152,788 | 72,548,569 |

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Changes in Net Position - Last Ten Fiscal Years
December 31, 2014 (Unaudited)

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Expenses | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| General Government | \$ 3,330,649 | 3,466,888 | 3,395,790 | 3,341,486 | 3,104,396 | 3,381,500 | 3,041,952 | 3,266,556 | 3,303,014 | 3,432,230 |
| Public Safety | 13,334,526 | 13,727,439 | 15,071,445 | 16,501,474 | 16,704,907 | 17,608,075 | 17,968,456 | 18,405,275 | 18,979,618 | 19,306,629 |
| Streets and Sanitation | 7,460,718 | 7,445,005 | 8,270,333 | 8,413,098 | 7,764,833 | 7,907,842 | 8,522,586 | 8,353,031 | 8,740,030 | 8,952,573 |
| Other Public Works | 1,051,838 | 1,687,224 | 2,155,904 | 1,761,734 | 1,511,453 | 1,433,367 | 1,307,135 | 1,388,357 | 1,655,627 | 1,592,014 |
| Community Development | 1,116,566 | 1,137,139 | 177,124 | 170,743 | 187,546 | 205,587 | 225,314 | 228,675 | 237,168 | 1,678,387 |
| Public Health | 160,447 | 193,970 | 1,253,997 | 1,271,890 | 1,123,256 | 1,267,254 | 1,209,544 | 1,293,984 | 1,305,083 | 249,781 |
| Interest | 1,447,678 | 1,404,556 | 1,636,879 | 1,718,654 | 1,648,850 | 1,213,334 | 1,540,242 | 1,464,346 | 1,395,538 | 1,321,442 |
| Total Governmental Activities Expenses | 27,902,422 | 29,062,221 | 31,961,472 | 33,179,079 | 32,045,241 | 33,016,959 | 33,815,229 | 34,400,224 | 35,616,078 | 36,533,056 |
| Business-Type Activities | | | | | | | | | | |
| Water | 5,634,646 | 5,770,344 | 6,146,053 | 6,207,177 | 6,155,509 | 5,950,487 | 6,241,730 | 6,417,546 | 6,150,922 | 6,229,920 |
| Sewer | 2,436,380 | 2,444,549 | 2,621,682 | 2,534,169 | 2,739,463 | 2,461,249 | 2,779,748 | 2,798,432 | 2,860,481 | 3,526,186 |
| Parking | 432,340 | 421,842 | 442,821 | 462,824 | 458,677 | 459,394 | 453,310 | 451,720 | 456,325 | 527,875 |
| Total Business-Type Activities Net Position | 8,503,366 | 8,636,735 | 9,210,556 | 9,204,170 | 9,353,649 | 8,871,130 | 9,474,788 | 9,667,698 | 9,467,728 | 10,283,981 |
| Total Primary Government Expenses | 36,405,788 | 37,698,956 | 41,172,028 | 42,383,249 | 41,398,890 | 41,888,089 | 43,290,017 | 44,067,922 | 45,083,806 | 46,817,037 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| General Government | 247,917 | 265,168 | 288,614 | 292,394 | 297,132 | 368,144 | 374,785 | 394,563 | 416,400 | 439,014 |
| Public Safety | 1,533,081 | 1,572,175 | 1,993,313 | 2,131,372 | 2,147,962 | 2,245,337 | 2,181,609 | 2,245,305 | 2,307,524 | 2,440,980 |
| Streets and Sanitation | 1,552,340 | 1,649,677 | 1,729,235 | 1,840,135 | 1,946,202 | 2,177,599 | 2,244,027 | 2,286,245 | 2,390,723 | 2,494,038 |
| Other Public Works | 38,000 | 63,356 | 121,267 | 109,484 | 57,344 | 65,104 | 79,657 | 97,662 | 146,524 | 202,605 |
| Community Development | 1,726,586 | 1,569,484 | 1,769,744 | 1,434,373 | 1,036,375 | 58,451 | 64,193 | 68,483 | 71,738 | 2,318,366 |
| Public Health | 12,558 | 39,010 | 32,582 | 31,266 | 35,518 | 1,306,315 | 1,309,940 | 1,737,213 | 2,329,847 | 76,757 |
| Operating Grants/Contributions | 1,330,251 | 999,520 | 2,935,791 | 1,955,443 | 1,532,053 | 997,955 | 1,942,760 | 963,214 | 1,033,870 | 1,569,576 |
| Capital Grants/Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities Program Revenue | 6,440,733 | 6,158,390 | 8,870,546 | 7,794,467 | 7,052,586 | 7,218,905 | 8,196,971 | 7,792,685 | 8,696,626 | 9,541,336 |
| Business-Type Activities | | | | | | | | | | |
| Charges for Services | | | | | | | | | | |
| Water | 6,508,780 | 5,757,608 | 6,380,743 | 6,402,404 | 6,981,313 | 7,261,814 | 7,447,541 | 8,130,836 | 7,806,574 | 7,390,257 |
| Sewer | 3,940,993 | 3,406,059 | 3,468,473 | 3,491,359 | 3,606,066 | 4,032,632 | 4,167,069 | 4,647,206 | 4,423,168 | 4,317,893 |
| Parking | 312,782 | 305,994 | 308,102 | 320,670 | 412,436 | 404,036 | 397,304 | 393,697 | 397,322 | 369,977 |
| Operating Grants/Contributions | - | - | 155,024 | 13,145 | 119,527 | - | 293,550 | 192,168 | 94,793 | 5,230 |
| Capital Grants/Contributions | 101,377 | 21,550 | - | - | - | - | - | - | - | 47,218 |
| Total Business-Type Activities Program Revenue | 10,863,932 | 9,491,211 | 10,312,342 | 10,227,578 | 11,119,342 | 11,698,482 | 12,305,464 | 13,363,907 | 12,721,857 | 12,130,575 |
| Total Primary Government Program Revenue | 17,304,665 | 15,649,601 | 19,182,888 | 18,022,045 | 18,171,928 | 18,917,387 | 20,502,435 | 21,156,592 | 21,418,483 | 21,671,911 |

