



Village of Lake Bluff, Illinois

Comprehensive Annual Financial Report

For year ending April 30, 2010

VILLAGE OF LAKE BLUFF, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2010

Prepared by  
Finance Department

Susan Griffin  
Finance Director

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## INTRODUCTORY SECTION

# **VILLAGE OF LAKE BLUFF, ILLINOIS**

## **PRINCIPAL OFFICIALS**

### **VILLAGE BOARD OF TRUSTEES**

**Christine Letchinger, President**

**David Barkhausen**

**Marina Carney**

**John Josephitis**

**Rick Lesser**

**Kathleen O'Hara**

**Brian Rener**

**Michael Klawitter, Village Clerk**

### **ADMINISTRATION**

**R. Drew Irvin, Village Administrator**

**Susan M. Griffin, Director of Finance**

**Marlene Scheibl, Assistant Finance Director**

**Thomas I. Cahill, Director of Public Works**

**William Gallagher, Police Chief**

**N. David Graf, Fire Chief**

**Gerald Nellessen, Building Code Supervisor**

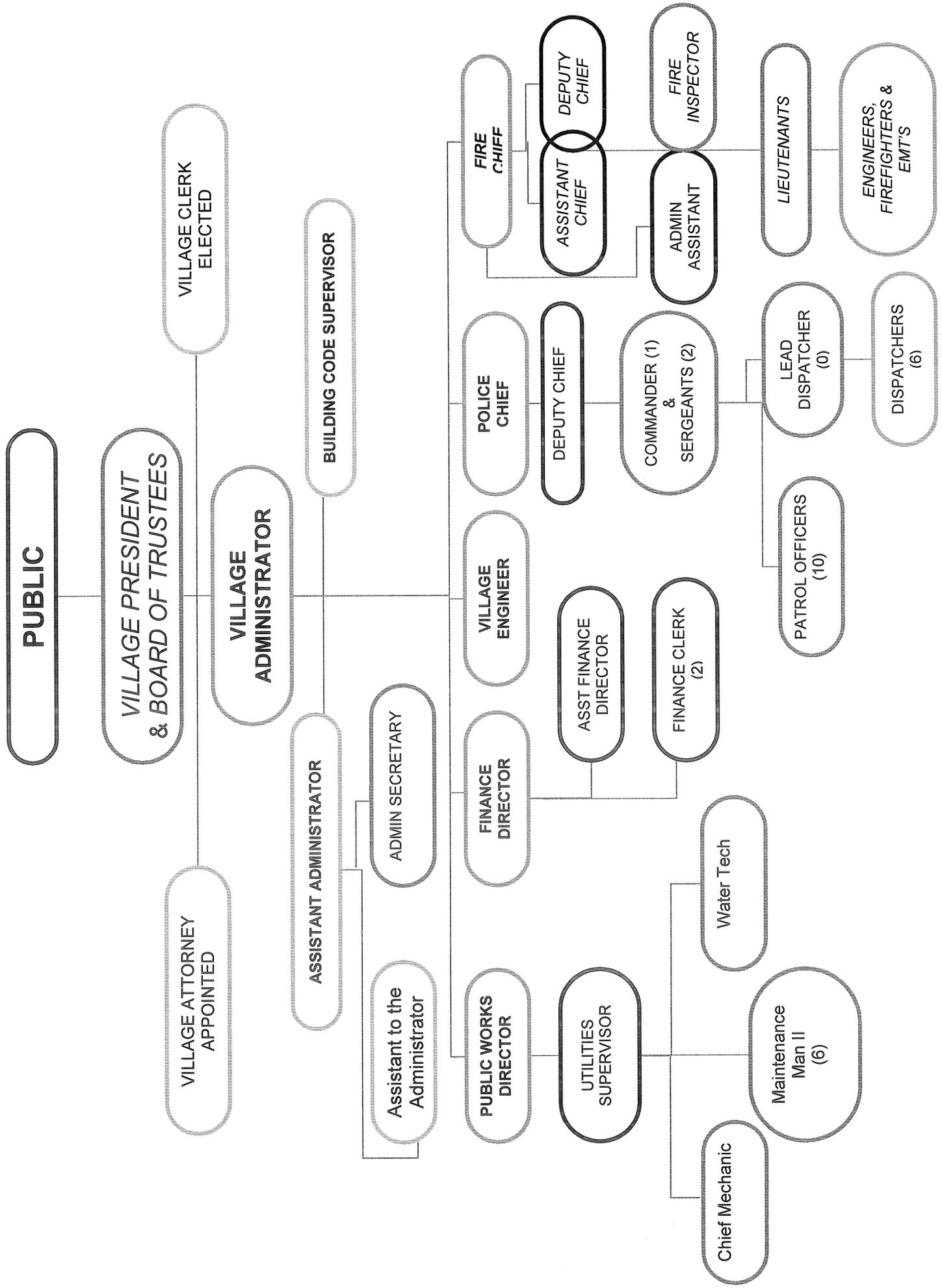
**George E. Russell Jr., Village Engineer**

**Brandon Stanick, Asst. to the Village Administrator**

**Ryan Waller, Assistant Administrator**

**Peter M. Friedman, Village Attorney**

**Holland & Knight, LLP**



All Fire Department Except the Administrative Assistant is volunteer.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Lake Bluff  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2009

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



President

Executive Director



August 4, 2010

The Honorable Village President  
Board of Trustees  
Village Administrator  
Village of Lake Bluff  
Lake Bluff, Illinois 60044

The Comprehensive Annual Financial Report of the Village of Lake Bluff, Illinois (Village) for the fiscal year ended April 30, 2010 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The Village's financial statements have been audited by Sikich LLP., a firm of licensed certified public accountants. The objective of the independent audit was to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors report on pages 1-2 rendered an unqualified opinion that the Village's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

GAAP requires that management provide a "Management Discussion and Analysis" (MD&A) narrative providing an introduction, overview, and analysis to accompany the basic financial statements. This transmittal letter is designed to complement the MD&A which begins on page 3.

Under Governmental Accounting Standards Board (GASB) Statement 14, the financial reporting entity includes both the primary government and its component unit. The Lake Bluff Public Library is fiscally dependent upon the Village, but functions as a separate legal entity; therefore, it is reflected in the financial statements as a discretely presented component unit of the Village. The Village did not receive federal funds during fiscal year 2010 requiring it to undergo a single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

This report includes all funds and activities of the Village. The Village provides a full range of services including police and fire protection; maintenance of streets and infrastructure; sanitation collection; water distribution; and planning, zoning, and general administrative services.

## Village Profile

The Village of Lake Bluff was incorporated in 1895 and operates under the Board/Administrator form of government. The Village is a small, predominately residential community located on the shores of Lake Michigan; Lake Bluff is 35 miles north of Chicago in Lake County and has a land area of 4.5 square miles. The Village is distinguished by its mature trees, natural ravines, open spaces, dramatic bluffs, and shoreline. The population, as certified by the 2000 census, is 6,056, which represents a 10% increase from the 1990 census of 5,486. Most of this increase in population is attributed to the annexation of the Sanctuary Subdivision in 1998. The 2009 Equalized Assessed Valuation (EAV) for the Village is \$630,953,018 or 2.5% less than the 2008 EAV of \$647,740,985. Based on available past EAV figures, this is the first time that the Village's EAV has ever declined.

On April 5, 2005, the voters approved the home rule referendum. Home rule status provides financial and legislative flexibility to a community resulting in decisions that better reflect the Village's interests. Home rule is granted to a community either by attaining a population of 25,000 or by voter referendum. In 1991 the State of Illinois enacted the Property Tax Limitation Act (PTELL), which limits property tax increases to the lower of 5% or the Consumer Price Index, with some exceptions for annexed areas, new construction, and increases approved by referendum. As a result of voter approval of home rule, and consistent with presentations to the public, the Village Board enacted some revenue enhancements that allow it to continue to comply with the PTELL (even though it is not applicable to home rule governments) and diversify its revenue stream.

The Village's Industrial/Commercial Corridor Business District (ICCBD) located along the southeastern portion of Rt. 43 and Rt. 176 is comprised of manufacturing, service, and retail firms. The Village continues to receive substantial sales tax revenue from the Knauz Auto Park which includes BMW, Mercedes, Land Rover, Mini, Chrysler, and Hyundai dealerships; Shepard Chevrolet; Imperial Motors Jaguar; The Exchange Group Saab and the Lake Forest Sportscar Maserati and Ferrari dealership; the Carriage Way Shopping Center that includes a Dominick's Fresh Food store; and several businesses located in the ICCBD. In addition to the ICCBD, the Village has a historic Central Business District (CBD) in its downtown with retail shops and service businesses. Sales tax revenues, including home rule sales taxes, represent 35% of the general fund revenues down from 36% in fiscal year 2007. Automobile sales tax revenues represented 71% of the sales taxes (not including the 1% home rule sales tax of which auto sales are exempt) for the *calendar* year 2009 compared to 73% in 2007.

## Major Initiatives

### For the year ended April 30, 2010

The focus this fiscal year has been on this challenging economic climate and its long-term implications. Like communities across the United States, Lake Bluff is especially sensitive to the needs and perceptions of the public during such a deep and pervasive economic recession. The Village works with other governmental and non-profit agencies and explores innovative methods to respond to the challenges facing many families and businesses while also contending with fewer resources. This recession is expected to be more protracted with an erratic recovery requiring changes in what and how services are delivered. Specifically, the loss of revenues from sales tax receipts, development-related fees, interest earnings, and income taxes have induced a comprehensive analysis of all Village programs and services. Further, municipalities in Illinois have significant concerns about the state's fiscal situation and its potential effect on the municipal allocation of state-shared revenues such as income tax, sales tax, personal property replacement tax and motor fuel tax.

One of the most significant changes in Village services enacted during this fiscal year was the modification of household waste collection from twice-weekly backdoor collection by Village employees to once a week collection by a private contractor. This change occurred February 1, 2010 and is expected to result in savings of over \$320 thousand per year from the reduction in the costs associated with the elimination of four sanitation workers and one supervisor position, as well as the cost of the fleet. The five personnel were all offered positions with the waste contractor and most of the Village's sanitation fleet was purchased by the waste contractor.

Available Village resources were focused on these major priorities, with specific accomplishments:

1. Maintaining operational efficiency and current service levels.
  - a. Began Sworn Police and Public Works union contract renegotiations.
  - b. Completed codification of the municipal code.
  - c. Obtained Tree City USA designation for the 14<sup>th</sup> consecutive year.
  - d. Police department retained accreditation by the Commission for Accreditation of Law Enforcement Agencies (CALEA), assuring compliance with the standards of a professional law enforcement agency.
  - e. The Insurance Services Organization (ISO) again awarded a category 3 rating for the Village's all-volunteer fire department.
  - f. Continued participation in the tri-board committee of Village, School District 65, and Park District board members to increase communication and coordination, and to explore shared service opportunities.
  - g. Continued a multi-year transition to a document management system to convert all permanent documents to electronic format.
  - h. Updated the Village's Purchasing Policies and Procedures Manual, the Employee Handbook, and the Loss Prevention Policy.
2. Continued sound financial management.
  - a. Levied a Village property tax within the Property Tax Limitation Act amount.
  - b. Received Government Finance Officers Association (GFOA) budget award and Certificate of Achievement for Excellence in Financial Reporting.
  - c. Procured an actuarial valuation of the Village's Other Post-Employment Benefits (OPEB) liability in compliance with GASB Statement 45.
  - d. Pursued federal and state grant funds for public improvements and equipment.
3. Construction of infrastructure improvement projects.
  - a. Contracted with an engineering firm to develop a reconfiguration study of the Route 176/Route 41 interchange which is funded by a federal grant.
  - b. Continued the resurfacing and roadway improvements program.
  - c. Installed a sidewalk on West Center Avenue.
  - d. Began Phase 1 of stabilization program on the Sylvan Road street edge along the ravine.
4. Major developments and building and zoning projects
  - a. Began a review process of the 2009 International Building Codes to consider amendments to the municipal code regarding building regulations.
  - b. Determination not to proceed with construction of a pedestrian tunnel under Route 176 which would have been partially funded by a "Safe Passage to Schools" grant of \$400,000 after an analysis of the project and deliberations by the Village, School District 65, and the Park District Boards.

These projects were funded through current operating revenues, a strategic reduction of excess fund balance reserves, grant revenues, and the 2001 G.O. Certificates, 2004 Alternate Water Revenue, and 2006 G.O. bond proceeds.

#### For the Future

While this recession has created challenges, the Village is committed to maintain aging public facilities and infrastructure, to preserve the safety and welfare of the public, to respect and maintain the architectural and environmental character of the community, to foster the volunteer spirit and intergovernmental cooperatives, and to support the advanced level of public services provided by the Village.

Below is a short description of some of the more significant initiatives proposed for the coming year. These projects are anticipated to be funded through current operating revenues, grant revenues, and the balance of the 2004 Alternate Water Revenue and 2006 G.O. Bond proceeds.

- ❖ Development of a strategic plan.
- ❖ Review of the comprehensive plan applicable to the Zoning Code.
- ❖ Continue renegotiations with police and public works unions for collective bargaining agreements.
- ❖ Complete scheduled water infrastructure improvement projects funded by 2004 bond proceeds.
- ❖ Replace the telephone and voice mail system.
- ❖ Update the Village's website.
- ❖ Continue the annual street resurface and roadway improvements program.
- ❖ Review annexation opportunities and boundary agreement provisions.

#### **Financial Information**

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

The Village has significant financial and debt policies that guide the development of the annual budget and set the framework for the preparation of the current period financial statements. The Village observed these significant policies in the financial management of the organization: (i) avoided the use of short-term debt and maintained debt within self-imposed limits, (ii) engaged a reputable firm to perform an independent audit, and (iii) complied with Generally Accepted Accounting Principles as outlined by the Governmental Accounting Standards Board (GASB) in the production of this report.

Budgeting Controls. In addition, the Village maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Village Board. Activities of the General Fund, special revenue funds, debt service funds, capital project funds, enterprise fund, and pension trust fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot

legally exceed the appropriated amount) is established at the fund level. Encumbrance accounting is not used by the Village. All annual appropriations lapse at fiscal year-end and are generally reappropriated as part of the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the Village continues to meet its responsibility for sound financial management. The Village's Finance Committee, which consists of three Village Trustees, the Village President, the Village Administrator, and the Finance Director meet regularly to review financial schedules and reports.

Police Pension Trust Fund. The Village maintains a Police Pension Trust Fund mandated by state law for sworn police officers. The net assets held in trust for the Police Pension Fund as of April 30, 2010 are \$6.504 million, up 18.1% from \$5.507 million as of April 30, 2009. Pursuant to the actuarial calculation of funding which was prepared as of May 1, 2009 for the year ended April 30, 2010, the Police Pension Fund is 65% funded, with an unfunded liability of \$3.802 million; down from a funded level of 68% with an unfunded liability of \$3.294 million from the prior year. Several factors influence the unfunded liability of pension plans, including the rate of return on investments, state law changes increasing benefits, the addition of officers to the plan, and disability benefits. While the Police Department consists of 15 members comprised of a Chief, a Deputy Chief, a Commander, 2 Sergeants, and 10 Patrol officers, Chief William Gallagher has elected not to participate in the plan. The Pension Fund currently pays benefits to 10 annuitants.

Cash management policies and practices. Cash temporarily idle during the year may be invested in demand deposits, certificates of deposit, the Illinois Funds, commercial paper, and obligations of the U.S. Treasury and Government Agencies. State law also allows the pension trust funds to invest up to 45% of the fund's assets in separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, and mutual funds managed by an investment company registered under Illinois Securities Law of 1953 and the Federal Investment Company Act of 1940.

The Village's investment policy details the cash management objectives and the guidelines for investing Village cash. The Village's investment goal is to minimize credit and market risks while maintaining a competitive yield on its portfolio. In addition, funds on deposit in excess of FDIC limits must be secured by collateral held in safekeeping by a third party. The Police Pension Fund has a separate investment policy, adopted by the Pension Board of Trustees, which articulates the expanded investment instruments allowed by law for pension funds.