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental Activities | \$ (21,461,689) | (22,903,831) | (23,090,926) | (25,384,612) | (24,992,655) | (25,798,054) | (25,618,258) | (26,607,539) | (26,919,452) | (26,991,720) |
| Business-Type Activities | 2,360,566 | 854,476 | 1,101,786 | 1,023,408 | 1,765,693 | 2,827,352 | 2,830,676 | 3,696,209 | 3,254,129 | 1,846,594 |
| Total Net Revenue (Expense) | (19,101,123) | (22,049,355) | (21,989,140) | (24,361,204) | (23,226,962) | (22,970,702) | (22,787,582) | (22,911,330) | (23,665,323) | (25,145,126) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental Activities | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property | 10,190,069 | 10,843,388 | 11,580,802 | 12,032,926 | 12,765,894 | 13,335,569 | 13,885,934 | 14,326,855 | 14,782,567 | 15,355,548 |
| Sales, Local Use | 3,940,023 | 4,113,029 | 4,186,809 | 4,091,855 | 3,712,906 | 3,796,368 | 3,747,697 | 3,770,772 | 3,964,885 | 4,248,323 |
| Utility | 2,913,414 | 2,647,823 | 2,739,621 | 2,718,132 | 2,692,330 | 2,636,055 | 2,579,823 | 2,488,225 | 2,580,859 | 2,344,098 |
| Income | 2,063,436 | 2,263,978 | 2,447,409 | 2,617,554 | 2,247,445 | 2,176,193 | 2,146,830 | 2,380,064 | 2,481,566 | 2,593,413 |
| Real Estate Transfer | 1,512,987 | 1,326,561 | 1,366,260 | 880,317 | 634,160 | 910,128 | 717,780 | 937,983 | 1,081,380 | 1,285,913 |
| Other | 652,464 | 666,020 | 805,021 | 859,204 | 764,396 | 770,524 | 724,099 | 752,065 | 758,549 | 1,002,184 |
| Investment Income | 398,842 | 686,719 | 565,408 | 94,736 | 50,289 | 161,716 | 190,532 | 204,852 | 254,192 | 239,627 |
| Miscellaneous | 795,150 | 617,410 | 1,384,310 | 1,049,103 | 878,187 | 1,114,283 | 1,078,140 | 1,163,937 | 1,180,074 | 1,357,508 |
| Gain (Loss) on Disposal of Capital Assets | - | - | - | - | - | - | - | - | - | - |
| Transfers In (Out) | 597,455 | 765,585 | 119,236 | 708,490 | 950,000 | 1,000,000 | 1,050,000 | 1,400,000 | 1,250,000 | 1,000,000 |
| Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Governmental Activities | 23,063,840 | 23,930,513 | 25,194,876 | 25,052,317 | 24,695,607 | 25,900,836 | 26,120,835 | 27,424,753 | 28,334,072 | 29,426,614 |
| Business-Type Activities | | | | | | | | | | |
| Investment Income | 408,845 | 549,745 | 402,847 | 143,858 | 24,452 | 21,846 | 28,040 | 24,292 | 27,116 | 30,175 |
| Miscellaneous | - | - | - | - | - | - | - | - | - | 84,118 |
| Gain (Loss) on Disposal of Capital Assets | - | - | - | - | - | - | - | - | - | - |
| Transfers In (Out) | (597,455) | (765,585) | (119,236) | (708,490) | (950,000) | (1,000,000) | (1,050,000) | (1,400,000) | (1,250,000) | (1,000,000) |
| Contributions | - | - | - | - | - | - | - | - | - | - |
| Total Business-Type Activities | (188,610) | (215,840) | 283,611 | (564,632) | (925,548) | (978,154) | (1,021,960) | (1,375,708) | (1,222,884) | (885,707) |
| Total Primary Government | 22,875,230 | 23,714,673 | 25,478,487 | 24,487,685 | 23,770,059 | 24,922,682 | 25,098,875 | 26,049,045 | 27,111,188 | 28,540,907 |
| Changes in Net Position | | | | | | | | | | |
| Governmental Activities | 1,602,151 | 1,026,682 | 2,103,950 | (332,295) | (297,048) | 102,782 | 502,577 | 817,214 | 1,414,620 | 2,434,894 |
| Business-Type Activities | 2,171,956 | 638,636 | 1,385,397 | 458,776 | 840,145 | 1,849,198 | 1,808,716 | 2,320,501 | 2,031,245 | 960,887 |
| Total Primary Government | 3,774,107 | 1,665,318 | 3,489,347 | 126,481 | 543,097 | 1,951,980 | 2,311,293 | 3,137,715 | 3,445,865 | 3,395,781 |

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

| | 2005 | 2006 | 2007 |
|---|------------------|------------------|------------------|
| General Fund | | | |
| Reserved | \$ 563,159 | 617,896 | 564,620 |
| Unreserved | 5,756,062 | 6,391,407 | 7,121,664 |
| Nonspendable | - | - | - |
| Restricted | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total General Fund | 6,319,221 | 7,009,303 | 7,686,284 |
| All Other Governmental Funds | | | |
| Reserved | - | - | 200,000 |
| Unreserved, Reported in: | | | |
| Special Revenues Funds | 680,990 | 431,201 | 450,725 |
| Debt Service Funds | 34,553 | 28,366 | (7,665) |
| Capital Projects Funds | 4,521,700 | 1,816,076 | 8,444,739 |
| Restricted | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total All Other Governmental Funds | 5,237,243 | 2,275,643 | 9,087,799 |

Data Source: Village Records

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

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 281,354 | 257,117 | 97,544 | - | - | - | - |
| 6,350,014 | 4,810,519 | 5,258,531 | - | - | - | - |
| - | - | - | 75,589 | 961,697 | 1,067,921 | 1,222,557 |
| - | - | - | - | 128,968 | 64,251 | 64,712 |
| - | - | - | 247,056 | 503,336 | 198,348 | 816,646 |
| - | - | - | 5,212,176 | 5,171,969 | 6,701,690 | 7,856,971 |
| 6,631,368 | 5,067,636 | 5,356,075 | 5,534,821 | 6,765,970 | 8,032,210 | 9,960,886 |
| 1,261,330 | - | 340,915 | - | - | - | - |
| 389,728 | 331,412 | 407,836 | - | - | - | - |
| (61,780) | (96,363) | - | - | - | - | - |
| 3,787,249 | 1,383,335 | 2,492,901 | - | - | - | - |
| - | - | - | 385,231 | 669,561 | 577,842 | 717,918 |
| - | - | - | 675,683 | 437,095 | 554,643 | 69,638 |
| - | - | - | (96,209) | - | - | - |
| 5,376,527 | 1,618,384 | 3,241,652 | 964,705 | 1,106,656 | 1,132,485 | 787,556 |

VILLAGE OF WILMETTE, ILLINOIS

**General Governmental Revenues by Source - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

| Source | 2005 | 2006 | 2007 | 2008 |
|----------------------------|---------------|------------|------------|------------|
| Taxes | \$ 21,272,393 | 21,860,799 | 23,125,922 | 23,199,988 |
| Licenses, Permits and Fees | 2,824,120 | 2,678,714 | 3,382,726 | 3,034,314 |
| Intergovernmental | 1,177,017 | 999,520 | 2,935,791 | 1,955,443 |
| Charges for Services | 1,946,356 | 2,168,121 | 2,278,003 | 2,413,363 |
| Fines and Forfeitures | 340,006 | 312,035 | 274,026 | 391,347 |
| Investment Earnings | 390,758 | 538,001 | 497,251 | 273,773 |
| Miscellaneous | 684,793 | 617,410 | 1,384,310 | 1,049,103 |
| Total | 28,635,443 | 29,174,600 | 33,878,029 | 32,317,331 |

Data Source: Village Records

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------|------------|------------|------------|------------|------------|
| 22,817,131 | 23,624,837 | 23,802,163 | 24,655,964 | 25,649,806 | 26,829,479 |
| 2,661,327 | 3,005,663 | 3,043,066 | 3,505,584 | 4,167,041 | 4,407,036 |
| 1,532,053 | 997,955 | 1,942,760 | 963,214 | 1,033,870 | 1,569,576 |
| 2,557,660 | 2,823,915 | 2,855,787 | 2,989,446 | 3,137,432 | 3,191,053 |
| 301,546 | 391,372 | 355,358 | 334,441 | 358,283 | 373,671 |
| 33,656 | 25,329 | 24,006 | 201,172 | 250,614 | 237,646 |
| 878,187 | 1,114,283 | 1,078,140 | 1,163,937 | 1,180,074 | 1,357,508 |
| 30,781,560 | 31,983,354 | 33,101,280 | 33,813,758 | 35,777,120 | 37,965,969 |

VILLAGE OF WILMETTE, ILLINOIS

**General Governmental Expenditures by Function - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

| Function | 2005 | 2006 | 2007 | 2008 |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| General Government | \$ 3,330,649 | 3,466,888 | 3,147,259 | 3,195,090 |
| Public Safety | 13,334,526 | 13,727,439 | 14,863,098 | 15,844,052 |
| Streets and Sanitation | 7,460,718 | 7,445,005 | 6,795,616 | 6,346,863 |
| Other Public Works | 1,051,838 | 1,687,224 | 2,149,004 | 1,759,034 |
| Public Health | 160,447 | 193,970 | 177,824 | 170,243 |
| Community Development | 1,116,566 | 1,137,139 | 1,451,671 | 1,386,238 |
| Capital Outlay | - | - | 5,068,278 | 5,178,517 |
| Debt Service | | | | |
| Principal Retirement | - | - | 1,254,235 | 2,208,316 |
| Interest and Fiscal Charges | 1,447,678 | 1,404,556 | 1,501,513 | 1,703,656 |
| Total | 27,902,422 | 29,062,221 | 36,408,498 | 37,792,009 |

Data Source: Village Records

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------|------------|------------|------------|------------|------------|
| 2,892,303 | 2,925,964 | 2,818,641 | 3,054,387 | 3,267,339 | 3,258,505 |
| 16,155,101 | 16,900,426 | 17,591,397 | 18,599,081 | 18,691,624 | 19,061,947 |
| 5,807,962 | 5,567,467 | 5,761,344 | 5,832,631 | 5,905,510 | 6,156,261 |
| 2,479,331 | 1,811,305 | 2,341,132 | 1,909,400 | 2,382,792 | 1,951,515 |
| 187,046 | 205,787 | 215,689 | 226,412 | 235,339 | 244,963 |
| 1,120,856 | 1,267,654 | 1,174,544 | 1,274,590 | 1,280,804 | 1,675,987 |
| 6,795,273 | 1,147,720 | 2,910,803 | 918,493 | 1,676,552 | 1,655,988 |
| 1,578,609 | 1,588,176 | 2,020,000 | 1,720,000 | 2,027,500 | 2,157,500 |
| 1,635,271 | 1,228,122 | 1,415,931 | 1,338,899 | 1,267,591 | 1,219,556 |
| 38,651,752 | 32,642,621 | 36,249,481 | 34,873,893 | 36,735,051 | 37,382,222 |

VILLAGE OF WILMETTE, ILLINOIS

Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
December 31, 2014 (Unaudited)

| | 2005 | 2006 | 2007 | 2008 |
|--|--------------------|--------------------|-------------------|--------------------|
| Revenues | | | | |
| Taxes | \$ 21,272,393 | 21,860,799 | 23,125,922 | 23,199,988 |
| Licenses and Permits | 2,824,120 | 2,678,714 | 3,382,726 | 3,034,314 |
| Intergovernmental | 1,177,017 | 999,520 | 2,935,791 | 1,955,443 |
| Charges for Services and Fees | 1,946,356 | 2,168,121 | 2,278,003 | 2,413,363 |
| Fines and Forfeits | 340,006 | 312,035 | 274,026 | 391,347 |
| Investment Income | 390,758 | 538,001 | 497,251 | 273,773 |
| Miscellaneous | 684,793 | 617,410 | 1,384,310 | 1,049,103 |
| Total Revenues | 28,635,443 | 29,174,600 | 33,878,029 | 32,317,331 |
| Expenditures | | | | |
| General Government | 2,989,626 | 3,073,424 | 3,147,259 | 3,195,090 |
| Public Safety | 13,184,417 | 13,859,888 | 14,863,098 | 15,844,052 |
| Streets and Sanitation | 5,327,047 | 5,237,550 | 6,795,616 | 6,346,863 |
| Other Public Works | 1,107,204 | 1,687,224 | 2,149,004 | 1,759,034 |
| Public Health | 160,447 | 193,970 | 177,824 | 170,243 |
| Community Development | 1,116,566 | 1,137,139 | 1,451,671 | 1,386,238 |
| Capital Outlay | 6,734,692 | 4,468,596 | 5,068,278 | 5,178,517 |
| Debt Service | | | | |
| Principal | 1,261,869 | 1,167,764 | 1,254,235 | 2,208,316 |
| Interest and Fiscal Charges | 1,429,943 | 1,386,148 | 1,501,513 | 1,703,656 |
| Total Expenditures | 33,311,811 | 32,211,703 | 36,408,498 | 37,792,009 |
| Excess of Revenues Over (Under) Expenditures | (4,676,368) | (3,037,103) | (2,530,469) | (5,474,678) |
| Other Financing Sources (Uses) | | | | |
| Proceeds from Bonds | - | - | 11,673,827 | - |
| Proceeds from I.E.P.A. Loan | - | - | - | - |
| Proceeds from Installment Contract | - | - | - | - |
| Premium on Proceeds | - | - | - | - |
| Payments to Escrow Agent | - | - | (1,773,457) | - |
| Transfers In | 1,300,000 | 1,302,029 | 600,000 | 850,000 |
| Transfers Out | (700,585) | (536,444) | (480,764) | (141,510) |
| Total Other Financing Sources (Uses) | 599,415 | 765,585 | 10,019,606 | 708,490 |
| Net Change in Fund Balances | (4,076,953) | (2,271,518) | 7,489,137 | (4,766,188) |
| Debt Service as a Percentage of Noncapital Expenditures | 10.18% | 9.30% | 9.07% | 12.13% |