The Village earned \$31,187 on all governmental and the Water Fund investments for the year ended April 30, 2009. This represents a 77% decrease from last year mostly due to the lower short-term interest rates, but also the decline in available cash specifically in the Water fund.

The Police Pension Fund realized interest on investments before net appreciation in the fair value of the portfolio of \$142,086. The mutual funds' and government agencies' fair value appreciated by \$843,233 recovering 76% of the \$1,108,692 loss of value experienced last fiscal year.

### **Other Information**

Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lake Bluff for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2009. 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, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current report conforms to the Certificate of Achievement program requirements and we will be submitting it for consideration.

Acknowledgments. The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of Marlene Scheibl, Gail Ciolek, Christine Lee and Carol Weatherall. The entire Village staff has our sincere appreciation for their compliance with Village policies and procedures, which assists the finance department in ensuring that the financial statements are consistent and free of material misstatements.

In closing, without the leadership and support of the Village President and Board of Trustees, preparation of this report would not have been possible.

Sincerely,



R. Drew Irvin  
Village Administrator



Susan M. Griffin  
Director of Finance

## FINANCIAL SECTION



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

The Honorable Village President  
Members of the Board of Trustees  
Village of Lake Bluff  
Lake Bluff, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Lake Bluff, Illinois, as of and for the year ended April 30, 2010, which collectively comprise the Village of Lake Bluff, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Lake Bluff, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Lake Bluff, Illinois, as of April 30, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lake Bluff, Illinois' basic financial statements. The combining and individual fund financial statements and schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and supplemental data have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The information contained in the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion thereon.

A handwritten signature in black ink that reads "Sibich LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois  
August 4, 2010

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended April 30, 2010

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As management of the Village of Lake Bluff, Illinois ("the Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Lake Bluff for the fiscal year ended April 30, 2010 with comparisons to the fiscal year ended April 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

This management discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues; (2) provide an overview of the Village's financial activity; (3) clarify the Village's financial position and ability to address future challenges; (4) identify material deviations from the budget; and (5) identify concerns specific to individual funds. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### FINANCIAL HIGHLIGHTS

- The Village obtained an unqualified opinion from the independent audit firm, Sikich LLP.
- The Village's investment in capital assets, net of related debt of \$21.14 million equals the capital assets net of accumulated depreciation of \$26.21 million minus \$5.07 million in outstanding related debt. This is \$1.21 million more than last year due to an increase in the investment in capital assets and the reduction in related debt.
- The Village restated the prior year governmental net assets by \$512 thousand to reflect the capitalized final reconciled cost of the Moffett Road Bridge reconstruction project.
- The Village's total net assets (governmental and business type) are \$28.23 million as of April 30, 2010 compared to \$27.27 million as of April 30, 2009. The increase in total net assets of \$960 thousand is attributed to the conversion of restricted net assets into capital assets, thus improving the Village's overall financial position by 3.7%.
- The unrestricted net assets of the primary government increased to \$5.51 million on April 30, 2010, from \$5.30 million as of April 30, 2009 as the Village postponed non-essential purchases and decreased operating expenditures in response to the decline in revenues.
- Primary government-wide expenses were \$10.6 million, funded with program revenues of \$3.87 million and \$7.18 million in property, sales, utility, income and other taxes, interest, and miscellaneous revenue, with the difference accounting for the rise in net assets during the fiscal year of \$450 thousand.
- The General Fund (the Village's only major fund) had a fund balance of \$4.28 million which represents 65% of the operating expenses (defined as personnel, commodities and contract expenditures), exceeding the Village's policy to maintain 25% of operating expenditures to provide expanded flexibility and cash flow during these times of economic distress.

### OVERVIEW OF THE GOVERNMENT-WIDE FINANCIAL 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 condition. Financial reporting at this level uses accounting similar to full accrual accounting such as in the private sector. Inter-fund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized through depreciation when the benefits are realized.

The first government-wide statement is the **Statement of Net Assets** that presents information about all of the Village's assets and liabilities, with the differences reported as net assets. Over a multiyear period, an increase or decrease in net assets can detect an improvement or deterioration in the financial position of the Village. Additionally, one would need to evaluate non-financial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

The second government-wide statement is the **Statement of Activities**, which reports *how* the Village's net assets changed during the current fiscal year. All current year revenues and expenses are included, regardless of when the cash is received or paid. An important purpose of the design of the Statement of Activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. The Village of Lake Bluff's governmental activities include general government, public safety, and public works. The Village's only business-type activity relates to water purchase and distribution. The Police Pension fiduciary activity is not available to fund Village programs and, therefore, is not included in the government-wide statements, but is presented in this document after the Village-wide statements.

The Village's financial reporting includes the funds of the Village primary government and the Lake Bluff Public Library. The Library, as a component unit of the Village, is reported separately from the financial information presented for the primary government on the government-wide statements. *The government-wide financial statements are presented on pages 3-5 of this report.*

## **REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS**

### **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 Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds.* Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Unlike the government-wide financial statements, governmental fund financial information focuses on near-term *flow* of spendable resources, as well as on *the balance* of spendable resources available at the end of the fiscal year. It is useful to compare the information presented for governmental *funds* with similar information presented for governmental *activities* in the government-wide financial statements. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental *funds* and governmental *activities*. *The basic governmental fund financial statements can be found on pages 6-9 of this report.*

The Village of Lake Bluff has 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund because it is the Village's only major fund. Major funds are defined as those governmental or enterprise funds' whose total assets, liabilities, revenues, and expenditures/expenses are at least 10% of the totals for all funds of that category (governmental or enterprise) and at least 5% of the combined governmental and enterprise funds. The remaining 12 funds' data is combined into a single column labeled "nonmajor" governmental funds. *Individual fund data for these nonmajor governmental funds is shown on pages 74-79 in this report.*

The Village has adopted an annual budget for all of its funds except: Special Service Area Bonds, Special Service Area Capital Project, and the Train Station Wreath Funds. Budgetary comparison statements have been provided to demonstrate compliance with the budget for all other funds. *The actual to budget comparison statements for the General Fund and all other governmental funds can be found on pages 67-73 and 80-88, respectively.*

*Proprietary funds.* The Water Fund is the Village's only proprietary fund. There are two categories of proprietary funds: enterprise funds and internal service funds. The Water Fund, as an enterprise fund,

reports business-type activities in the government-wide financial statements. 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 the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. An internal service fund is an accounting method used to accumulate and allocate costs internally among various governmental functions for services that predominantly benefit the government. The Village does not have any internal service funds. *The Water Fund financial activity is shown in more detail than the government-wide financial statements and can be found on pages 10-13 of this report.*

*Fiduciary funds.* The Police Pension Fund is the Village's only fiduciary fund. Fiduciary funds are not reflected in the government-wide financial statement because its resources are not available to support the Village's programs, but are used to account for resources held for the benefit of the eligible police officers. The accounting used for fiduciary funds is similar to that used for proprietary funds. *The Police Pension Fund financial statements can be found on pages 14-15 of this report.*

#### *Notes to the financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. This year there is a note disclosure on the Village's Other Post-Employment Benefits (OPEB) liability. *The notes are preceded by an index which begins on page 16 of this report.*

#### *Other information*

In addition to the basic financial statements and accompanying notes, this report also encompasses certain required supplementary information concerning the Village's funding of pension benefit obligations to its employees, other post-employment benefit (OPEB) obligations, and budget information. *Required supplementary information can be found on pages 56-66 of this report.*

Major funds and component units are reported in the basic financial statements as discussed. *Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 67.*

## **FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE**

The largest portion of the Village's net assets reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The Village uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. Further, the debt repayment is provided from other sources, since the capital assets cannot be used to liquidate the liabilities. At the fiscal year end April 30, 2010, the total unrestricted net assets for the **primary government** are \$5,509,439, which is 3.9% more than the unrestricted net assets of \$5,302,212 at the fiscal year ended April 30, 2009. **Governmental restricted** assets of \$1,587,832 are for street improvements, employee benefits and pensions, public safety E911 maintenance, fire service purposes, and debt repayment. These *restricted* assets decreased by \$449,398 due to the use of restricted monies to maintain public roadways and to purchase public safety equipment. The **governmental activities** unrestricted net assets rose by \$374,347 due to a reduction in personnel costs and non-essential spending, even though revenue, excluding capital grants of \$1.4 million, declined by 8.8%. The **governmental activities** combined *restricted* and unrestricted net assets reveals a decline of 1.4%, or \$75,051 predominantly due to the cost of capital expenditures offset by the receipt of capital grants and the repayment of debt. The **water activities** total net assets decreased by \$259,645 as a result of an operating loss of \$151,087 plus \$108,558 in nonoperating expenses.

The following schedule presents a summary of governmental and business-type **net assets** as of April 30, 2010 compared to April 30, 2009.

**Village of Lake Bluff Net Assets**

	Governmental Activities		Water Activities		Total	
	2010	2009	2010	2009	2010	2009
Current & other assets	\$10,110,523	\$ 9,925,602	\$ 1,883,956	\$2,034,282	\$11,994,479	\$11,959,884
Capital assets	19,249,866	18,323,593	6,962,081	7,147,606	26,211,947	25,498,199
Total assets	29,360,389	28,249,195	8,846,037	9,208,888	38,206,426	37,458,083
Long term liabilities	3,073,102	3,291,006	2,399,004	2,518,842	5,472,106	5,809,848
Other liabilities	4,270,432	4,161,670	229,884	213,252	4,500,316	4,374,922
Total liabilities	7,343,534	7,452,676	2,628,888	2,732,094	9,972,422	10,184,770
Net assets:						
Invested in capital assets, net of related debt	\$16,654,652	\$15,359,265	\$ 4,482,081	\$4,574,606	\$21,136,733	\$19,933,871
Restricted	1,587,832	2,037,230	---	---	\$ 1,587,832	2,037,230
Unrestricted	3,774,371	3,400,024	1,735,068	1,902,188	5,509,439	5,302,212
Total net assets	\$22,016,855	\$20,796,519	\$ 6,217,149	\$6,476,794	\$28,234,004	\$27,273,313

The following table presents a summary of governmental **revenues, expenses, and changes in net assets** for the fiscal year ended April 30, 2010 compared to April 30, 2009. The prior period adjustment of \$512,726 is for the increase in capital assets due to the reconciled cost of the Moffett Road Bridge reconstruction project. The project was funded by two grants administered by the Illinois Department of Transportation (IDOT) and in June 2010 the Village received the final reconciliation.

**Village of Lake Bluff Changes in Net Assets**

	Governmental Activities		Water (Business-Type)		Total	
	2010	2009	2010	2009	2010	2009
<b>Revenues:</b>						
Program revenues						
Charge for services	1,171,779	1,314,807	1,071,074	1,133,555	2,242,853	2,448,362
Operating grants and contributions	195,079	205,604	----	----	195,079	205,604
Capital grants/donations	1,429,087	----			1,429,087	685,500
General revenues						
Property taxes	2,649,929	2,510,766	----	----	2,649,929	2,510,766
Sales taxes	2,695,117	2,673,399	----	----	2,695,117	2,673,399
Other taxes	1,551,491	1,719,395	----	----	1,551,491	1,719,395
Interest/Investment Inc	25,725	117,844	5,462	19,639	31,187	137,483
Miscellaneous	257,932	146,681	456	----	258,388	148,878
<i>Subtotal general revenue</i>	7,180,194	7,168,085	5,918	21,836	7,186,112	7,189,921
Total Revenues	9,976,139	9,373,996	1,076,992	1,155,391	11,053,131	10,529,387
<b>Expenses:</b>						
General government	1,946,291	2,423,284	----	----	1,946,291	2,423,284
Public safety	4,027,882	3,856,962	----	----	4,027,882	3,856,962
Public works	3,174,664	3,449,586	----	----	3,174,664	3,449,586
Debt service	119,692	173,693	----	----	119,692	173,693
Water	----	----	1,336,637	1,172,971	1,336,637	1,172,971
Total expenses	9,268,529	9,903,525	1,336,637	1,172,971	10,605,166	11,076,496
<b>Increase/(Decrease) in net assets</b>	<b>707,610</b>	<b>(502,701)</b>	<b>(259,645)</b>	<b>(44,408)</b>	<b>447,965</b>	<b>(547,109)</b>
Net assets – May 1, 2009	20,796,519	21,419,063	6,476,794	6,524,218	27,273,313	27,943,281
Prior period adjustment	512,726	(119,843)	----	(3,016)	512,726	(122,859)
N/a restated – May 1, 2009	21,309,245	21,299,220	6,476,794	6,521,202	27,786,039	27,820,422
Net assets – April 30, 2010	22,016,855	20,796,519	6,217,149	6,476,794	28,234,004	27,273,313

### Governmental Activities

Total governmental revenues, excluding a capital grant of \$1.43 million mostly attributed the Moffett Road Bridge project, declined by 8.8% or \$826,944 and total expenses decreased 6.4% or \$634,996.

#### *Program Revenues*

Charge for services in the governmental activities includes: building permits and related fees; fines and forfeitures; vehicle, business, and other licenses; sewer charge; and police and fire protection services provided to local unincorporated areas. This category of revenues decreased by 10.9% due to the impact of the depressed economy on user fees and licenses. Specifically, building permit and development-related activity fees continued to decline falling 22.7% over last fiscal year. Two residential re-development projects that began in 2008, Lansdowne and Stonebridge, remain idle as the developers wait for market demand to improve and capital markets to loosen. Fines and forfeitures revenues dropped 30.5% from the prior fiscal year from reduced truck over weight limit fines and building activities. The operating grants and donations include the receipt of \$180,000 from the State for the final reimbursement on the Center Avenue intersection and sidewalk reconfiguration which was completed in 2008. The capital grant of \$1.43 million is attributed to the final reconciled Moffett Road Bridge reconstruction project which was completed three years ago.

#### *General Revenues*

Village tax revenues are derived from a combination of the following sources: real estate, sales and local use, income, utility, personal property replacement, and motor fuel taxes. Property taxes continue to be a major part of the Village's revenue structure, accounting for 26.6% of the total governmental revenues. Property tax revenue, from the 2008 tax levy, increased by 5.5% from the Consumer Price Index (CPI) factor of 2.7% and the addition of assessed value to the tax rolls. Sales taxes (including the home rule sales tax), which comprise the largest source of governmental revenues at 27%, exhibited modest growth of 0.8% or \$21,718.

Other taxes category includes state shared income, personal property replacement, demolition, prepared food and beverage, telecommunications, and utility taxes. In the aggregate these revenues decreased by \$167,904 or 9.8%. Telecommunications, natural gas and electric utility taxes declined by 12.5% from the prior fiscal year, from a combination of moderate utility rates and weather, and user conservation efforts. High State-wide unemployment resulting in reduced wages is evident in the decrease in income tax revenues of 12.8% or \$70,801 from the prior fiscal year. One tenth of the State's income tax receipts are distributed to local municipalities on a per capita basis. Interest/investment income plummeted by 78.2% or \$92,119 because of the low short-term funds rates; while miscellaneous revenue increased 75.8% or \$111,251 mostly from increased tree permit and mitigation fees pursuant to the revision of the tree preservation ordinance.

#### *Governmental Expenses*

Total governmental expenses decreased by \$634,996 or 6.4% due to strategic reductions in personnel and the containment of spending for non-essential supplies and equipment. Personnel costs which comprise salaries, benefits, insurance, and pension expenses represent 40.6% of the total governmental expenses down from 48% in the prior fiscal year. The Village's authorized staffing level declined by nine positions from the privatization and modification of household waste collection resulting in five sanitation employees being hired by the contractor, and the postponement of replacements for three vacant patrol officer and one public works maintenance positions.