Data Source: Village Records

| 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|-------------|--------------|-------------|-------------|------------|------------|
| 22,817,131 | 23,624,837 | 23,802,163 | 24,655,964 | 25,649,806 | 26,829,479 |
| 2,661,327 | 3,005,663 | 3,043,066 | 3,505,584 | 4,167,041 | 4,407,036 |
| 1,532,053 | 997,955 | 1,942,760 | 963,214 | 1,033,870 | 1,569,576 |
| 2,557,660 | 2,823,915 | 2,855,787 | 2,989,446 | 3,137,432 | 3,191,053 |
| 301,546 | 391,372 | 355,358 | 334,441 | 358,283 | 373,671 |
| 33,656 | 25,329 | 24,006 | 201,172 | 250,614 | 237,646 |
| 878,187 | 1,114,283 | 1,078,140 | 1,163,937 | 1,180,074 | 1,357,508 |
| 30,781,560 | 31,983,354 | 33,101,280 | 33,813,758 | 35,777,120 | 37,965,969 |
| 2,892,303 | 2,925,964 | 2,818,641 | 3,054,387 | 3,267,339 | 3,258,505 |
| 16,155,101 | 16,900,426 | 17,591,397 | 18,599,081 | 18,691,624 | 19,061,947 |
| 5,807,962 | 5,567,467 | 5,761,344 | 5,832,631 | 5,905,510 | 6,156,261 |
| 2,479,331 | 1,811,305 | 2,341,132 | 1,909,400 | 2,382,792 | 1,951,515 |
| 187,046 | 205,787 | 215,689 | 226,412 | 235,339 | 244,963 |
| 1,120,856 | 1,267,654 | 1,174,544 | 1,274,590 | 1,280,804 | 1,675,987 |
| 6,795,273 | 1,147,720 | 2,910,803 | 918,493 | 1,676,552 | 1,655,988 |
| 1,578,609 | 1,588,176 | 2,020,000 | 1,720,000 | 2,027,500 | 2,157,500 |
| 1,635,271 | 1,228,122 | 1,415,931 | 1,338,899 | 1,267,591 | 1,219,556 |
| 38,651,752 | 32,642,621 | 36,249,481 | 34,873,893 | 36,735,051 | 37,382,222 |
| (7,870,192) | (659,267) | (3,148,201) | (1,060,135) | (957,931) | 583,747 |
| 1,590,000 | 23,280,000 | - | 250,000 | 1,000,000 | 150,000 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 8,317 | 16,635 | - | - | - | 20,000 |
| - | (21,725,661) | - | - | - | (170,000) |
| 950,000 | 1,000,000 | 1,050,000 | 1,400,000 | 1,250,000 | 1,060,000 |
| - | - | - | - | - | (60,000) |
| 2,548,317 | 2,570,974 | 1,050,000 | 1,650,000 | 2,250,000 | 1,000,000 |
| (5,321,875) | 1,911,707 | (2,098,201) | 589,865 | 1,292,069 | 1,583,747 |
| 10.58% | 9.08% | 10.62% | 9.41% | 9.75% | 9.62% |

VILLAGE OF WILMETTE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
December 31, 2014 (Unaudited)**

| Tax Levy Year | Real Property New Trier Township | Real Property Northfield Township | Railroad Property New Trier Township | Total Equalized Assessed Value | Total Estimated Actual Value | Equalization Factor | Direct Tax Rate |
|---------------|----------------------------------|-----------------------------------|--------------------------------------|--------------------------------|------------------------------|---------------------|-----------------|
| 2004 | \$ 1,492,689,803 | \$ 5,056,436 | \$ 184,479 | \$ 1,497,930,718 | \$ 4,493,792,154 | 2.5757 | \$ 0.689 |
| 2005 | 1,623,962,496 | 5,472,282 | 174,078 | 1,629,608,856 | 4,888,826,568 | 2.7320 | 0.671 |
| 2006 | 1,616,506,819 | 5,577,543 | 172,349 | 1,622,256,711 | 4,866,770,133 | 2.7076 | 0.689 |
| 2007 | 2,049,171,401 | 6,942,143 | 185,588 | 2,056,299,132 | 6,168,897,396 | 2.8439 | 0.597 |
| 2008 | 2,186,269,851 | 7,865,829 | 199,495 | 2,194,335,175 | 6,583,005,525 | 2.9786 | 0.593 |
| 2009 | 2,319,401,711 | 8,654,170 | 234,590 | 2,328,290,471 | 6,984,871,413 | 3.3701 | 0.581 |
| 2010 | 2,071,594,749 | 7,677,648 | 285,675 | 2,079,558,072 | 6,238,674,216 | 3.3000 | 0.674 |
| 2011 | 1,862,667,826 | 6,957,756 | 302,445 | 1,869,928,027 | 5,609,784,081 | 2.9706 | 0.778 |
| 2012 | 1,728,489,728 | 6,510,620 | 337,900 | 1,735,338,248 | 5,206,014,744 | 2.8056 | 0.867 |
| 2013 | 1,554,334,757 | 5,837,318 | 413,686 | 1,560,585,761 | 4,681,757,283 | 2.6621 | 0.996 |

2014 Data - Currently Not Available

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Tax Levy Years
December 31, 2014 (Unaudited)**

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------------|----------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Village of Wilmette | | | | | | | | | | |
| General Corporate Rate | \$ 0.530 | 0.521 | 0.530 | 0.432 | 0.448 | 0.449 | 0.530 | 0.615 | 0.679 | 0.785 |
| Debt Service Rate | 0.159 | 0.150 | 0.159 | 0.165 | 0.145 | 0.132 | 0.144 | 0.163 | 0.188 | 0.211 |
| Total Direct Tax Rate | 0.689 | 0.671 | 0.689 | 0.597 | 0.593 | 0.581 | 0.674 | 0.778 | 0.867 | 0.996 |
| Overlapping | | | | | | | | | | |
| School District #39 | 2.238 | 2.151 | 2.238 | 1.848 | 1.812 | 1.716 | 2.314 | 2.620 | 2.922 | 3.326 |
| School District #203 | 1.621 | 1.577 | 1.621 | 1.299 | 1.290 | 1.237 | 1.474 | 1.674 | 1.864 | 2.111 |
| Community College #535 | 0.161 | 0.158 | 0.161 | 0.141 | 0.140 | 0.140 | 0.160 | 0.196 | 0.219 | 0.256 |
| Wilmette Park District | 0.440 | 0.413 | 0.440 | 0.360 | 0.348 | 0.332 | 0.390 | 0.451 | 0.493 | 0.548 |
| Wilmette Public Library | 0.315 | 0.283 | 0.315 | 0.245 | 0.241 | 0.230 | 0.266 | 0.302 | 0.335 | 0.381 |
| Cook County | 0.593 | 0.547 | 0.593 | 0.458 | 0.415 | 0.415 | 0.423 | 0.487 | 0.531 | 0.598 |
| Sanitary District | 0.347 | 0.315 | 0.347 | 0.263 | 0.252 | 0.261 | 0.274 | 0.320 | 0.370 | 0.417 |
| Forest Preserve District | 0.060 | 0.060 | 0.060 | 0.053 | 0.051 | 0.049 | 0.051 | 0.058 | 0.063 | 0.069 |
| New Trier Township | 0.039 | 0.039 | 0.039 | 0.034 | 0.034 | 0.033 | 0.041 | 0.047 | 0.053 | 0.054 |
| Suburban T.B. Sanitarium | 0.001 | 0.005 | 0.001 | - | - | - | - | - | - | - |
| Mosquito Abatement Dist. | 0.008 | 0.008 | 0.008 | 0.008 | 0.008 | 0.008 | 0.009 | 0.010 | 0.010 | 0.007 |
| Total Tax Rate | 6.512 | 6.227 | 6.512 | 5.306 | 5.184 | 5.002 | 6.076 | 6.943 | 7.727 | 8.763 |

2014 Data - Currently Not Available

Data Source: Cook County Clerk

VILLAGE OF WILMETTE, ILLINOIS

Principal Property Tax Payers - Current Fiscal Year and Nine Fiscal Years Ago
December 31, 2014 (Unaudited)

| Taxpayer | 2014 | | | 2005 | | |
|---------------------------|------------------------|------|--|------------------------|------|--|
| | 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 | \$ 26,663,146 | 1 | 1.71% | \$ 35,002,854 | 1 | 2.34% |
| Plaza del Lago, Inc. | 9,314,497 | 2 | 0.60% | 11,590,650 | 3 | 0.77% |
| 1630 Sheridan Corp. | 8,145,632 | 3 | 0.52% | 14,127,709 | 2 | 0.94% |
| Albertson's | 5,205,464 | 4 | 0.33% | 5,586,595 | 5 | 0.37% |
| L.J. Thalmann & Co. | 4,518,907 | 5 | 0.29% | 6,602,310 | 4 | 0.44% |
| West Lake Plaza | 4,447,113 | 6 | 0.28% | 4,185,487 | 6 | 0.28% |
| Wilmette Commons | 4,368,016 | 7 | 0.28% | 3,980,428 | 7 | 0.27% |
| Koenig & Strey | 3,981,061 | 8 | 0.26% | | | |
| Beth Corp. | 3,535,431 | 9 | 0.23% | | | |
| Manor Health Care Corp. | 3,051,888 | 10 | 0.20% | 3,345,257 | 9 | 0.22% |
| Avergis | | | | 3,605,974 | 8 | 0.24% |
| Wolin-Levin | | | | 3,296,896 | 10 | 0.22% |
| | <u>73,231,155</u> | | <u>4.43%</u> | <u>91,324,160</u> | | <u>6.09%</u> |

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Property Tax Levies and Collections - Last Ten Tax Levy Years
December 31, 2014 (Unaudited)

| Tax 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 |
| 2005 | \$ 10,925,600 | \$ 10,681,712 | 97.77% | \$ 74,357 | \$ 10,756,069 | 98.45% |
| 2006 | 11,801,600 | 10,492,759 | 88.91% | 1,164,402 | 11,657,161 | 98.78% |
| 2007 | 12,272,800 | 11,841,358 | 96.48% | 175,170 | 12,016,528 | 97.91% |
| 2008 | 12,999,000 | 12,742,685 | 98.03% | 45,984 | 12,788,669 | 98.38% |
| 2009 | 13,513,000 | 13,232,984 | 97.93% | 70,862 | 13,303,846 | 98.45% |
| 2010 | 14,016,100 | 13,801,603 | 98.47% | 29,619 | 13,831,222 | 98.68% |
| 2011 | 14,533,400 | 14,379,235 | 98.94% | 67,603 | 14,446,838 | 99.40% |
| 2012 | 15,039,800 | 14,864,317 | 98.83% | 140,841 | 14,864,317 | 98.83% |
| 2013 | 15,548,900 | 15,355,103 | 98.75% | * | 15,355,103 | 98.75% |
| 2014 | 16,070,450 | * | * | * | * | * |

*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, 2014 (Unaudited)

| Fiscal Year | Governmental Activities | | Business-Type Activities | | | | Unamortized Loss on Refunding | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|--------------------------|-----------------------|--------------------------------|--------------------------------|--|----------------------|-------------------------------|--------------------------|-------------------------------|------------|
| | General Obligation Bonds | Installment Contracts | Water General Obligation Bonds | Sewer General Obligation Bonds | Parking Meter General Obligation Bonds | IEPA Revolving Loans | | | | |
| 2005 | \$ 32,445,000 | \$ 467,100 | \$ 21,790,000 | \$ 4,715,000 | \$ 670,000 | \$ 18,267,269 | \$ (352,400) | \$ 78,001,969 | 5.07% | \$ 2,821 |
| 2006 | 31,390,000 | 354,336 | 21,320,000 | 4,670,000 | 555,000 | 16,972,126 | (320,597) | 74,940,865 | 4.87% | 2,710 |
| 2007 | 40,195,000 | 280,101 | 20,880,000 | 7,070,000 | 435,000 | 15,827,763 | (237,859) | 84,450,005 | 5.49% | 3,054 |
| 2008 | 38,030,000 | 236,785 | 20,215,000 | 7,020,000 | 310,000 | 14,031,016 | (216,549) | 79,626,252 | 5.18% | 2,880 |
| 2009 | 38,090,000 | 188,176 | 19,550,000 | 8,540,000 | 190,000 | 12,129,729 | (157,942) | 78,529,963 | 5.11% | 2,840 |
| 2010 | 39,950,000 | 40,000 | 20,075,000 | 9,805,000 | 65,000 | 10,326,541 | (1,878,808) | 78,382,733 | 4.17% | 2,894 |
| 2011 | 37,950,000 | 20,000 | 19,575,000 | 16,850,000 | - | 1,793,691 | (1,721,794) | 74,466,897 | 3.96% | 2,749 |
| 2012 | 36,250,000 | 250,000 | 18,810,000 | 16,035,000 | - | 2,462,695 | (1,591,380) | 72,216,315 | 3.84% | 2,666 |
| 2013 | 35,235,000 | 237,500 | 17,945,000 | 23,825,000 | - | 2,939,046 | (1,460,966) | 78,720,580 | 4.19% | 2,906 |
| 2014 | 33,070,000 | 225,000 | 16,745,000 | 37,880,000 | - | 3,428,688 | (1,330,554) | 90,018,134 | 4.79% | 3,323 |