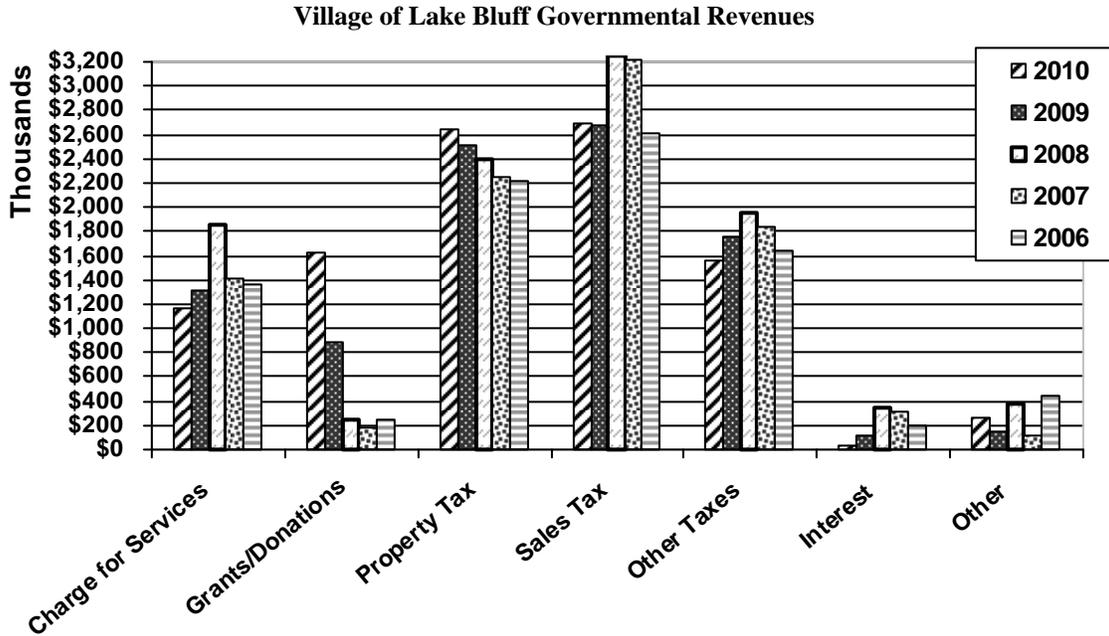
The general government expenses include the costs of personnel, commodities, contracts, and depreciation for the general administration including the Administrator's Office, Finance, Engineering/Building/Zoning, and Boards and Commissions departments. This category of expenses is down 19.7% or \$476,993, due to cost containment measures and the reallocation of the applicable pension costs to the public safety and public works divisions.

The public safety expenses are comprised of personnel, commodities, contracts, and capital expenditures for the police sworn, dispatch, and fire departments. The Public Safety expenses increased 4.4% or

\$170,920 predominately due to the reallocation of pension costs from the general government division and the cost of capital expenses funded by special revenues and grants.

The public works expenses include the costs of personnel, commodities, contracts, and capital outlay for the maintenance of streets, bridges, sewers, street lights, forestry infrastructure, parkways, and the sanitation and recycling collection. This division’s expenses declined by 8% or \$274,922 because of the reduction in force from the resignation of a maintenance man and the conversion of one supervisor and four sanitation collection personnel from Village staff to a private contractor.

Below is a chart comparing the last five years of governmental revenues by source.



Water - Proprietary Activities

The water activities include the costs of purchasing and distributing potable water to the Village’s 2,000 residential and business customers; reading the meters; billing and collections; and maintaining the related infrastructure. The Village purchases water from the Central Lake County Joint Action Water Agency (CLCJAWA) at a rate of \$2.32 per 1,000 gallons up from \$2.15. The revenues reflect the sale of the water, connection fees, meter sales, and other miscellaneous fees.

The Village charges its customers at a rate of \$5.60 per thousand gallons of water used, up from \$2.42 the prior fiscal year. This rate is calculated to sufficiently cover the wholesale rate, to adequately fund the annual water infrastructure maintenance costs, and to maintain required bond payment coverage. The charge for water usage revenue decreased 5.5% from the prior fiscal year due to a reduction in water consumption. Water consumption is impacted by the spring and summer weather. During months with moderate temperatures and/or significant rainfall water usage will fall. The debt service is for the interest expense associated with the issuance, in 2004, of \$3.06 million in alternate revenue bonds to finance water infrastructure improvement projects to be completed over a 5-10 year period. The principal balance of this debt is \$2.48 million.

**FINANCIAL ANALYSIS OF THE VILLAGE’S FUNDS**

The focus of the Village’s governmental funds is to provide information on current inflows, outflows, and balances of non-capital assets. Unreserved fund balance serves as a useful measure of the Village’s net resources available for spending at the end of the year. The governmental activities’ total fund balance is

\$6,294,159. The total fund balances grew \$81,721 from 2009 to 2010 based on a reduction in expenditures and an intentional use of funds restricted for specific purposes in order to maintain the Village's infrastructure.

**Village of Lake Bluff Governmental Fund Balances**

		Governmental Activities		Increase/Decrease from 2009	
		2010	2009	Percentage	Dollars
General	Major	\$ 4,284,997	\$ 4,176,988	2.6%	\$ 108,009
Motor Fuel Tax	Nonmajor	200,181	509,850	(60.7)	(309,669)
Redevelopment	Nonmajor	788,089	607,859	29.6	180,230
Vehicle Replacement	Nonmajor	405,067	405,673	(0.1)	(606)
IL Municipal Retirement	Nonmajor	148,050	83,278	77.8	64,772
Federal Social Security	Nonmajor	116,071	100,312	15.7	15,759
E-911	Nonmajor	284,309	265,819	6.5	18,490
Fire Dept. Special	Nonmajor	34,176	28,116	21.6	6,060
Train Station Wreath	Nonmajor	3,570	3,829	(6.8)	(259)
SSA Bonds	Nonmajor	13,386	13,370	0.1	16
2001 G.O. Certificates	Nonmajor	(2,380)	(1,780)	(33.7)	(600)
2006 G.O. Bonds	Nonmajor	4,925	5,425	(9.2)	(500)
SSA Capital Projects	Nonmajor	13,718	13,699	0.1	19
Total		\$ 6,294,159	\$ 6,212,438	1.3%	\$ 81,721

*Governmental Funds – Major and Nonmajor*

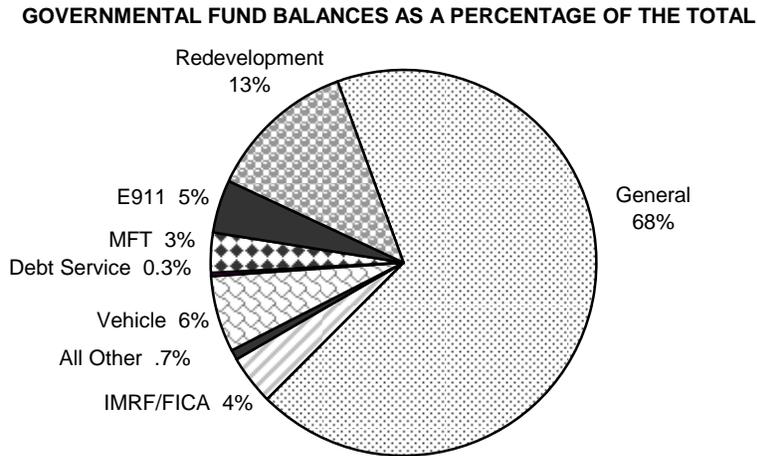
The General Fund balance of \$4,284,997 reflects the available resources to finance the main operations of the Village of Lake Bluff. The General Fund fund balance exceeds the Village's policy of maintaining an amount equal to at least 25% of operating expenditures. The General Fund's \$108,009 increase in the fund balance was the result of excess revenues over expenditures of \$356,298 but offset by total other financing uses (transfers to other funds) of \$248,289. Expenditures and other financing uses declined from the prior year by \$564,097 or 6.8% as the Village restricted non-essential spending and deferred transfers to the Vehicle Replacement Fund (except for amounts to pay the 2007 fire engine note) in order to retain the current amount in the undesignated general fund balance. Revenues, excluding the sale of assets, increased by \$34,030 or 0.4%. The Village received \$175,000 for the sale of sanitation collection trucks from the privatization of household waste services.

The Motor Fuel Tax Fund dollars are required to be utilized exclusively for maintenance of streets and the Redevelopment Fund monies are for the expenditure of the 2006 bond proceeds and a \$240,000 grant for specific capital improvements. The Redevelopment Fund increased by \$180,000 due to the reimbursement from the State for the Center Avenue intersection reconfiguration (the balance of the \$240,000 grant) which was completed three years ago. The reduction in the balance of the E911 fund is for the replacement of the police telecommunications console with a computer-aided dispatching system. The Vehicle Replacement Fund fund balance is reserved for replacement of capital vehicles and equipment. The other nonmajor governmental fund balances are reserved for IMRF pension, social security, and debt service expenses.

Below is a list of some of the reasons for some of the more noteworthy fund balance changes.

- ❖ General Fund transfer to Redevelopment Fund for North Shore Drive/Waukegan Road traffic signal and roadway improvements of \$670 thousand was postponed.
- ❖ Motor Fuel Tax Fund had accumulated resources of \$1.120 million at the end of fiscal year 2007. The Village commenced the street rehabilitation program in fiscal year 2007 and will continue through fiscal year 2010 to maintain streets pursuant to the annual condition assessment.
- ❖ Vehicle Replacement Fund fund balance remained unchanged as transfers-in were deferred and useful lives were extended for the police squad cars.
- ❖ Illinois Municipal Retirement Fund fund balance grew in order to provide a reserve for anticipated rate increases due to heavy investment losses in 2008. Social Security/FICA Fund fund balance increased due to a reduction in expenditures from personnel vacancies.

- ❖ The Redevelopment Fund fund balance grew with the reimbursement from the State of Illinois of for the CBD Center Ave/Scranton/Sheridan Road intersection and pedestrian improvements.



*General Fund Budgetary Highlights*

The budget was not modified during the year and actual expenditures did not exceed the budget. By September 2008, as it became evident that sales taxes, development fees, and interest earnings would be severely impacted, the staff was requested to postpone capital expenditures, excluding emergency repairs, and to evaluate opportunities for savings on supplies and commodities. As it appears, this recession is more pervasive and the recovery is expected to be erratic. As the Village examined the household waste collection system, other processes are being assessed for savings without sacrificing service and quality. The General Fund revenues exceeded the projected revenues by \$162,008. Specifically, the sales and many other taxes began to recover some of the revenue lost in the prior fiscal year but interest earnings were 12.9% less than projections due to the short-term interest rates. The General Fund expenditures were less than budgeted by \$841,924, or 10.3% of the projections due to these factors: personnel costs savings from human resource changes; the postponement of some capital equipment expenditures; and the unused \$396,500 contingency budget.

*Water - Proprietary Fund*

The Water Fund had an operating loss of \$151,087 as operating revenues declined 5.7% and operating expenses increased 15.6%. Operating revenues were down \$64,222 from the prior year due to a decline in water consumption and water connection fees which correlate to the decrease in building activity. Operating expenses grew by \$165,241 due to the full year of salary for the water finance clerk and an increase in the wholesale water rate.

Capital Assets and Debt Administration

*Capital Assets.* The Village's investment in capital assets, net of accumulated depreciation, for governmental activities was \$19,249,866 in fiscal year 2010 up from \$18,323,593 in fiscal year 2009. This increase is mostly attributable to the restatement of the Moffett Road bridge reconstruction project. The net realizable capital asset investment for the Water Fund declined this fiscal year to \$6,962,081 from \$7,174,606 from in fiscal year 2009 because the Village did not invest in its water infrastructure in fiscal year 2010. *Additional information regarding the Village's capital assets is presented in the footnotes on pages 30-31.*

*Long-Term Debt.* At April 30, 2010, the Village had three outstanding bond issues and two unsecured notes with a total principal balance of \$5.086 million outstanding. In August 2006, the Village issued \$2.1 million in G.O. Bonds to finance the cost of roadway improvements and street amenities in the downtown;

a stop light on Waukegan Road and North Shore Drive; and other roadway and pedestrian access improvements. This debt will be repaid over 15 years beginning in 2011 with general operating revenues. As the first 5 years are interest only payments, the outstanding principal balance is \$2.1 million. The 2001 G.O. Certificates of Participation (COPS) debt, issued on March 1, 2001 in the amount of \$1.93 million with a March 2011 maturity date, has an outstanding principal balance of \$260 thousand. This debt was issued to finance the safety, environmental, and space renovations at the Public Works Facility site, structural improvements at the Public Safety building, and the Village's share of costs to reconstruct the Moffett Road Bridge. In June 2004, the Village issued \$3.06 million in alternate water revenue bonds to finance the cost of 10 years of water infrastructure improvements. These bonds mature in December 2024 and will be repaid over 20 years with water revenues. The outstanding principal balance is \$2.48 million. The outstanding balances on the two unsecured notes are \$135 thousand and \$111 thousand, which were used to purchase 611 Walnut Avenue and a fire engine, respectively.

The Village has continued to observe a very conservative debt policy, as evidenced by the fact that the Village first issued bonds in 1987, has never carried debt in excess of \$10 million, and has a direct debt burden of 1.2% versus the median of 2.1%. The Village's outstanding general obligation debt principal represents .4% of EAV. *Additional information regarding the Village's debt is presented in the footnotes on pages 33-35, detailed schedules are shown on pages 84-88, and additional information is included in the statistical section on pages 103-107.*

*Future Debt.* At this time, the Village has no plans to issue additional debt in the upcoming fiscal year.

*Bond Ratings.* In July 2006, Moody's Investor Service upgraded the Village's bond rating to Aa1, which is the second highest rating. Moody's cited the Village's wealthy and steadily growing tax base; sound financial operations enhanced by recently gained home rule status; and minimal debt burden with limited capital needs.

#### *Economic Factors*

- Significant investment losses increasing pension obligations.
- Health insurance costs continue to rise by double digit percentages.
- A minimal increase in sales taxes but continued decline in income and utility tax receipts is projected due to devastated consumer confidence, tightened credit markets, and increasing State-wide unemployment.
- Recession is anticipated to be protracted with a slow recovery.
- Short-term interest rates below 2% resulting in less interest earnings.
- Building and demolition permit revenues, demolition taxes, and water connection fees to begin a modest recovery in 2011.
- Wholesale water rate increase from CLCJAWA of \$0.14 per thousand gallons from \$2.32 to \$2.46.
- Retail water rate rise from \$5.60 to \$5.85 per thousand gallons.
- Consumer Price Index-Urban (CPI-U) factor for the 2009 property tax levy is 0.1% and new construction added to the tax rolls is projected to be minimal.
- Voters approved home rule in April 2005, which provides financial flexibility for the Village and provides some opportunities to mitigate potential revenue losses from the effects of state-wide budget constraints.

All of these factors were considered when preparing the fiscal year 2010-11 annual budget.

#### **Contacting the Village's Financial Management**

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations, and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Village's Finance Director Susan Griffin at 40 E. Center Ave, Lake Bluff, Illinois 60044 [sgriffin@lakebluff.org](mailto:sgriffin@lakebluff.org) or access the Village website at [www.lakebluff.org](http://www.lakebluff.org).