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, 2014 (Unaudited)**

| Fiscal Year | Gross General Obligation Bonds | Debt Payable From Other Sources | Net General Obligation Bonds | Total Estimated Actual Value | Percentage of Actual Taxable Value of Property | Per Capita |
|-------------|--------------------------------|---------------------------------|------------------------------|------------------------------|--|------------|
| 2005 | \$ 59,267,600 | \$ 34,553 | \$ 59,233,047 | \$ 4,493,792,154 | 1.32% | \$ 2,143 |
| 2006 | 57,614,403 | 28,366 | 57,586,037 | 4,888,826,568 | 1.18% | 2,084 |
| 2007 | 68,342,141 | - | 68,342,141 | 4,866,770,133 | 1.40% | 2,472 |
| 2008 | 65,358,451 | - | 65,358,451 | 6,168,897,396 | 1.06% | 2,364 |
| 2009 | 66,212,058 | - | 66,212,058 | 6,583,005,525 | 1.01% | 2,395 |
| 2010 | 68,016,192 | 340,915 | 67,675,277 | 6,984,871,413 | 0.97% | 2,511 |
| 2011 | 72,653,206 | - | 72,653,206 | 6,238,674,216 | 1.16% | 2,682 |
| 2012 | 69,503,620 | 167,376 | 69,336,244 | 5,609,784,081 | 1.24% | 2,566 |
| 2013 | 75,544,034 | 81,611 | 75,462,423 | 5,206,014,744 | 1.45% | 2,789 |
| 2014 | 86,364,446 | 33,073 | 86,331,373 | 4,681,757,283 | 1.84% | 3,188 |

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, 2014 (Unaudited)**

| Governmental Unit | **Gross Debt | *Percentage to Debt Applicable to Village | Village's Share of Debt |
|--|----------------------|---|-------------------------------|
| Village of Wilmette | \$ 33,295,000 | 100.000 % | \$ 33,295,000 |
| School Districts: | | | |
| Avoca School District #37 | 1,285,832 | 35.440 % | 455,699 |
| Kenilworth School District #38 | 8,985,000 | 2.530 % | 227,321 |
| Wilmette School District #39 | 13,540,000 | 95.160 % | 12,884,664 |
| Community College #535 | 37,480,000 | 8.250 % | 3,092,100 |
| New Trier Township High School District #203 | 19,185,000 | 34.170 % | 6,555,515 |
| Total School Districts | 80,475,832 | | 23,215,298 |
| Other Agencies: | | | |
| Cook County and Forest Preserve Metropolitan Water Reclamation District of Greater Chicago | 3,758,560,000 | 1.240 % | 46,606,144 |
| Wilmette Park District | 2,168,368,889 | 1.260 % | 27,321,448 |
| Glenview Park District | 19,515,000 | 100.000 % | 19,515,000 |
| Wilmette Public Library District | 27,405,000 | .140 % | 38,367 |
| Wilmette Public Library District | - | 100.000 % | - |
| Total Other Agencies | 5,973,848,889 | | 93,480,959 |
| Total Overlapping Debt*** | 6,054,324,721 | | 116,696,257 |
| Total Direct and Overlapping Debt | 6,087,619,721 | | 149,991,257 |

* 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.

** Does not include unamortized loss on refunding

*** As of 5/16/2014

Data Source: Cook County and Wilmette Finance Department

VILLAGE OF WILMETTE, ILLINOIS

Legal Debt Margin

December 31, 2014 (Unaudited)

The Village 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, 2014 (Unaudited)**

| Fiscal Year | General Obligation Bonds Serviced by Water, Sewer and Parking Revenues and Illinois Environmental Protection Agency Loans Serviced by Sewer Revenues | | | | | |
|----------------|---|---------------------------|--------------------------|--------------|--------------|--------------|
| | Operating Revenues (1) | Less: | Net | Debt Service | | Coverage (4) |
| | | Operating Expenses (2) | Available Revenue (3) | Principal | Interest | |
| 2005 | \$ 10,762,555 | \$ 4,993,804 | \$ 5,768,751 | \$ 2,138,861 | \$ 1,869,222 | 1.44 |
| 2006 | 9,469,661 | 5,051,138 | 4,418,523 | 2,323,360 | 1,793,394 | 1.07 |
| 2007 | 10,157,318 | 5,538,804 | 4,618,514 | 2,483,118 | 1,780,847 | 1.08 |
| 2008 | 10,214,433 | 5,603,520 | 4,610,913 | 2,679,063 | 1,682,119 | 1.06 |
| 2009 | 10,999,815 | 5,770,446 | 5,229,369 | 2,756,585 | 1,604,963 | 1.20 |
| 2010 | 11,698,482 | 5,455,208 | 6,243,274 | 2,925,216 | 1,410,464 | 1.44 |
| 2011 | 12,011,914 | 5,796,545 | 6,215,369 | 14,617,985 | 1,429,651 | 0.39 |
| 2012 | 13,171,739 | 6,346,773 | 6,824,966 | 1,653,018 | 1,196,965 | 2.39 |
| 2013 | 12,627,064 | 6,080,132 | 6,546,932 | 2,101,536 | 1,199,973 | 1.98 |
| 2014 | 12,078,127 | 6,414,787 | 5,663,340 | 7,433,558 | 1,543,830 | 0.63 |

(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, 2014 (Unaudited)

| Fiscal Year | Population | Personal Income (in Thousands) | Per Capita Personal Income | Median Age | School Enrollment | Unemployment Rate |
|-------------|------------|-----------------------------------|----------------------------|------------|-------------------|-------------------|
| 2005 | 27,651 | \$ 1,537,700 | \$ 55,611 | 42.2 | 8,383 | 3.70% |
| 2006 | 27,651 | 1,537,700 | 55,611 | 42.2 | 8,383 | 2.80% |
| 2007 | 27,651 | 1,537,700 | 55,611 | 42.2 | 8,383 | 3.00% |
| 2008 | 27,651 | 1,537,700 | 55,611 | 42.2 | 8,383 | 3.80% |
| 2009 | 27,651 | 1,537,700 | 55,611 | 42.2 | 8,383 | 6.30% |
| 2010 | 27,087 | 1,878,800 | 69,363 | 44.5 | 8,401 | 6.40% |
| 2011 | 27,087 | 1,878,800 | 69,363 | 44.5 | 8,401 | 5.70% |
| 2012 | 27,087 | 1,878,800 | 69,363 | 44.5 | 8,401 | 5.20% |
| 2013 | 27,087 | 1,878,800 | 69,363 | 44.5 | 8,401 | 5.50% |
| 2014 | 27,087 | 1,878,800 | 69,363 | 44.5 | 8,401 | 4.50% |