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2010

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Public Library
<b>ASSETS</b>				
Cash and investments	\$ 6,026,556	\$ 1,464,439	\$ 7,490,995	\$ 551,979
Receivables, net of allowance for uncollectibles				
Property taxes	2,713,861	-	2,713,861	782,382
Other taxes	995,920	-	995,920	-
Other receivables	501,761	-	501,761	-
Accounts	22,999	243,334	266,333	-
Accrued interest	1,410	7	1,417	-
Prepaid items	7,705	-	7,705	-
Inventory	12,239	-	12,239	-
Due to/from other funds	52,515	(52,515)	-	-
Due from component unit	4,248	-	4,248	-
Advance to/from other funds	(228,691)	228,691	-	-
Restricted assets - cash	-	-	-	3,017
Capital assets				
Capital assets not being depreciated	2,284,977	-	2,284,977	347,445
Capital assets being depreciated, net	16,964,889	6,962,081	23,926,970	1,556,172
<b>Total assets</b>	<b>29,360,389</b>	<b>8,846,037</b>	<b>38,206,426</b>	<b>3,240,995</b>
<b>LIABILITIES</b>				
Accounts payable	303,626	45,129	348,755	24,932
Accrued payroll	118,703	8,709	127,412	14,365
Interest payable	34,763	40,425	75,188	-
Other liabilities	148,903	-	148,903	-
Unearned property taxes	2,713,861	-	2,713,861	782,382
Other unearned revenue	205,936	-	205,936	-
Deposits payable	325,335	6,593	331,928	-
Due to primary government	-	-	-	4,248
Noncurrent liabilities				
Due within one year	419,305	129,028	548,333	-
Due in more than one year	3,073,102	2,399,004	5,472,106	12,295
<b>Total liabilities</b>	<b>7,343,534</b>	<b>2,628,888</b>	<b>9,972,422</b>	<b>838,222</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	16,654,652	4,482,081	21,136,733	1,903,617
Restricted for				
Street improvements	200,181	-	200,181	-
Employee benefits	264,121	-	264,121	-
Specified purpose	3,570	-	3,570	-
Public safety	318,485	-	318,485	-
Debt service	13,386	-	13,386	-
Capital outlay	788,089	-	788,089	3,017
Unrestricted	3,774,371	1,735,068	5,509,439	496,139
<b>TOTAL NET ASSETS</b>	<b>\$ 22,016,855</b>	<b>\$ 6,217,149</b>	<b>\$ 28,234,004</b>	<b>\$ 2,402,773</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,946,291	\$ 859,253	\$ -	\$ -
Public safety	4,027,882	122,978	39,169	-
Public works	3,174,664	189,548	155,910	1,429,087
Interest on long-term debt	119,692	-	-	-
Total governmental activities	9,268,529	1,171,779	195,079	1,429,087
Business-Type Activities				
Water	1,336,637	1,071,074	-	-
Total business-type activities	1,336,637	1,071,074	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 10,605,166</b>	<b>\$ 2,242,853</b>	<b>\$ 195,079</b>	<b>\$ 1,429,087</b>
<b>COMPONENT UNIT - LIBRARY</b>	<b>\$ 743,171</b>	<b>\$ 21,047</b>	<b>\$ 18,234</b>	<b>\$ -</b>

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component Unit
	Governmental	Business-Type	Total	Public Library
	Activities	Activities		
	\$ (1,087,038)	\$ -	\$ (1,087,038)	\$ -
	(3,865,735)	-	(3,865,735)	-
	(1,400,119)	-	(1,400,119)	-
	(119,692)	-	(119,692)	-
	(6,472,584)	-	(6,472,584)	-
	-	(265,563)	(265,563)	-
	-	(265,563)	(265,563)	-
	(6,472,584)	(265,563)	(6,738,147)	-
	-	-	-	(703,890)
General Revenues				
Property tax	2,649,929	-	2,649,929	771,464
Utility tax	825,934	-	825,934	-
Intergovernmental revenues				
Replacement taxes	52,371	-	52,371	-
Sales tax	2,695,117	-	2,695,117	-
Income tax	480,990	-	480,990	-
Wireless surcharge	48,982	-	48,982	-
Other taxes	143,214	-	143,214	-
Miscellaneous	257,932	456	258,388	6,734
Investment income	25,725	5,462	31,187	1,886
Total	7,180,194	5,918	7,186,112	780,084
CHANGE IN NET ASSETS	707,610	(259,645)	447,965	76,194
NET ASSETS, MAY 1	20,796,519	6,476,794	27,273,313	2,326,579
Prior period adjustment	512,726	-	512,726	-
NET ASSETS, MAY 1, RESTATED	21,309,245	6,476,794	27,786,039	2,326,579
NET ASSETS, APRIL 30	\$ 22,016,855	\$ 6,217,149	\$ 28,234,004	\$ 2,402,773

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2010

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 3,785,294	\$ 2,241,262	\$ 6,026,556
Receivables, net			
Property taxes	2,171,242	542,619	2,713,861
Other taxes	982,784	13,136	995,920
Other receivables	501,761	-	501,761
Accounts	17,203	5,796	22,999
Accrued interest	823	587	1,410
Prepaid items	7,705	-	7,705
Inventory	12,239	-	12,239
Due from other funds	56,476	-	56,476
Due from component unit	4,248	-	4,248
<b>TOTAL ASSETS</b>	<b>\$ 7,539,775</b>	<b>\$ 2,803,400</b>	<b>\$ 10,343,175</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 284,659	\$ 18,967	\$ 303,626
Accrued payroll	118,703	-	118,703
Other liabilities	148,903	-	148,903
Unearned property taxes	2,171,242	542,619	2,713,861
Other unearned revenue	205,936	-	205,936
Deposits payable	325,335	-	325,335
Due to other funds	-	3,961	3,961
Advance from other funds	-	228,691	228,691
<b>Total liabilities</b>	<b>3,254,778</b>	<b>794,238</b>	<b>4,049,016</b>
<b>FUND BALANCES</b>			
Reserved for prepaid items	7,705	-	7,705
Reserved for inventory	12,239	-	12,239
Reserved for street improvements	-	200,181	200,181
Reserved for employee benefits	-	264,121	264,121
Reserved for specified purpose	-	3,570	3,570
Reserved for public safety	-	318,485	318,485
Reserved for debt service	-	13,386	13,386
Reserved for capital outlay	-	788,089	788,089
Unreserved			
Designated for capital outlay			
General Fund	300,000	-	300,000
Undesignated			
General Fund	3,965,053	-	3,965,053
Debt service funds	-	2,545	2,545
Capital projects funds	-	418,785	418,785
<b>Total fund balances</b>	<b>4,284,997</b>	<b>2,009,162</b>	<b>6,294,159</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,539,775</b>	<b>\$ 2,803,400</b>	<b>\$ 10,343,175</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2010

---

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,294,159
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	19,249,866
Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(34,763)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Tax certificates payable	(260,000)
Bonds payable	(2,088,945)
Notes payable	(246,269)
Compensated absences payable	(433,857)
Net pension obligation	(329,554)
Net other postemployment benefit	(133,782)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 22,016,855</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2010

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 2,090,618	\$ 559,311	\$ 2,649,929
Other taxes	4,188,986	45,633	4,234,619
Licenses, permits, and fees	709,643	-	709,643
Intergovernmental	168,559	410,099	578,658
Charges for services	360,549	-	360,549
Fines and forfeitures	64,596	-	64,596
Interest earned on investments	16,126	9,599	25,725
Miscellaneous	71,315	1,251	72,566
<b>Total revenues</b>	<b>7,670,392</b>	<b>1,025,893</b>	<b>8,696,285</b>
<b>EXPENDITURES</b>			
Current			
General government	1,749,540	130,356	1,879,896
Police and community service	3,404,321	261,821	3,666,142
Public works	2,109,083	633,483	2,742,566
Capital outlay	-	20,474	20,474
Debt service			
Principal	45,000	325,119	370,119
Interest	6,150	114,581	120,731
<b>Total expenditures</b>	<b>7,314,094</b>	<b>1,485,834</b>	<b>8,799,928</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>356,298</b>	<b>(459,941)</b>	<b>(103,643)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	181,132	4,232	185,364
Transfers in	17,918	447,339	465,257
Transfers (out)	(447,339)	(17,918)	(465,257)
<b>Total other financing sources (uses)</b>	<b>(248,289)</b>	<b>433,653</b>	<b>185,364</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>108,009</b>	<b>(26,288)</b>	<b>81,721</b>
<b>FUND BALANCES, MAY 1</b>	<b>4,176,988</b>	<b>2,035,450</b>	<b>6,212,438</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 4,284,997</b>	<b>\$ 2,009,162</b>	<b>\$ 6,294,159</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2010

<hr/>	
NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 81,721
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capitalized capital assets	232,224
Depreciation expense	(724,147)
Contributions of capital assets are reported only in the statement of activities	1,094,490
Proceeds from the disposal of capital assets is reported in governmental funds but the gain (loss) on the disposal is calculated and reported in the statement of activities	(189,020)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
General obligation debt	255,000
Notes payable	115,119
Amortization of bond issuance costs do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(1,005)
The change in compensated absences does not require a current financial resource	14,413
Interest costs are recognized when paid in governmental funds but when incurred on the statement of activities	2,044
The change in the net pension obligation is not a source or use of a financial resource	(39,447)
The change in the net other postemployment benefit is not a source or use of a financial resource	<u>(133,782)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 707,610</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS

April 30, 2010

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,464,439
Receivables	
Accounts, net of allowance for uncollectible accounts	243,334
Interest	<u>7</u>
Total current assets	<u>1,707,780</u>
<b>NONCURRENT ASSETS</b>	
Advance to other funds	228,691
Capital assets, net of accumulated depreciation	<u>6,962,081</u>
Total noncurrent assets	<u>7,190,772</u>
Total assets	<u>8,898,552</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	45,129
Accrued payroll	8,709
Accrued interest payable	40,425
Due to other funds	52,515
Deposits held	6,593
Compensated absences payable	4,028
Revenue bonds payable	<u>125,000</u>
Total current liabilities	<u>282,399</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences payable	44,004
Revenue bonds payable	<u>2,355,000</u>
Total noncurrent liabilities	<u>2,399,004</u>
Total liabilities	<u>2,681,403</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,482,081
Unrestricted	<u>1,735,068</u>
TOTAL NET ASSETS	<u>\$ 6,217,149</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
WATER FUND

For the Year Ended April 30, 2010

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OPERATING REVENUES	
Water sales	\$ 1,057,756
Meter sales	3,318
Tap-on and connection fees	10,000
Miscellaneous	456
	<hr/>
Total operating revenues	1,071,530
	<hr/>
OPERATING EXPENSES	
Administrative and finance	471,436
Water purchases	513,717
Depreciation	237,464
	<hr/>
Total operating expenses	1,222,617
	<hr/>
OPERATING INCOME (LOSS)	(151,087)
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
Interest earned on investments	5,462
Interest expense	(114,020)
	<hr/>
Total nonoperating revenues (expenses)	(108,558)
	<hr/>
CHANGE IN NET ASSETS	(259,645)
	<hr/>
NET ASSETS, MAY 1	6,476,794
	<hr/>
NET ASSETS, APRIL 30	\$ 6,217,149
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2010

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,092,908
Payments to suppliers	(611,105)
Payments to employees	<u>(360,279)</u>
Net cash from operating activities	<u>121,524</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Decrease in due to other funds	15,976
Decrease in advance from other funds	<u>17,439</u>
Net cash from noncapital financing activities	<u>33,415</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>5,614</u>
Net cash from investing activities	<u>5,614</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(24,939)
Payments of capital debt	(120,000)
Interest paid on capital debt	<u>(112,595)</u>
Net cash from capital and related financing activities	<u>(257,534)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(96,981)
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,561,420</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 1,464,439</u>

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended April 30, 2010

---

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (151,087)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	237,464
(Increase) decrease in	
Receivables	19,778
Increase (decrease) in	
Accounts payable	6,235
Deposits payable	1,600
Accrued payroll	1,801
Compensated absences payable	5,733
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 121,524</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUND

April 30, 2010

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	<u>Police Pension Fund</u>
<b>ASSETS</b>	
Cash	\$ 90,697
Investments (at fair value)	
Certificates of deposit	786,354
U.S. Government obligations	2,573,471
Mutual funds	3,032,144
Accrued interest receivable	<u>20,890</u>
 Total assets	 <u>6,503,556</u>
<b>LIABILITIES</b>	
None	<u>-</u>
 Total liabilities	 <u>-</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits	<u>6,503,556</u>
 TOTAL NET ASSETS	 <u><u>\$ 6,503,556</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
POLICE PENSION FUND

For the Year Ended April 30, 2010

<b>ADDITIONS</b>	
Contributions	
Employer	\$ 423,637
Plan members	<u>122,857</u>
Total contributions	<u>546,494</u>
Investment income	
Net appreciation in fair value of investments	843,233
Interest	<u>142,086</u>
Total investment income	985,319
Less investment expense	<u>(20,851)</u>
Net investment income	<u>964,468</u>
Total additions	<u>1,510,962</u>
<b>DEDUCTIONS</b>	
Pension benefits and refunds	501,954
Administrative expenses	<u>12,726</u>
Total deductions	<u>514,680</u>
<b>NET INCREASE</b>	996,282
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>5,507,274</u>
April 30	<u>\$ 6,503,556</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

INDEX FOR NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2010

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Lake Bluff, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village was incorporated on September 26, 1895, and is a municipal corporation governed by an elected seven-member board. The Village operates under a President/Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; health, social and cultural services; water and sanitation; public improvements; planning and zoning; and general administration services. As required by GAAP, these financial statements present the Village (the primary government) and its component unit.

*Discretely Presented Component Unit*

The Lake Bluff Public Library (the Library) is governed by an elected board of trustees and provides services to residents, generally within the geographic boundaries of the Village. The Library Board of Trustees selects management staff, establishes budgets and otherwise directs the affairs of the Library. The Library Board of Trustees cannot issue general obligation bonds on its own behalf and, as such, bonds cannot be issued in the Library's name alone. Bonds must be issued by the Village on behalf of the Library. The Library is primarily funded by property taxes levied by the Village on behalf of the Library. The Library has an April 30 year end. Complete financial statements for the Library can be obtained from the administrative office at 123 E. Scranton Avenue, Lake Bluff, Illinois 60044.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

*Joint Ventures*

Central Lake County Joint Action Water Agency (CLCJAWA)

CLCJAWA is a municipal corporation empowered to construct and maintain a joint water supply system to serve its member municipalities. Management consists of a Board of Directors comprised of one elected official from each member. The Village does not exercise any control over the activities of CLCJAWA beyond its representation on the Board of Directors. CLCJAWA is reported as a proprietary joint venture.

Solid Waste Agency of Lake County (SWALCO)

SWALCO is a municipal corporation empowered to plan, finance, construct and operate a solid waste disposal system to serve its member municipalities. 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 SWALCO beyond its representation on the Board of Directors. SWALCO is reported as a proprietary joint venture.

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for substantially all of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for enterprise funds. The Village maintains the Water Enterprise Fund.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in fiduciary capacity. The Village maintains a Police Pension Trust Fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Village reports the following major and only proprietary fund:

The Water Fund accounts for the provision of water 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 billing and collection.

The Village reports the following fiduciary fund:

The Police Pension Fund accounts for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by sworn police officers at rates fixed by law and the Village at amounts determined by an annual actuarial study.

d. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributable to the operation of the proprietary funds. Nonoperating revenue/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded when payment is due.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales, income, replacement and motor fuel taxes collected and held by the state at year end on behalf of the Village also are susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Unbilled water revenue of the Water Fund is recognized as earned when the water is consumed.

The Village reports unearned revenue on its financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Village's proprietary funds considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

All Village investments and all pension fund investments are stated at fair value in accordance with GASB Statements No. 25 and 31.

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the Village's fair value in the pool.

f. Receivables

The recognition of receivables associated with nonexchange transactions is as follows:

- § Derived tax receivables (such as: sales taxes) are recognized when the underlying exchange has occurred.
- § Imposed nonexchange receivables (such as: property taxes and fines) are recognized when an enforceable legal claim has arisen.
- § Government mandates or voluntary nonexchange transaction receivables (such as: income and motor fuel taxes and grants) are recognized when all eligibility requirements have been met.

g. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market.

h. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans, if any, are classified as "interfund receivables/payables." Long-term interfund loans are classified as "advances to/from other funds."

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the Village as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at estimated fair market value at the date of donation.

Infrastructure acquired prior to the implementation of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, is included in these financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	15-50
Machinery and equipment	3-25
Infrastructure	25-100
Water systems/lines	40-75
Water tower	40
Vehicles	5-20
Books	10

j. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are accrued when incurred in the government-wide financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Compensated Absences (Continued)

Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employee's resignation or retirement).

In the event of termination, an employee is reimbursed for accumulated vacation days up to a maximum of 25 working days. Employees, upon termination, are reimbursed for sick pay if unused sick leave exceeds a minimum of 60 days. An employee having a minimum of 60 days and not more than 119 days of sick leave accrued will receive compensation equal to 20% of all days accrued at the current pay rate. An employee having a minimum of 120 days to an unlimited maximum of sick leave accrued will receive compensation equal to 40% of all days accrued at the current pay rate. The General Fund and Water Fund have been used in prior years to liquidate the liability for compensated absences.

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds 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 financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental funds 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 expenditures.

VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the Village's net assets are restricted as a result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

m. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

n. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. DEFICIT FUND BALANCE

The 2001 General Obligation Tax Certificate Fund had a deficit fund balance of \$2,380 at April 30, 2010.

3. PROPERTY TAXES

Property taxes for 2009 attach as an enforceable lien on January 1, 2009 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 issued on or about May and August 1 and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Based upon collection histories, the Village has not provided an allowance for uncollectible property taxes at April 30, 2010. These 2009 taxes are intended to finance the 2011 fiscal year and are not considered available or earned for current operations and are, therefore, reported as deferred/unearned revenue. The 2010 tax levy has not been recorded as a receivable at April 30, 2010, as the tax attached as a lien on property as of January 1, 2010; however, the tax will not be levied until December 2010 and, accordingly, is not measurable at April 30, 2010.

4. CASH AND INVESTMENTS

State statutes and the Village's investment policy authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, short-term commercial paper rated within the highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

The Police Pension Fund's investment policy allows the same investments as the Village plus certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and Illinois insurance company general and separate accounts and equity mutual funds and equity securities.

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

Illinois Metropolitan Investment Fund (IMET) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, which is the price for which the investment could be sold.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CASH AND INVESTMENTS (Continued)

Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name.

Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2010:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 3,021,136	\$ 3,021,136	\$ -	\$ -	\$ -
IMET	968,978	968,978	-	-	-
Money market mutual funds	1,274,119	1,274,119	-	-	-
Negotiable CDs	500,000	500,000	-	-	-
<b>TOTAL</b>	<b>\$ 5,764,233</b>	<b>\$ 5,764,233</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a three-year period. The investment policy limits the maximum maturity length of investments for unreserved funds to five years from date of purchase.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. Investments in commercial paper are allowed if rated within the highest classifications by at least two standard rating services. Illinois Funds and IMET are rated AAA and AAAM.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Village's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the Village's name. Illinois Funds and IMET are not subject to custodial credit risk.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CASH AND INVESTMENTS (Continued)

Village Investments (Continued)

Concentration of credit risk - the Village's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle as follows: no more than 15% of the portfolio can be with one financial institution, no more than 33% in commercial bank certificates of deposit (CDs), except when invested using the Certificate of Deposit Account Registry Service (CDARS) or similar system, no more than 20% in Illinois Funds and no more than 15% in IMET.

Police Pension Fund Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund's deposits may not be returned to them. The Police Pension Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions.

Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2010:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
US Treasury	\$ 295,150	\$ -	\$ -	\$ 295,150	\$ -
FHLB	774,951	151,734	623,217	-	-
FHLMC	490,608	152,782	337,826	-	-
FNMA	669,807	-	669,807	-	-
FFCB	342,957	-	342,957	-	-
Negotiable CDs	500,000	100,000	400,000	-	-
<b>TOTAL</b>	<b>\$ 3,073,473</b>	<b>\$ 404,516</b>	<b>\$ 2,373,807</b>	<b>\$ 295,150</b>	<b>\$ -</b>

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Police Pension Fund.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments (Continued)

In accordance with its investment policy the Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government. The FHLB, FHLMC, FNMA and FFCE are rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The Police Pension Fund's investment policy does not require pledging of collateral for bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions. The Police Pension Fund's investment policy requires all securities to be held and accounted for to clearly indicate ownership by the Police Pension Fund. Illinois Funds, insurance contracts and money market mutual funds and mutual funds are not subject to custodial credit risk

Concentration of credit risk - The Police Pension Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle as follows:

Separate accounts and mutual funds	45%
Equity securities	35%
Debt securities	0% - 100%

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2010 was as follows:

	Balances May 1, Restated	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,284,977	\$ -	\$ -	\$ 2,284,977
Total capital assets not being depreciated	<u>2,284,977</u>	<u>-</u>	<u>-</u>	<u>2,284,977</u>
Capital assets being depreciated				
Buildings and improvements	5,517,671	-	-	5,517,671
Equipment	5,307,626	55,686	294,611	5,068,701
Infrastructure	15,655,861	1,271,028	350,000	16,576,889
Total capital assets being depreciated	<u>26,481,158</u>	<u>1,326,714</u>	<u>644,611</u>	<u>27,163,261</u>

VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Balances May 1, Restated	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Less accumulated depreciation for				
Buildings and improvements	\$ 1,885,795	\$ 125,246	\$ -	\$ 2,011,041
Equipment	2,494,900	334,947	147,399	2,682,448
Infrastructure	5,549,121	263,954	308,192	5,504,883
Total accumulated depreciation	<u>9,929,816</u>	<u>724,147</u>	<u>455,591</u>	<u>10,198,372</u>
 Total capital assets being depreciated, net	 <u>16,551,342</u>	 <u>602,567</u>	 <u>189,020</u>	 <u>16,964,889</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 18,836,319</u>	<u>\$ 602,567</u>	<u>\$ 189,020</u>	<u>\$ 19,249,866</u>

The beginning balance of capital assets for governmental activities was restated by \$512,726 to capitalize the Moffett Road Bridge improvements in the correct fiscal year.

Depreciation expense was charged to functions/programs of the governmental activities as follows:

<b>GOVERNMENTAL ACTIVITIES</b>		
General government		\$ 24,097
Public safety		256,790
Public works		<u>443,260</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>		<u>\$ 724,147</u>

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Water systems/lines	\$ 8,861,455	\$ -	\$ -	\$ 8,861,455
Water tower	1,609,375	-	-	1,609,375
Vehicles	111,656	24,939	35,250	101,345
Total capital assets being depreciated	<u>10,582,486</u>	<u>24,939</u>	<u>35,250</u>	<u>10,572,175</u>
Less accumulated depreciation for				
Water system/lines	2,630,177	189,564	-	2,819,741
Water tower	684,314	40,234	-	724,548
Vehicles	93,389	7,666	35,250	65,805
Total accumulated depreciation	<u>3,407,880</u>	<u>237,464</u>	<u>35,250</u>	<u>3,610,094</u>
 Total capital assets being depreciated, net	 <u>7,174,606</u>	 <u>(212,525)</u>	 <u>-</u>	 <u>6,962,081</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 7,174,606</u>	<u>\$ (212,525)</u>	<u>\$ -</u>	<u>\$ 6,962,081</u>

6. 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; employee health; natural disasters; and injuries to the Village's employees. Employees' health insurance is purchased through a broker and no risk of loss is retained by the Village.

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 that have formed an association under the Illinois Intergovernmental Cooperation Statute to pool their risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension 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 \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above 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 IRMA 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 bylaws 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. The Village is aware of no additional contributions due to IRMA as of April 30, 2010.

7. LEASE AND MAINTENANCE OBLIGATIONS

Commuter Station

The Village is engaged in an operating lease agreement with the Union Pacific Railroad for the parking lot at the Lake Bluff train station. This lease is renewable on a year-to-year basis. Lease payments are equal to one-third of the parking lot's gross revenues. These activities are accounted for in the General Fund.

VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT

A summary of changes in long-term debt reported in the governmental activities of the Village for the year ended April 30, 2010 is as follows:

a. Governmental Activities

Issue	Fund Debt Retired by	Balances May 1, 2009	Issuances	Retirements	Balances April 30, 2010	Current Portion
Notes Payable						
\$315,000 Note Payable dated October 24, 2005, due in annual installments of \$45,000 through October 24, 2012, interest payable each April 23 and October 24 at 3.85%	General	\$ 180,000	\$ -	\$ 45,000	\$ 135,000	\$ 45,000
\$350,000 Note Payable dated February 13, 2007, due in semi-annual installments of \$31,733 to \$38,023 through September 15, 2011, interest payable each March 15 and September 15 at 4.35%	Vehicle/ Equipment Replacement	181,388	-	70,119	111,269	73,246
Total notes payable		361,388	-	115,119	246,269	118,246
General Obligation Tax Certificates						
\$1,930,000 General Obligation Limited Tax Certificates, Series 2001 dated February 12, 2001, due in annual installments of \$70,000 to \$260,000 through March 1, 2011, interest payable each March 1 and September 1 at 4.00% to 4.20%	2001 General Obligation Tax Certificate	515,000	-	255,000	260,000	260,000
General Obligation Bonds						
\$2,100,000 General Obligation Bonds dated July 24, 2006, due in annual installments of \$130,000 to \$255,000 through December 15, 2020, interest payable each June 15 and December 15 at 3.90% to 4.25%	2006 General Obligation Bond	2,100,000	-	-	2,100,000	-

VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

Issue	Fund Debt Retired by	Balances May 1, 2009	Issuances	Retirements	Balances April 30, 2010	Current Portion
Less deferred amounts for issuance discounts		\$ (12,060)	\$ -	\$ (1,005)	\$ (11,055)	\$ -
Compensated absences	General	448,270	412,849	427,262	433,857	41,059
Net Pension obligation	General	290,107	39,447	-	329,554	-
Net other postemployment benefit obligation	General	-	133,782	-	133,782	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<u>\$ 3,702,705</u>	<u>\$ 586,078</u>	<u>\$ 796,376</u>	<u>\$ 3,492,407</u>	<u>\$ 419,305</u>

b. Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1, 2009	Issuances	Retirements	Balances April 30, 2010	Current Portion
\$3,060,000 General Obligation Bonds (Alternate Revenue Source), due in annual installments of \$110,000 to \$220,000 through December 15, 2024 plus interest at 4.00% to 4.70%	Waterworks	\$ 2,600,000	\$ -	\$ 120,000	\$ 2,480,000	\$ 125,000
Compensated absences	Waterworks	42,299	24,017	18,284	48,032	4,028
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<u>\$ 2,642,299</u>	<u>\$ 24,017</u>	<u>\$ 138,284</u>	<u>\$ 2,528,032</u>	<u>\$ 129,028</u>

VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity on general obligation debt (bonds and tax certificates) are as follows:

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	\$ 260,000	\$ 96,884	\$ 125,000	\$ 107,795
2012	130,000	85,964	130,000	102,795
2013	185,000	80,894	130,000	97,595
2014	195,000	73,586	135,000	92,395
2015	200,000	65,786	145,000	86,995
2016	210,000	57,686	150,000	81,195
2017	220,000	49,181	155,000	74,895
2018	225,000	40,161	160,000	68,385
2019	235,000	30,880	170,000	61,665
2020	245,000	21,128	175,000	54,185
2021	255,000	12,836	185,000	46,485
2022	-	-	190,000	38,160
2023	-	-	200,000	29,610
2024	-	-	210,000	20,210
2025	-	-	220,000	10,340
<b>TOTAL</b>	<b>\$ 2,360,000</b>	<b>\$ 584,986</b>	<b>\$ 2,480,000</b>	<b>\$ 972,705</b>

Annual debt service requirements to maturity on notes payable are as follows:

Fiscal Year Ending April 30,	Governmental Activities	
	Principal	Interest
2011	\$ 118,246	\$ 8,510
2012	83,023	3,487
2013	45,000	881
<b>TOTAL</b>	<b>\$ 246,269</b>	<b>\$ 12,878</b>

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transactions

Due from/to other funds at April 30, 2010 consist of the following:

Receivable Fund	Payable Fund	Amount
General	Water	\$ 52,515
General	Nonmajor Governmental	<u>3,961</u>
<b>TOTAL</b>		<u><u>\$ 56,476</u></u>

The purpose of the significant due from/due to other funds are as follows:

- \$52,515 owed to the General Fund from the Water Fund is for interfund operations. Repayment is expected within one year.
- \$3,961 owed to the General Fund from the Nonmajor Governmental Funds for interfund operations. Repayment is expected within one year.

b. Due from Component Unit/Due to Primary Government

Due from component unit/due to primary government at April 30, 2010 consist of the following:

Primary Government	Component Unit	Amount
General	Public Library	<u>\$ 4,248</u>
<b>TOTAL</b>		<u><u>\$ 4,248</u></u>

The purpose of the significant due from/due to other funds are as follows:

- \$4,248 owed to the General Fund from the Public Library is for miscellaneous transactions. Repayment is expected within one year.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Advances To/From Other Funds

Advances to/from other funds at April 30, 2010 consist of the following:

Receivable Fund	Payable Fund	Amount
Vehicle/Equipment Replacement (Nonmajor governmental)	Water	\$ 228,691
TOTAL		<u>\$ 228,691</u>

The purpose of the significant advances to/from other funds are as follows:

- \$228,691 owed to the Vehicle/Equipment Replacement Fund from the Water Fund is for future vehicle replacements. Repayment is not expected within one year.

d. Transfers

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers Out
General	\$ 17,918	\$ 447,339
Nonmajor governmental	447,339	17,918
TOTAL ALL FUNDS	<u>\$ 465,257</u>	<u>\$ 465,257</u>

The purpose of significant transfers are as follows:

- \$17,918 was transferred to the General Fund from the Nonmajor Governmental Funds (E-911 Fund) for salary reimbursements. This transfer will not be repaid.
- \$447,339 was transferred to the Nonmajor Governmental Funds from the General Fund. \$85,000 was transferred to the Vehicle/Equipment Replacement Fund for the replacement of vehicles. \$276,375 was transferred to the 2001 General Obligation Tax Certificate Fund for funding of nonproperty tax debt. \$85,964 was transferred to the 2006 General Obligation Bond Fund for funding of nonproperty tax debt.

10. COMMITMENTS AND CONTINGENCIES

a. Litigation

There are several pending lawsuits in which the Village is involved. Management believes that the potential claims against the Village resulting from such litigation will not materially affect the financial position of the Village.

b. Construction Contracts

The value of construction contracts signed where the work has not yet been performed at April 30, 2010 is \$1,259,921.

The value of purchase commitments for capital assets at April 30, 2010 is \$52,311.

c. 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.

11. JOINT VENTURES

a. Central Lake County Joint Action Water Agency (CLCJAWA)

The Village is a member of the CLCJAWA which consists of nine municipalities. CLCJAWA is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). CLCJAWA is empowered under the Act to plan, construct, finance, operate and maintain a joint water supply system to serve its members and other potential water purchasers.

The members of CLCJAWA as of April 30, 2010 are:

Village of Grayslake  
Village of Gurnee  
Village of Lake Bluff  
Village of Libertyville  
Village of Mundelein  
Village of Round Lake  
Village of Round Lake Beach  
Round Lake Consortium (representing Village of Round Lake Heights and  
Village of Round Lake Park)  
County of Lake (servicing the Communities of Knollwood/Roundout,  
Wildwood and Vernon Hills)

11. JOINT VENTURES (Continued)

a. Central Lake County Joint Action Water Agency (CLCJAWA)

CLCJAWA is governed by a Board of Directors which consists of one elected official from each member municipality. Each Director has an equal vote. The officers of CLCJAWA are appointed by the Board of Directors. The Board of Directors determines the general policy of CLCJAWA, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by CLCJAWA, adopts by-laws, rules and regulations. The Village has no explicit and measurable equity interest in CLCJAWA, although there does exist a residual interest in CLCJAWA's assets upon dissolution of the joint venture. The Village has an ongoing financial responsibility for its share of CLCJAWA's liabilities. Each participant is liable for its share of any agency contracts entered into while bound by the intergovernmental agreement, until those contracts are paid off. Additionally, the Village has an ongoing financial responsibility to purchase water from CLCJAWA.

Complete financial statements for CLCJAWA can be obtained from its administrative office at 200 Rockland Road, Lake Bluff, Illinois, 60044.

Revenues of the system consist of (1) all receipts derived from water contracts or any other contracts for the consumption of water; (2) all income derived from the investment of monies; and (3) all income, fees, service charges and all grants, rents and receipts derived by the CLCJAWA from the ownership and operation of the system. The CLCJAWA covenants to establish fees and charges sufficient to provide revenues to meet all the requirements.

The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable, without regard to performance or nonperformance by CLCJAWA of its obligations under this contract.