Data Source: 2000 and 2010 census data

VILLAGE OF WILMETTE, ILLINOIS

**Principal Employers - Current Fiscal Year and Ten Fiscal Years Ago
December 31, 2014 (Unaudited)**

| Employer | 2014 | | | 2005 | | |
|------------------------------|--------------|------|--|--------------|------|--|
| | Employees | Rank | Percentage of Total Village Employment | Employees | Rank | Percentage of Total Village Employment |
| Wilmette School District #39 | 540 | 1 | N/A | 539 | 1 | N/A |
| Loyola Academy | 275 | 2 | N/A | 250 | 3 | N/A |
| Jewel | 222 | 3 | N/A | | | |
| Carson, Pirie, Scott & Co. | 220 | 4 | N/A | 300 | 2 | N/A |
| Village of Wilmette | 196 | 5 | N/A | 208 | 4 | N/A |
| Chalet Nursery | 100 | 6 | N/A | | | |
| ManorCare Health Services | 90 | 7 | N/A | 92 | 5 | N/A |
| Baker Demonstration School | 80 | 8 | N/A | | | |
| Wilmette Park District | 71 | 9 | N/A | 81 | 6 | N/A |
| Westmoreland Country Club | 70 | 10 | N/A | 75 | 8 | N/A |
| Bed, Bath & Beyond | | | | 80 | 7 | N/A |
| Koenig & Strey Inc. | | | | 67 | 9 | N/A |
| Regina Dominican | | | | 65 | 10 | N/A |
| | <u>1,864</u> | | <u>N/A</u> | <u>1,757</u> | | <u>N/A</u> |

N/A - Not Available

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function/Program - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

| Function/Program | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Government | | | | | | | | | | |
| Administration & Law | 7.15 | 7.15 | 7.25 | 7.10 | 7.03 | 6.03 | 6.03 | 6.15 | 6.35 | 6.05 |
| Finance & Information Services | 12.53 | 12.51 | 12.51 | 12.51 | 11.75 | 11.45 | 11.45 | 11.95 | 11.95 | 12.78 |
| Other | 2.55 | 3.05 | 3.15 | 3.15 | 3.15 | 3.10 | 3.10 | 3.10 | 3.10 | 3.10 |
| Police | | | | | | | | | | |
| Officers | 46.00 | 46.00 | 46.00 | 45.00 | 45.00 | 44.00 | 44.00 | 44.00 | 44.00 | 44.00 |
| Telecommunicators | 9.00 | 8.00 | 8.00 | 8.00 | 8.00 | 8.50 | 9.00 | 9.00 | 9.00 | 9.00 |
| Other Civilians | 17.50 | 17.50 | 17.50 | 17.50 | 16.50 | 14.80 | 14.70 | 14.33 | 14.33 | 14.33 |
| Fire | | | | | | | | | | |
| Firefighters and Officers | 45.00 | 44.00 | 44.00 | 45.00 | 44.00 | 45.00 | 45.00 | 45.00 | 46.00 | 46.00 |
| Civilians | 2.00 | 3.00 | 2.45 | 2.45 | 2.25 | 2.25 | 2.25 | 2.25 | 2.25 | 2.35 |
| Health | | | | | | | | | | |
| | 1.75 | 1.75 | 1.88 | 1.88 | 1.88 | 1.88 | 2.00 | 2.00 | 2.00 | 2.00 |
| Public Works | | | | | | | | | | |
| Streets and Sanitation | 30.10 | 30.60 | 32.10 | 32.10 | 29.55 | 27.55 | 27.55 | 28.18 | 28.40 | 27.20 |
| Water and Sewer | 30.00 | 30.00 | 31.00 | 30.00 | 30.00 | 29.00 | 28.00 | 28.80 | 28.80 | 29.80 |
| Engineering | 7.55 | 7.55 | 7.55 | 7.55 | 7.05 | 5.85 | 5.85 | 5.55 | 5.55 | 5.55 |
| Other | 3.75 | 3.75 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 | 3.50 |
| Community Development | | | | | | | | | | |
| | 11.25 | 11.25 | 12.25 | 12.20 | 11.60 | 10.75 | 9.95 | 9.95 | 10.23 | 10.43 |
| Total | 226.13 | 226.11 | 229.14 | 227.94 | 221.26 | 213.66 | 212.38 | 213.76 | 215.46 | 216.09 |

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

Operating Indicators by Function/Program - Last Ten Fiscal Years
December 31, 2014 (Unaudited)

| Function/Program | 2005 | 2006 | 2007 |
|---|--------|--------|--------|
| 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 | 486 | 423 | 367 |
| Misdemeanors (Part II Crimes) | 1,843 | 1,912 | 1,703 |
| Miscellaneous Offenses (Incidents Reported) | 16,162 | 15,046 | 15,116 |
| Traffic Accidents | 1,021 | 964 | 959 |
| Fire | | | |
| Emergency Responses | 3,195 | 3,180 | 4,104 |
| Fires Extinguished | 57 | 51 | 59 |
| Inspections | 610 | 618 | 1,250 |
| Public Works | | | |
| Street Resurfacing (Miles) | 3.25 | 3.50 | 2.10 |
| Potholes Repaired | 2,811 | 1,909 | 1,590 |
| Water | | | |
| Average Daily Consumption (Thousands of Gallons) | 13,941 | 11,931 | 12,207 |
| Peak Daily Consumption (Thousands of Gallons) | 29,540 | 24,474 | 22,545 |

N/A - Not Available

Data Source: Village Records

| 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------|--------|--------|--------|--------|--------|--------|
| 513 | 427 | 390 | 318 | 417 | 251 | 354 |
| 630 | 485 | 512 | 486 | 350 | 410 | 342 |
| 18,040 | 15,594 | 18,930 | 20,178 | 18,712 | 18,320 | 18,540 |
| N/A |
| N/A |
| N/A |
| 1,115 | 826 | 797 | 771 | 779 | 796 | 807 |
| 3,679 | 3,221 | 3,095 | 3,154 | 3,122 | 3,149 | 3,064 |
| 43 | 47 | 35 | 51 | 40 | 37 | 32 |
| 1,037 | 720 | 856 | 975 | 680 | 736 | 1,199 |
| 0.75 | 3.79 | 1.68 | 1.19 | 0.90 | 0.90 | 1.76 |
| 2,058 | 2,000 | 1,553 | 1,943 | 889 | 889 | 2,048 |
| 11,931 | 11,244 | 11,458 | 11,149 | 11,997 | 11,400 | 11,340 |
| 24,474 | 19,325 | 20,029 | 22,979 | 24,281 | 19,770 | 16,600 |