The payments required to be made by the Village under this contract shall be required to be made solely from revenues derived by the Village from the operation of the Village's system. The Village is not prohibited by the contract from using any other available funds to make the payments required by the contract. The contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

In accordance with the joint venture agreement, the Village remitted \$513,717 to CLCJAWA for 2010, which is recorded in the Village's Water Fund.

11. JOINT VENTURES (Continued)

b. Solid Waste Agency of Lake County (SWALCO)

The Village is a member of SWALCO, which consists of 41 municipalities. SWALCO is a municipal corporation and public body politic and corporate established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act). SWALCO is empowered under the Act to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

The members of SWALCO and their percentage shares are based on the formula contained in the Agency Agreement. As of April 30, 2010, the Village's share is 1.61%.

This percentage share is subject to change in future years based on the combination of the population and equalized assessed valuation of the municipalities.

The members form a contiguous geographic service area, which is located in Lake County. Under the Agency Agreement, additional members may join SWALCO upon the approval of each member.

SWALCO is governed by a Board of Directors, which consists of one appointed representative from each member municipality. Each Director has an equal vote. The officers of SWALCO are appointed by the Board of Directors. The Board of Directors determines the general policy of SWALCO; makes all appropriations; approves contracts; adopts resolutions providing for the issuance of bonds or notes by SWALCO; adopts by-laws, rules and regulations; and exercises such powers and performs such duties as may be prescribed in the Agency Agreement or the by-laws.

Complete financial statements can be obtained from the Solid Waste Agency of Lake County, 1311 N. Estes Street, Gurnee, Illinois 60031.

Revenues of SWALCO consist of (a) all receipts derived from Solid Waste Disposal Contracts or any other contracts for the disposal of waste; (b) all income derived from the investment of monies; and (c) all income, fees and service charges and all grants, rents and receipts derived by SWALCO from the ownership and operation of the system. SWALCO has no power to levy taxes.

SWALCO covenants to establish fees and charges sufficient to provide revenues to meet all of its requirements.

11. JOINT VENTURES (Continued)

b. Solid Waste Agency of Lake County (SWALCO) (Continued)

SWALCO has entered into Solid Waste Disposal Contracts with the member municipalities. The contracts are irrevocable and may not be terminated or amended except as provided in the contract. Each member is obligated, on a “take or pay” basis to purchase or, in any event, to pay for a minimum annual cost of the system.

The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable without regard to performance or nonperformance by SWALCO of its obligations under this contract.

The payments required to be made by the Village under this contract shall be required to be made solely from revenues derived by the Village from the operation of the Village’s system. The Village is not prohibited by the contract from using any other available funds to make the payments required by the contract. The contract shall not constitute an indebtedness of the Village within the meaning of any statutory or constitutional limitation.

The Village remitted no payments to SWALCO for the year ended April 30, 2010.

12. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for the two plans are governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. The pension plan does not issue a separate report. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2.00% for each year thereafter. IMRF members may also retire and receive a pension after age 55; however, depending on how many years of service the member has, a reduction in pension of 1/4% per each month the member is under age 60 may apply. Pension benefits, however, are not reduced if the member has 35 years or more of service. The maximum pension is a 75% pension after 40 years of service. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the calendar year ended December 31, 2009 was 9.18% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and 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 plan as a pension trust fund. At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	12
Current employees	
Vested	10
Nonvested	4
	<hr/>
TOTAL	<hr/> <hr/> 26

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% 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 upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including the cost of administering the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2010, the Village's contribution was 33.03% of covered payroll.

b. 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 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. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

12. DEFINED BENEFIT PENSION PLANS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Administrative Costs

Administrative costs for the Police Pension Plan are financed primarily through investment earnings.

c. Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan. Information for the IMRF is not available.

d. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2007	April 30, 2009
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	23 Years, Closed	24 Years, Closed

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

12. DEFINED BENEFIT PENSION PLANS (Continued)

d. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	Not Available

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

		Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2008	\$ 242,881	\$ 351,179
	2009	242,493	388,242
	2010	260,491	463,084
Actual contribution	2008	\$ 242,881	\$ 344,412
	2009	242,493	381,976
	2010	260,491	423,637
Percentage of APC contributed	2008	100.00%	98.07%
	2009	100.00%	98.39%
	2010	100.00%	91.48%
Net pension obligation (NPO)	2008	\$ -	\$ 290,107
	2009	-	296,373
	2010	-	329,554

VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

12. DEFINED BENEFIT PENSION PLANS (Continued)

d. Annual Pension Costs (Continued)

The APC and NPO for the Police Pension Fund has been calculated as of April 30, 2010:

Annual required contribution	\$ 454,809
Interest on net pension obligation	(21,758)
Adjustment to annual required contribution	<u>30,033</u>
Annual pension cost	463,084
Contributions made	<u>423,637</u>
Increase in net pension obligation (asset)	39,447
Net pension obligation (asset) beginning of year	<u>290,107</u>
<b>NET PENSION OBLIGATION (ASSET) END OF YEAR</b>	<b><u>\$ 329,554</u></b>

e. Funded Status

The funded status of the plans as of April 30, 2010 (December 31, 2009 for IMRF), based on actuarial valuations performed as of the same date, 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 of the plans as disclosed in Note 12-d:

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 6,241,956	\$ 10,768,089
Actuarial value of plan assets	4,948,560	6,966,366
Unfunded actuarial accrued liability (UAAL)	1,293,396	3,801,723
Funded ratio (actuarial value of plan assets/AAL)	79.28%	64.69%
Covered payroll (active plan members)	\$ 2,641,538	\$ 1,282,564
UAAL as a percentage of covered payroll	48.96%	296.42%

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

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

The Village provides pre and post Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's two retirement plans. The retirees pay 100% of the average employer group cost.

c. Membership

At April 30, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits	4
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>39</u>
 TOTAL	 <u><u>43</u></u>
 Participating employers	 <u><u>1</u></u>

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of April 30, 2010 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2011. The Village's annual OPEB cost (expense) of \$172,998 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of May 1, 2009. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 was as follows (information for the two preceding years is not available as an actuarial valuation was performed for the first time as of April 30, 2010):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2010	\$ 172,998	\$ 26,921	15.56%	\$ 146,077

The net OPEB obligation as of April 30, 2010 was calculated as follows:

Annual required contribution	\$ 172,998
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	172,998
Contributions made	26,921
Increase in net OPEB obligation	146,077
Net OPEB obligation beginning of year	-
<b>NET OPEB OBLIGATION END OF YEAR</b>	<b>\$ 146,077</b>

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of April 30, 2010 was as follows:

Actuarial accrued liability (AAL)	\$ 1,667,414
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,667,414
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 2,994,285
UAAL as a percentage of covered payroll	55.69%

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

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

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

In the April 30, 2010 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0% and an initial healthcare cost trend rate of 9.0% with an ultimate healthcare inflation rate of 5.0%. Both rates include a 2.5% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a 30 year open basis.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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14. PRIOR PERIOD ADJUSTMENTS

The Village has restated net assets/fund balance of the governmental activities as of May 1, 2009 as follows:

	<u>Governmental Activities</u>
NET ASSETS, MAY 1 (as previously reported)	<u>\$ 20,796,519</u>
Restated for:	
a) Capitalization of prior period costs	<u>512,726</u>
Subtotal restatements	<u>512,726</u>
NET ASSETS, MAY 1 (as restated)	<u>\$ 21,309,245</u>

15. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY

a. Summary of Significant Accounting Policies

The accounting policies of the Library conform to generally accepted accounting principles as applicable to governments. The Government Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

1) Fund Accounting

The Library uses funds to report on its financial position and the changes in its financial position of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories; governmental, proprietary and fiduciary. The Library reports only governmental funds.

Governmental funds are used to account for all or most of a Library's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the Library.

15. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

1) Fund Accounting (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

2) Measurement Focus, Basis of Accounting and Financial Statement Presentation

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Library.

Those revenues susceptible to accrual are property taxes, grant revenue and interest revenue. Fine revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Library reports unearned revenue on its financial statements. Unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

3) Cash and Investments

Investments are stated at cost or amortized cost, which approximates fair value.

15. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

4) Capital Assets

Capital assets, which include property, equipment and books are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or service capacity of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	15-50
Equipment	3-25
Books	10

b. Cash and Investments

The Library's investment policy authorizes the Library to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds.

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

15. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY (Continued)

b. Cash and Investments (Continued)

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objective of the policy is safety of principal, liquidity, yield and maintaining the public trust.

1) Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library’s deposits may not be returned to it. To guard against credit risk for deposits with financial institutions, the Library’s investment policy requires that deposits with financial institutions in excess of FDIC be collateralized with collateral held by an independent third-party in the name of the Library.

2) Investments

As of April 30, 2010, the Library had the following investments and maturities:

	<u>Fair Value</u>	<u>Maturity</u>
Illinois Funds	\$ 162,962	On Demand
<b>TOTAL INVESTMENTS</b>	<u>\$ 162,962</u>	

In accordance with its investment policy, the Library limits its exposure to interest rate risk by diversifying its investment portfolio to the best of its ability based on the nature of the funds invested and the cash flow needs of those funds. A variety of financial instruments and maturities, properly balanced, will help to ensure liquidity and reduce risk or interest rate volatility and loss of principal. Diversifying investments and maturities will avoid incurring unreasonable risks in the investment portfolio regarding specific security types, issuers or individual financial institutions. The Library’s investment policy does not specifically limit the maximum maturity length of investments.

15. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY (Continued)

b. Cash and Investments (Continued)

2) Investments (Continued)

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. However, the Library's investment policy does not specifically limit the Library to these types of investments.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in the possession of an outside party. To limit its exposure, the Library's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third-party acting as the Library's agent separate from where the investment was purchased.

c. Receivables - Taxes

Property taxes for 2009 attach as an enforceable lien on January 1, 2009, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1 and August 1 and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Based upon collection histories, library management does not consider an allowance for uncollectible property taxes at April 30, 2010 to be necessary.

The Library has a statutory maximum tax rate of \$0.15 per \$100 of assessed valuation.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

15. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY (Continued)

d. Capital Assets

Capital asset activity for the year ended April 30, 2010 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 347,445	\$ -	\$ -	\$ 347,445
Total capital assets not being depreciated	347,445	-	-	347,445
Capital assets being depreciated				
Buildings	1,618,089	8,611	8,611	1,618,089
Equipment	116,939	24,286	35,868	105,357
Books	937,513	96,387	216,305	817,595
Total capital assets being depreciated	2,672,541	129,284	260,784	2,541,041
Less accumulated depreciation for				
Buildings	533,936	40,325	1,111	573,150
Equipment	67,657	6,325	35,868	38,114
Books	515,384	74,526	216,305	373,605
Total accumulated depreciation	1,116,977	121,176	253,284	984,869
Total capital assets being depreciated, net	1,555,564	8,108	7,500	1,556,172
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$ 1,903,009	\$ 8,108	\$ 7,500	\$ 1,903,617

e. Long-Term Obligations

During the year, the following changes occurred in liabilities reported in long-term obligations:

	Balances May 1	Additions	Retirements	Balances April 30	Due Within One Year
Net other postemployment benefits obligation	\$ -	\$ 12,295	\$ -	\$ 12,295	\$ -

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 2,087,400	\$ 2,090,618	\$ 3,218
Other taxes	4,065,482	4,188,986	123,504
Licenses, permits, and fees	730,365	709,643	(20,722)
Intergovernmental grants and reimbursements	-	168,559	168,559
Charges for services	382,257	360,549	(21,708)
Fines and forfeitures	89,380	64,596	(24,784)
Interest earned on investments	125,000	16,126	(108,874)
Miscellaneous	28,500	71,315	42,815
<b>Total revenues</b>	<b>7,508,384</b>	<b>7,670,392</b>	<b>162,008</b>
<b>EXPENDITURES</b>			
Current			
General government	2,206,288	1,749,540	(456,748)
Public safety	3,660,375	3,404,321	(256,054)
Public works	2,238,205	2,109,083	(129,122)
Debt service			
Principal	45,000	45,000	-
Interest	6,150	6,150	-
<b>Total expenditures</b>	<b>8,156,018</b>	<b>7,314,094</b>	<b>(841,924)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(647,634)</b>	<b>356,298</b>	<b>1,003,932</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,500	181,132	179,632
Transfers in	18,335	17,918	(417)
Transfers (out)	(1,378,839)	(447,339)	931,500
<b>Total other financing sources (uses)</b>	<b>(1,359,004)</b>	<b>(248,289)</b>	<b>1,110,715</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (2,006,638)</b>	<b>108,009</b>	<b>\$ 2,114,647</b>
<b>FUND BALANCE, MAY 1</b>		<b>4,176,988</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 4,284,997</b>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2010

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2004	\$ 3,926,503	\$ 4,442,725	88.38%	\$ 516,222	\$ 2,254,384	22.90%
2005	3,839,501	4,416,242	86.94%	576,741	2,228,003	25.89%
2006	4,509,585	4,914,202	91.77%	404,617	2,284,848	17.71%
2007	5,310,415	5,642,255	94.12%	331,840	2,573,934	12.89%
2008	4,735,416	6,222,557	76.10%	1,487,141	2,614,434	56.88%
2009	4,948,560	6,241,956	79.28%	1,293,396	2,641,538	48.96%

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

April 30, 2010

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (OAAL) (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2004	\$ 5,885,255	\$ 9,048,636	65.04%	\$ 3,163,381	\$ 1,014,132	311.93%
2005	5,885,255	9,048,636	65.04%	3,163,381	1,014,132	311.93%
2006	6,167,438	9,704,057	63.56%	3,536,619	1,009,132	350.46%
2007	6,526,131	9,656,803	67.58%	3,130,672	1,068,313	293.05%
2008	6,912,883	10,206,739	67.73%	3,293,856	1,200,412	274.39%
2009	6,966,366	10,768,089	64.69%	3,801,723	1,282,564	296.42%

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2010

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (OAAL) (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 1,508,932	0.00%	\$ 1,508,932	\$ 2,745,912	54.95%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010.

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 OTHER POSTEMPLOYMENT BENEFIT PLAN  
 LAKE BLUFF PUBLIC LIBRARY

April 30, 2010

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (OAAL) (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 158,482	0.00%	\$ 158,482	\$ 248,373	63.81%

The Library implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010.

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2010

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2005	\$ 193,836	\$ 193,836	100.00%
2006	228,485	228,485	100.00%
2007	254,562	254,562	100.00%
2008	242,881	242,881	100.00%
2009	242,493	242,493	100.00%
2010	260,491	260,491	100.00%

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

April 30, 2010

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation/ (Asset)</u>
2005	\$ 240,274	\$ 275,055	87.35%	\$ 133,785
2006	253,971	325,922	77.92%	207,010
2007	286,515	361,565	79.24%	283,340
2008	344,413	350,383	98.30%	290,107
2009	381,977	388,516	98.32%	296,373
2010	423,637	454,809	93.15%	329,554

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2010

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation/ (Asset)</u>
2010	\$ 19,576	\$ 153,358	12.76%	\$ 133,782

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010.

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN  
LAKE BLUFF PUBLIC LIBRARY

April 30, 2010

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation/ (Asset)</u>
2010	\$ 7,345	\$ 19,640	37.40%	\$ 12,295

The Library implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010.

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2010

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1. BUDGETS

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements.

- a. At the Village Board finance committee meeting in March, the Village Administrator submits to the Board of Trustees a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means of financing them. The operating budget can be amended by the Village Board by a two-thirds majority of the corporate authorities, but no revision of the budget shall be made increasing the budget in the event that funds are not available.
- b. Public hearings are conducted to obtain citizen comments.
- c. The budget and appropriation ordinances are legally enacted through action of the Board of Trustees.
- d. Expenditures cannot legally exceed the total appropriate amounts at the fund level. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, expenditures in excess of the budgeted amounts at the fund level must be approved by the Board of Trustees. No supplemental appropriations were required for the year ended April 30, 2010. There were no additional budget modifications.
- e. Budgets have been adopted for the general, special revenue, debt service, capital projects, enterprise and pension trust funds. The basis of the budget is the same as GAAP.

During the current year, a budget was not adopted for the following special revenue, debt service and capital projects funds:

Special Revenue Fund - Train Station Wreath Fund

Debt Service Fund - Special Service Area Bond

Capital Projects Fund - Special Service Area Capital Improvements Fund

VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

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2. INDIVIDUAL FUND DISCLOSURES

The following funds had expenditures/expense in excess of budget:

<u>Fund</u>	<u>Excess</u>
E-911	\$ 12,658
Police Pension	29,053

**COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES**

## **MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

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

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED REVENUES -  
BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
<b>Taxes</b>			
<b>Property taxes</b>			
General	\$ 460,600	\$ 462,878	\$ 2,278
Waste disposal	381,500	379,303	(2,197)
Police protection	310,500	308,585	(1,915)
Crossing guards	6,300	6,429	129
Fire protection	272,000	271,250	(750)
Audit	29,000	32,144	3,144
Unemployment	12,000	12,858	858
Police pension	415,000	417,876	2,876
Liability insurance	200,500	199,295	(1,205)
<b>Total property taxes</b>	<b>2,087,400</b>	<b>2,090,618</b>	<b>3,218</b>
<b>Other taxes</b>			
Home rule sales tax	559,341	639,316	79,975
Sales tax sharing - North Chicago	-	27,821	27,821
Prepared food and beverage tax	41,500	51,140	9,640
Utility tax - natural gas	248,552	178,441	(70,111)
Utility tax - electricity	350,000	322,929	(27,071)
Telecommunications tax	302,974	324,565	21,591
Demolition tax	10,000	30,000	20,000
Road and bridge	63,995	62,074	(1,921)
Personal property replacement tax	42,780	37,969	(4,811)
Replacement tax - police pension	7,340	5,761	(1,579)
Sales tax	1,864,470	2,020,318	155,848
Sales tax - auto rental	10,000	7,662	(2,338)
State income taxes	564,530	480,990	(83,540)
<b>Total other taxes</b>	<b>4,065,482</b>	<b>4,188,986</b>	<b>123,504</b>
<b>Total taxes</b>	<b>6,152,882</b>	<b>6,279,604</b>	<b>126,722</b>
<b>Licenses, permits and fees</b>			
Beverage licenses	12,500	17,433	4,933
Farmers' market permit	4,500	6,800	2,300
Vehicle license fees	140,000	136,787	(3,213)
Vehicle licenses - late fees	1,500	2,308	808
Village lot parking fees	11,000	6,570	(4,430)

(This schedule is continued on the following pages.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED REVENUES -  
BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)			
Licenses, permits and fees (Continued)			
Central business district (CBD) parking permits	\$ 3,600	\$ 250	\$ (3,350)
Commuter lot parking fees	63,600	57,136	(6,464)
Bicycle licenses	-	3	3
Peddler permits	100	200	100
Contractor's business license	40,850	27,100	(13,750)
Business license	2,000	4,000	2,000
Building permits	301,000	303,372	2,372
Demolition permits	25,137	22,507	(2,630)
Electrical, plumbing, heating and air conditioning	3,500	5,380	1,880
Plan review fees - fire and building	500	50	(450)
Plan review fees - sprinkler	500	1,050	550
Plan review fees - elevator	500	-	(500)
Occupancy permits	3,000	7,500	4,500
Business occupancy permits	500	900	400
Street opening permits	4,000	4,780	780
Sewer permits	1,500	-	(1,500)
Tree permits	1,500	-	(1,500)
Other permits	200	990	790
Alarm system license	8,000	8,850	850
Ameritech franchise fees	17,000	12,912	(4,088)
Cable franchise fees	83,878	82,765	(1,113)
	<u>730,365</u>	<u>709,643</u>	<u>(20,722)</u>
Intergovernmental grants and reimbursements			
State grants	-	168,559	168,559
	<u>-</u>	<u>168,559</u>	<u>168,559</u>
Charges for services			
Public works			
Sewer charge	200,000	186,433	(13,567)
Stormwater ordinance review	1,000	1,050	50
Yardwaste tipping fees	6,500	-	(6,500)
Public safety			
Fire protection district and police services	26,000	23,454	(2,546)
Police duty reimbursements	2,500	-	(2,500)

(This schedule is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED REVENUES -  
BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>			
Charges for services (Continued)			
General government			
Photo copy sales	\$ 950	\$ 865	\$ (85)
Maps and publications	500	65	(435)
Other services	4,000	1,025	(2,975)
Zoning application fees	15,000	6,600	(8,400)
PEG access fees	6,000	13,034	7,034
Rental income	119,807	128,023	8,216
	<hr/>		
Total charges for services	382,257	360,549	(21,708)
<hr/>			
Fines and forfeitures			
Public safety			
Court fines	65,380	42,526	(22,854)
Alarm system fines	2,500	1,200	(1,300)
Parking fines	15,000	13,195	(1,805)
Vehicle sticker fines	1,000	1,375	375
Miscellaneous penalties	500	-	(500)
Nuisances fines	500	3,910	3,410
Animal impoundment fee	500	325	(175)
General government			
Other fines/building code fines	4,000	2,065	(1,935)
	<hr/>		
Total fines and forfeitures	89,380	64,596	(24,784)
<hr/>			
Interest earned on investments	125,000	16,126	(108,874)
<hr/>			
Miscellaneous			
Police training refunds	1,000	-	(1,000)
Restitution/claims and judgments	-	330	330
Contributions/donations	-	3,350	3,350
Tree sharing program	1,000	-	(1,000)
Recycling rebates	6,000	2,112	(3,888)
Naperville contributions	-	-	-
Tree permit and mitigation fee	-	22,658	22,658
Miscellaneous income	20,000	5,630	(14,370)
Police application fee	500	100	(400)
Property tax refunds	-	37,135	37,135
	<hr/>		
Total miscellaneous	28,500	71,315	42,815
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(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES -  
BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT</b>			
Administrator's office			
Personnel	\$ 379,418	\$ 358,186	\$ (21,232)
Contractual services/commodities	489,325	543,930	54,605
Contingency	396,500	-	(396,500)
Total administrator's office	<u>1,265,243</u>	<u>902,116</u>	<u>(363,127)</u>
Finance department			
Personnel	293,588	282,901	(10,687)
Contractual services/commodities	92,750	73,714	(19,036)
Total finance department	<u>386,338</u>	<u>356,615</u>	<u>(29,723)</u>
Boards and commissions			
Contractual services/commodities	54,043	42,100	(11,943)
Total boards and commissions	<u>54,043</u>	<u>42,100</u>	<u>(11,943)</u>
Engineering, zoning and building			
Personnel	290,829	264,827	(26,002)
Contractual services/commodities	146,410	143,166	(3,244)
Total engineering, zoning and building	<u>437,239</u>	<u>407,993</u>	<u>(29,246)</u>
Village hall			
Personnel	23,510	23,577	67
Contractual services/commodities	10,665	11,232	567
Capital outlay	2,500	3,060	560
Total village hall	<u>36,675</u>	<u>37,869</u>	<u>1,194</u>
Village properties			
Contractual services/commodities	26,750	2,847	(23,903)
Total village properties	<u>26,750</u>	<u>2,847</u>	<u>(23,903)</u>
Total general government	<u>2,206,288</u>	<u>1,749,540</u>	<u>(456,748)</u>

(This schedule is continued on the following pages.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES -  
BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC SAFETY</b>			
Police protection			
Personnel	\$ 1,893,480	\$ 1,777,526	\$ (115,954)
Police pension contribution	422,340	423,637	1,297
Contractual services/commodities	192,620	151,316	(41,304)
Capital outlay	16,500	13,657	(2,843)
Total police protection	<u>2,524,940</u>	<u>2,366,136</u>	<u>(158,804)</u>
Police dispatch and operations			
Personnel	457,935	446,431	(11,504)
Contractual services/commodities	32,150	31,038	(1,112)
Total police dispatch operations	<u>490,085</u>	<u>477,469</u>	<u>(12,616)</u>
Crossing guards			
Personnel	7,750	9,184	1,434
Contractual services/commodities	200	-	(200)
Total crossing guards	<u>7,950</u>	<u>9,184</u>	<u>1,234</u>
Fire protection			
Personnel	182,180	171,286	(10,894)
Contractual services/commodities	378,160	309,977	(68,183)
Capital outlay	17,000	16,663	(337)
Total fire protection	<u>577,340</u>	<u>497,926</u>	<u>(79,414)</u>
Public safety buildings			
Personnel	23,360	23,511	151
Contractual services/commodities	36,700	30,095	(6,605)
Total public safety buildings	<u>60,060</u>	<u>53,606</u>	<u>(6,454)</u>
Total public safety	<u>3,660,375</u>	<u>3,404,321</u>	<u>(256,054)</u>

(This schedule is continued on the following pages.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES -  
BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC WORKS</b>			
Streets and bridges			
Personnel	\$ 508,280	\$ 455,395	\$ (52,885)
Contractual services/commodities	145,730	62,562	(83,168)
Capital outlay	112,500	157,503	45,003
Total streets and bridges	<u>766,510</u>	<u>675,460</u>	<u>(91,050)</u>
Sanitation			
Personnel	397,780	363,220	(34,560)
Contractual services/commodities	336,715	379,959	43,244
Total sanitation	<u>734,495</u>	<u>743,179</u>	<u>8,684</u>
Forestry			
Personnel	93,995	89,118	(4,877)
Contractual services/commodities	57,350	40,559	(16,791)
Capital outlay	8,000	6,624	(1,376)
Total forestry	<u>159,345</u>	<u>136,301</u>	<u>(23,044)</u>
Parks and parkways			
Personnel	47,945	36,301	(11,644)
Contractual services/commodities	28,550	22,272	(6,278)
Capital outlay	10,000	8,804	(1,196)
Total parks and parkways	<u>86,495</u>	<u>67,377</u>	<u>(19,118)</u>
Street lighting			
Personnel	19,700	21,082	1,382
Contractual services/commodities	70,200	69,383	(817)
Total street lighting	<u>89,900</u>	<u>90,465</u>	<u>565</u>
Sewers			
Personnel	190,695	173,262	(17,433)
Contractual services/commodities	36,750	31,883	(4,867)
Capital outlay	22,000	39,427	17,427
Total sewers	<u>249,445</u>	<u>244,572</u>	<u>(4,873)</u>

(This schedule is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED EXPENDITURES -  
BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC WORKS (Continued)</b>			
Public works facility			
Personnel	\$ 54,480	\$ 68,354	\$ 13,874
Contractual services/commodities	28,750	31,350	2,600
Capital outlay	8,000	3,359	(4,641)
Total public works facility	<u>91,230</u>	<u>103,063</u>	<u>11,833</u>
Commuter station building and lot			
Personnel	29,410	27,997	(1,413)
Contractual services/commodities	31,375	17,892	(13,483)
Capital outlay	-	2,777	2,777
Total commuter station building and lot	<u>60,785</u>	<u>48,666</u>	<u>(12,119)</u>
Total public works	<u>2,238,205</u>	<u>2,109,083</u>	<u>(129,122)</u>
<b>DEBT SERVICE</b>			
Principal	45,000	45,000	-
Interest	6,150	6,150	-
Total debt service	<u>51,150</u>	<u>51,150</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u><u>\$ 8,156,018</u></u>	<u><u>\$ 7,314,094</u></u>	<u><u>\$ (841,924)</u></u>

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government and that cannot be diverted to other uses. The nonmajor special revenue funds maintained by the Village are as follows:

**Illinois Municipal Retirement Fund** - to account for revenues derived from a separate property tax levy and disbursement of those funds for the contribution to the state-sponsored Illinois Municipal Retirement Fund.

**Motor Fuel Tax Fund** - to account for maintenance and various street improvements in the Village. Financing is provided by the Village's share of the Motor Fuel Tax allotments. Compiled statutes require those allotments to be used to maintain streets.

**Fire Department Special Fund** - to account for revenues derived from the Foreign Fire Insurance Tax and disbursement of these funds for the benefit, use and maintenance related to the Fire Department.

**Federal Social Security Fund** - to account for revenues derived from a separate property tax levy and disbursement of these funds for the cost of the Village's required contribution to FICA on behalf of the Village employees.

**E-911 Fund** - to account for the purchase and implementation of emergency dispatching equipment. Financing is provided by a monthly surcharge being assessed against telephone lines usage.

**Train Station Wreath Fund** - to account for the accumulation of resources to annually purchase a holiday wreath in perpetuity as specified by the donor.

### DEBT SERVICE FUNDS

Debt service funds are used to account for monies accumulated to retire general long-term debt. The nonmajor debt service funds maintained by the Village are as follows:

**2001 General Obligation Tax Certificate Fund** - to account for the accumulation of resources for the payment of principal and interest on the 2001 General Obligation Limited Tax Certificates. Financing is provided by a transfer from the General Fund.

**2006 General Obligation Bond Fund** - to account for the accumulation of resources for the payment of principal and interest on the 2006 General Obligation Bonds. Financing is provided by a transfer from the General Fund.

## **NONMAJOR GOVERNMENTAL FUNDS (Continued)**

### **DEBT SERVICE FUNDS (Continued)**

**Special Service Area Bond Fund** - to account for the accumulation of resources for the payment of principal and interest on the Special Service Area Ad Valorem Tax Bonds. Financing is provided by a property tax levy on the affected properties.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds account for the resources used by the Village for the acquisition and/or construction of capital facilities. The nonmajor capital projects funds maintained by the Village are as follows:

**Redevelopment Program Fund** - to account for the accumulation of resources for the redevelopment of the Village's commercial and industrial business districts and areas as designated by the Village Board.

**Special Service Area Capital Improvement Fund** - to account for the proceeds of special service area bonds used for capital improvements in a special service district within the Village.

**Vehicle/Equipment Replacement Fund** - to account for the accumulation of resources for the replacement of vehicles and equipment. Financing is provided by transfers from the General Fund and advances from the Water Fund.