VILLAGE OF WILMETTE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
December 31, 2014 (Unaudited)**

| Function/Program | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol Units | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Fire Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Works | | | | | | | | | | |
| Streets (Miles) | 87.8 | 87.8 | 87.8 | 87.8 | 89.4 | 89.4 | 89.4 | 89.4 | 89.4 | 89.4 |
| Streetlights | 2,510 | 2,510 | 2,580 | 2,580 | 2,580 | 2,580 | 2,580 | 2,580 | 2,580 | 2,580 |
| Traffic Signals: | | | | | | | | | | |
| Village Owned | 8 | 9 | 9 | 9 | 10 | 10 | 10 | 10 | 11 | 11 |
| Other | 17 | 17 | 17 | 17 | 16 | 16 | 16 | 16 | 16 | 16 |
| Water | | | | | | | | | | |
| Water Mains (Miles) | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 | 91 |
| Fire Hydrants | 975 | 977 | 982 | 982 | 983 | 984 | 984 | 984 | 977 | 977 |
| System Capacity (Millions of Gallons) | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 | 44 |

Data Source: Village Records

VILLAGE OF WILMETTE, ILLINOIS

MANAGEMENT LETTER

FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2014



April 30, 2015

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

In planning and performing our audit of the financial statements of the Village of Wilmette (Village), Illinois, for the year ended December 31, 2014, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

We do not intend to imply that our audit failed to disclose commendable aspects of your system and structure. For your consideration we herein submit our comments and suggestions which are designed to assist in effecting improvements in internal controls and procedures. Those less significant matters, if any, which arose during the course of the audit, were reviewed with management as the audit field work progressed.

The accompanying comments and recommendations are intended solely for the information and use of the Board of Trustees, management, and others within the Village of Wilmette, Illinois.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Village personnel. We would be pleased to discuss our comments and suggestions in further detail with you at your convenience, to perform any additional study of these matters, or to review the procedures necessary to bring about desirable changes.

We commend the finance department for the well prepared audit package and we appreciate the courtesy and assistance given to us by the entire Village staff.

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

PRIOR RECOMMENDATIONS

1. GASB STATEMENT NO. 67 FINANCIAL REPORTING FOR PENSION PLANS AND GASB STATEMENT NO. 68 ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS

Comment

In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, *Financial Reporting for Pension Plans*, which applies to individual pension plans issuing their own audited financial statements, and Statement No. 68, *Accounting and Financial Reporting for Pensions*, which applies to the state and local government employers that sponsor pension plans. The Statements apply to the reporting of the Illinois Municipal Retirement Fund (IMRF), Police Pension Fund and Firefighters' Pension Fund for the Village. The Statements establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to the pension plans. The Statements specifically identify the methods and assumptions that are to be used in calculating and disclosing these pension-related accounts in the financial statements and also provide for additional note disclosures and required supplementary information. The Statements are intended to improve information provided by state and local government employers regarding financial support to their pension plans, and ultimately requires that the total net pension liabilities of the pension plans be recorded on the face of the financial statements of the sponsoring government. GASB Statement No. 67 is applicable to the separately issued financial statements of the pension plan(s) for the year ended December 31, 2014. GASB Statement No. 68 is applicable to the Village's financial statements for the year ended December 31, 2015.

Recommendation

We recommended that the Village reach out to the private pension actuary engaged to provide the pension fund actuarial calculations (IMRF will automatically be providing the necessary information to all member agencies) in order to confirm the timeline for implementation and to review requested materials that will be required in order to implement the provisions and requirements of the new Statements. Lauterbach & Amen, LLP will also work directly with the Village to assist in the implementation process, including assistance in determining the implementation timeline with the Village and private actuary, providing all framework for the financial statements in order to complete the implementation, and assisting in answering any questions or concerns the Village or pension fund(s) might have related to the implementation process or requirements.

Status

The Village has engaged the services of an independent actuary who has provided the necessary disclosures for GASB Statement No. 67 this year and will also provide the disclosures required for the implementation of GASB Statement No. 68 in the December 31, 2015 financial statements.

PRIOR RECOMMENDATIONS – Continued

2. FUNDS OVER BUDGET

Comment

Previously and during our current year-end audit procedures, we noted that the following funds had an excess of actual expense/expenditures over budget for the fiscal year:

| <u>Fund</u> | <u>12/31/14</u> | <u>12/31/13</u> |
|---|-----------------|-----------------|
| Municipal Garage | \$ - | 44,383 |
| Section 105 Sick Leave | 62,975 | 309,201 |
| Fire Pension | - | 42,477 |
| Workers' Compensation | 214 | - |
| Series 2007, 2009, 2010, 2013 and 2014 General Obligation Bonds | 111,189 | - |
| Parking Meter | 18,782 | - |

Recommendation

We recommended the Village investigate the causes of the funds over budget and adopt appropriate future funding measures.

Status

This comment has not been implemented and will be repeated in the future.

Management Responses

Four funds were noted as having expenses exceeding their 2014 budgets. This can be explained as follows:

The Section 105 Fund is treated as an internal service type fund. The revenue budgeted for this Fund is set at the expected Village employer contribution that is actuarially determined and expenses are projected to equal this amount. Actual expenses are determined by actual retirements in a given fiscal year and by the amount of employee benefit each of these retirements has earned.

Starting in 2013, the Section 105 Fund began recognizing the full liability for retirees as current liabilities in the Fund and only performs an actuarial valuation for the active employees. This has allowed the Village to recognize liabilities on a prospective basis for active employees that would be retiring early in the upcoming fiscal year. In 2014 there were two individuals who will both retire in early 2015. For these two employees, \$73,890 was recognized as a 12/31/14 liability as a year-end adjustment (and these two employees were not part of the 12/31/14 actuarial valuation).

PRIOR RECOMMENDATIONS – Continued

2. FUNDS OVER BUDGET – Continued

Management Responses - Continued

By moving forward with recognition of the liability of these two employees, the Village took a more conservative approach than simply including them in the active employee valuation. But doing so did increase 2014 expense beyond the 2014 budget. Staff will discuss this in advance of the 2016 budget to evaluate how this can best be treated on a budgetary basis while continuing the conservative approach for impending retirements.

The Workers' Compensation Fund (also an internal service fund type) was \$214 over budget in 2014 and this was offset by more than \$23,000 in unbudgeted insurance reimbursements. Staff will discuss this to consider budgeting an amount for insurance reimbursements and increasing the expense budget commensurately to eliminate this problem.

The Capital Projects Fund incurred expense of \$122,701 that was not budgeted in order to complete the Police 911 System replacement and thus resulted in this Fund being over budget by \$111,189 at year-end. The funds for this expense were from unspent 2010 bond proceeds. The Police 911 System replacement was a project that began in 2011 and was completed in 2014.

The Parking Meter Fund exceed the budget by \$18,782. The overage was caused by the additional cost related to snow removal due to the extreme winter weather as well as work on the Metra Station. Staff will evaluate the use of a contingency appropriation in this fund in future budgets to allow for unanticipated costs.