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2010

	Special Revenue			
	Illinois Municipal Retirement Fund	Fire Department Special Fund	Federal Social Security Fund	Motor Fuel Tax Fund
<b>ASSETS</b>				
Cash and investments	\$ 164,446	\$ 34,176	\$ 116,071	\$ 189,481
Receivables, net				
Property taxes	252,381	-	290,238	-
Other taxes	-	-	-	13,136
Accounts	614	-	-	-
Accrued interest	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 417,441</b>	<b>\$ 34,176</b>	<b>\$ 406,309</b>	<b>\$ 202,617</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 17,010	\$ -	\$ -	\$ 855
Unearned property taxes	252,381	-	290,238	-
Due to other funds	-	-	-	1,581
Advance from other funds	-	-	-	-
<b>Total liabilities</b>	<b>269,391</b>	<b>-</b>	<b>290,238</b>	<b>2,436</b>
<b>FUND BALANCES</b>				
Reserved for street improvements	-	-	-	200,181
Reserved for employee benefits	148,050	-	116,071	-
Reserved for specified purpose	-	-	-	-
Reserved for public safety	-	34,176	-	-
Reserved for debt service	-	-	-	-
Reserved for capital outlay	-	-	-	-
Unreserved	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>148,050</b>	<b>34,176</b>	<b>116,071</b>	<b>200,181</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 417,441</b>	<b>\$ 34,176</b>	<b>\$ 406,309</b>	<b>\$ 202,617</b>

Special Revenue			Debt Service			
E-911 Fund	Train Station Wreath Fund	Total Nonmajor Special Revenue Funds	2001 General Obligation Tax Certificate Fund	Special Service Area Bond Fund	2006 General Obligation Bond Fund	Total Nonmajor Debt Service Funds
\$ 279,127	\$ 3,570	\$ 786,871	\$ -	\$ 13,386	\$ 4,925	\$ 18,311
-	-	542,619	-	-	-	-
-	-	13,136	-	-	-	-
5,182	-	5,796	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 284,309</u>	<u>\$ 3,570</u>	<u>\$ 1,348,422</u>	<u>\$ -</u>	<u>\$ 13,386</u>	<u>\$ 4,925</u>	<u>\$ 18,311</u>
\$ -	\$ -	\$ 17,865	\$ -	\$ -	\$ -	\$ -
-	-	542,619	-	-	-	-
-	-	1,581	2,380	-	-	2,380
-	-	-	-	-	-	-
-	-	562,065	2,380	-	-	2,380
-	-	200,181	-	-	-	-
-	-	264,121	-	-	-	-
-	3,570	3,570	-	-	-	-
284,309	-	318,485	-	-	-	-
-	-	-	-	13,386	-	13,386
-	-	-	-	-	-	-
-	-	-	(2,380)	-	4,925	2,545
<u>284,309</u>	<u>3,570</u>	<u>786,357</u>	<u>(2,380)</u>	<u>13,386</u>	<u>4,925</u>	<u>15,931</u>
<u>\$ 284,309</u>	<u>\$ 3,570</u>	<u>\$ 1,348,422</u>	<u>\$ -</u>	<u>\$ 13,386</u>	<u>\$ 4,925</u>	<u>\$ 18,311</u>

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2010

	Capital Projects			Total Nonmajor Capital Projects Funds	Total
	Special Service Area Capital Improvement Fund	Redevelopment Program Fund	Vehicle/ Equipment Replacement Fund		
<b>ASSETS</b>					
Cash and investments	\$ 13,718	\$ 788,291	\$ 634,071	\$ 1,436,080	\$ 2,241,262
Receivables, net					
Property taxes	-	-	-	-	542,619
Other taxes	-	-	-	-	13,136
Accounts	-	-	-	-	5,796
Accrued interest	-	81	506	587	587
<b>TOTAL ASSETS</b>	<b>\$ 13,718</b>	<b>\$ 788,372</b>	<b>\$ 634,577</b>	<b>\$ 1,436,667</b>	<b>\$ 2,803,400</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 283	\$ 819	\$ 1,102	\$ 18,967
Unearned property taxes	-	-	-	-	542,619
Due to other funds	-	-	-	-	3,961
Advance from other funds	-	-	228,691	228,691	228,691
<b>Total liabilities</b>	<b>-</b>	<b>283</b>	<b>229,510</b>	<b>229,793</b>	<b>794,238</b>
<b>FUND BALANCES</b>					
Reserved for street improvements	-	-	-	-	200,181
Reserved for employee benefits	-	-	-	-	264,121
Reserved for specified purpose	-	-	-	-	3,570
Reserved for public safety	-	-	-	-	318,485
Reserved for debt service	-	-	-	-	13,386
Reserved for capital outlay	-	788,089	-	788,089	788,089
Unreserved	13,718	-	405,067	418,785	421,330
<b>Total fund balances (deficit)</b>	<b>13,718</b>	<b>788,089</b>	<b>405,067</b>	<b>1,206,874</b>	<b>2,009,162</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,718</b>	<b>\$ 788,372</b>	<b>\$ 634,577</b>	<b>\$ 1,436,667</b>	<b>\$ 2,803,400</b>

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2010

	Special Revenue			
	Illinois Municipal Retirement Fund	Fire Department Special Fund	Federal Social Security Fund	Motor Fuel Tax Fund
<b>REVENUES</b>				
Property taxes	\$ 270,012	\$ -	\$ 289,299	\$ -
Other taxes	3,928	-	4,713	-
Intergovernmental	-	25,207	-	155,910
Interest earned on investments	250	72	225	408
Miscellaneous	-	1,251	-	-
<b>Total revenues</b>	<b>274,190</b>	<b>26,530</b>	<b>294,237</b>	<b>156,318</b>
<b>EXPENDITURES</b>				
Current				
General government	74,261	-	54,730	-
Public safety	42,176	20,470	149,233	-
Public works	92,981	-	74,515	465,987
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>209,418</b>	<b>20,470</b>	<b>278,478</b>	<b>465,987</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>64,772</b>	<b>6,060</b>	<b>15,759</b>	<b>(309,669)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>64,772</b>	<b>6,060</b>	<b>15,759</b>	<b>(309,669)</b>
<b>FUND BALANCES (DEFICIT), MAY 1</b>	<b>83,278</b>	<b>28,116</b>	<b>100,312</b>	<b>509,850</b>
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<b>\$ 148,050</b>	<b>\$ 34,176</b>	<b>\$ 116,071</b>	<b>\$ 200,181</b>

Special Revenue			Debt Service			
E-911 Fund	Train Station Wreath Fund	Total Nonmajor Special Revenue Funds	2001 General Obligation Tax Certificate Fund	Special Service Area Bond Fund	2006 General Obligation Bond Fund	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ 559,311	\$ -	\$ -	\$ -	\$ -
36,992	-	45,633	-	-	-	-
48,982	-	230,099	-	-	-	-
376	6	1,337	-	16	-	16
-	-	1,251	-	-	-	-
86,350	6	837,631	-	16	-	16
-	265	129,256	600	-	500	1,100
49,942	-	261,821	-	-	-	-
-	-	633,483	-	-	-	-
-	-	-	255,000	-	-	255,000
-	-	-	21,375	-	85,964	107,339
-	-	-	-	-	-	-
49,942	265	1,024,560	276,975	-	86,464	363,439
36,408	(259)	(186,929)	(276,975)	16	(86,464)	(363,423)
-	-	-	-	-	-	-
(17,918)	-	(17,918)	276,375	-	85,964	362,339
(17,918)	-	(17,918)	-	-	-	-
(17,918)	-	(17,918)	276,375	-	85,964	362,339
18,490	(259)	(204,847)	(600)	16	(500)	(1,084)
265,819	3,829	991,204	(1,780)	13,370	5,425	17,015
\$ 284,309	\$ 3,570	\$ 786,357	\$ (2,380)	\$ 13,386	\$ 4,925	\$ 15,931

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2010

	Capital Projects			Total Nonmajor Capital Projects Funds	Total
	Special Service Area Capital Improvement Fund	Redevelopment Program Fund	Vehicle/ Equipment Replacement Fund		
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 559,311
Other taxes	-	-	-	-	45,633
Intergovernmental	-	180,000	-	180,000	410,099
Interest earned on investments	19	4,728	3,499	8,246	9,599
Miscellaneous	-	-	-	-	1,251
<b>Total revenues</b>	<b>19</b>	<b>184,728</b>	<b>3,499</b>	<b>188,246</b>	<b>1,025,893</b>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	130,356
Public safety	-	-	-	-	261,821
Public works	-	-	-	-	633,483
Debt service					
Principal	-	-	70,119	70,119	325,119
Interest	-	-	7,242	7,242	114,581
Capital outlay	-	4,498	15,976	20,474	20,474
<b>Total expenditures</b>	<b>-</b>	<b>4,498</b>	<b>93,337</b>	<b>97,835</b>	<b>1,485,834</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>19</b>	<b>180,230</b>	<b>(89,838)</b>	<b>90,411</b>	<b>(459,941)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of capital assets	-	-	4,232	4,232	4,232
Transfers in	-	-	85,000	85,000	447,339
Transfers (out)	-	-	-	-	(17,918)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>89,232</b>	<b>89,232</b>	<b>433,653</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>19</b>	<b>180,230</b>	<b>(606)</b>	<b>179,643</b>	<b>(26,288)</b>
<b>FUND BALANCES (DEFICIT), MAY 1</b>	<b>13,699</b>	<b>607,859</b>	<b>405,673</b>	<b>1,027,231</b>	<b>2,035,450</b>
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<b>\$ 13,718</b>	<b>\$ 788,089</b>	<b>\$ 405,067</b>	<b>\$ 1,206,874</b>	<b>\$ 2,009,162</b>

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 270,000	\$ 270,012	\$ 12
Other taxes			
Replacement taxes	4,050	3,928	(122)
Interest earned on investments	2,000	250	(1,750)
	<hr/>		
Total revenues	276,050	274,190	(1,860)
	<hr/>		
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	81,636	74,261	(7,375)
Public safety			
Employer contributions	46,366	42,176	(4,190)
Public works			
Employer contributions	102,218	92,981	(9,237)
	<hr/>		
Total expenditures	230,220	209,418	(20,802)
	<hr/>		
NET CHANGE IN FUND BALANCE	\$ 45,830	64,772	\$ 18,942
	<hr/>		
FUND BALANCE, MAY 1		83,278	
	<hr/>		
FUND BALANCE, APRIL 30		\$ 148,050	
	<hr/> <hr/>		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FIRE DEPARTMENT SPECIAL FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental			
Foreign fire insurance tax	\$ 22,000	\$ 25,207	\$ 3,207
Interest earned on investments	130	72	(58)
Miscellaneous	-	1,251	1,251
Total revenues	<u>22,130</u>	<u>26,530</u>	<u>4,400</u>
<b>EXPENDITURES</b>			
Public safety			
Volunteer recognition	10,000	6,725	(3,275)
Training and meetings	4,000	4,551	551
Uniforms	5,000	8,145	3,145
Postage	500	-	(500)
Operating supplies	-	166	166
Community awareness	2,000	883	(1,117)
Smoke detector program	500	-	(500)
Minor equipment	3,000	-	(3,000)
Miscellaneous	1,000	-	(1,000)
Total expenditures	<u>26,000</u>	<u>20,470</u>	<u>(5,530)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,870)</u>	6,060	<u>\$ 9,930</u>
FUND BALANCE, MAY 1		<u>28,116</u>	
FUND BALANCE, APRIL 30		<u>\$ 34,176</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FEDERAL SOCIAL SECURITY FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 287,265	\$ 289,299	\$ 2,034
Other taxes			
Replacement taxes	6,120	4,713	(1,407)
Interest earned on investments	2,200	225	(1,975)
	<hr/>		
Total revenues	295,585	294,237	(1,348)
<hr/>			
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	57,074	54,730	(2,344)
Public safety			
Employer contributions	155,652	149,233	(6,419)
Public works			
Employer contributions	77,724	74,515	(3,209)
	<hr/>		
Total expenditures	290,450	278,478	(11,972)
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ 5,135</u>	15,759	<u>\$ 10,624</u>
FUND BALANCE, MAY 1		<u>100,312</u>	
FUND BALANCE, APRIL 30		<u>\$ 116,071</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 172,000	\$ 155,910	\$ (16,090)
Interest earned on investments	5,000	408	(4,592)
Total revenues	<u>177,000</u>	<u>156,318</u>	<u>(20,682)</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>675,000</u>	<u>465,987</u>	<u>(209,013)</u>
Total expenditures	<u>675,000</u>	<u>465,987</u>	<u>(209,013)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (498,000)</u>	<u>(309,669)</u>	<u>\$ 188,331</u>
FUND BALANCE, MAY 1		<u>509,850</u>	
FUND BALANCE, APRIL 30		<u>\$ 200,181</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
E-911 FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Other taxes			
Telephone surcharge	\$ 41,000	\$ 36,992	\$ (4,008)
Intergovernmental			
Wireless surcharge	45,000	48,982	3,982
Interest earned on investments	2,250	376	(1,874)
	<hr/>		
Total revenues	88,250	86,350	(1,900)
<hr/>			
<b>EXPENDITURES</b>			
Current			
Public safety			
Miscellaneous	50,500	49,942	(558)
Capital outlay	14,000	-	(14,000)
	<hr/>		
Total expenditures	64,500	49,942	(14,558)
<hr/>			
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	23,750	36,408	12,658
<hr/>			
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out to General Fund	(18,335)	(17,918)	417
<hr/>			
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 5,415</u>	18,490	<u>\$ 13,075</u>
<hr/>			
FUND BALANCE, MAY 1		<u>265,819</u>	
FUND BALANCE, APRIL 30		<u>\$ 284,309</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
2001 GENERAL OBLIGATION TAX CERTIFICATE FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
General government - financing costs	600	600	-
Debt service			
Principal	255,000	255,000	-
Interest	21,375	21,375	-
Total expenditures	276,975	276,975	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(276,975)	(276,975)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	276,375	276,375	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (600)</u>	<u>(600)</u>	<u>\$ -</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(1,780)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (2,380)</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
2006 GENERAL OBLIGATION BOND FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
General government - financing costs	500	500	-
Debt service			
Interest	85,964	85,964	-
Total expenditures	86,464	86,464	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(86,464)	(86,464)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	85,964	85,964	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (500)</u>	<u>(500)</u>	<u>\$ -</u>
FUND BALANCE, MAY 1		<u>5,425</u>	
FUND BALANCE, APRIL 30		<u>\$ 4,925</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
REDEVELOPMENT PROGRAM FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental - state grants	\$ 180,000	\$ 180,000	\$ (360,000)
Interest earned on investments	5,000	4,728	(272)
<b>Total revenues</b>	<b>185,000</b>	<b>184,728</b>	<b>(360,272)</b>
<b>EXPENDITURES</b>			
Capital outlay			
Infrastructure improvements	1,400,000	4,498	(1,395,502)
<b>Total expenditures</b>	<b>1,400,000</b>	<b>4,498</b>	<b>(1,395,502)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,215,000)</b>	<b>180,230</b>	<b>1,035,230</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	670,000	-	(670,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (545,000)</b>	<b>180,230</b>	<b>\$ 365,230</b>
FUND BALANCE, MAY 1		607,859	
FUND BALANCE, APRIL 30		\$ 788,089	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
VEHICLE/EQUIPMENT REPLACEMENT FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Interest earned on investments	\$ 6,500	\$ 3,499	\$ (3,001)
Total revenues	<u>6,500</u>	<u>3,499</u>	<u>(3,001)</u>
<b>EXPENDITURES</b>			
Capital outlay			
Police equipment	-	9,608	9,608
Computer equipment	20,000	6,368	(13,632)
Vehicles			
Public safety	26,500	-	(26,500)
Public works	47,500	-	(47,500)
Debt service			
Principal	70,119	70,119	-
Interest	7,242	7,242	-
Total expenditures	<u>171,361</u>	<u>93,337</u>	<u>(78,024)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(164,861)</u>	<u>(89,838)</u>	<u>75,023</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	15,000	4,232	(10,768)
Transfers in from			
General Fund	346,500	85,000	(261,500)
Water Fund	7,500	-	(7,500)
Total other financing sources (uses)	<u>369,000</u>	<u>89,232</u>	<u>(279,768)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 204,139</u>	(606)	<u>\$ (204,745)</u>
FUND BALANCE, MAY 1		<u>405,673</u>	
FUND BALANCE, APRIL 30		<u>\$ 405,067</u>	

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUND**

**Water Fund** - to account for the provision of water 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 billing and collection.

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
WATER FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>OPERATING REVENUES</b>			
Water sales	\$ 1,082,665	\$ 1,057,756	\$ (24,909)
Meter sales	5,000	3,318	(1,682)
Tap-on fees	500	-	(500)
Water connection fees	30,000	10,000	(20,000)
Miscellaneous	500	456	(44)
<b>Total operating revenues</b>	<b>1,118,665</b>	<b>1,071,530</b>	<b>(47,135)</b>
<b>OPERATING EXPENSES</b>			
Administration and finance			
Personnel services	360,877	367,813	6,936
Contractual services/commodities	81,350	103,623	22,273
Contingency	50,000	-	(50,000)
Water purchases	503,700	513,717	10,017
Capital outlay			
Water infrastructure	734,000	-	(734,000)
Depreciation	-	237,464	237,464
<b>Total operating expenses</b>	<b>1,729,927</b>	<b>1,222,617</b>	<b>(507,310)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(611,262)</b>	<b>(151,087)</b>	<b>460,175</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	13,464	5,462	(8,002)
Interest expense	(112,595)	(114,020)	(1,425)
Principal expense	(120,000)	-	120,000
<b>Total nonoperating revenues (expenses)</b>	<b>(219,131)</b>	<b>(108,558)</b>	<b>110,573</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(830,393)</b>	<b>(259,645)</b>	<b>570,748</b>
<b>TRANSFERS</b>			
Transfers (out)	(7,500)	-	7,500
<b>Total transfers</b>	<b>(7,500)</b>	<b>-</b>	<b>7,500</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (837,893)</b>	<b>(259,645)</b>	<b>\$ 578,248</b>
<b>NET ASSETS, MAY 1</b>		<b>6,476,794</b>	
<b>NET ASSETS, APRIL 30</b>		<b>\$ 6,217,149</b>	

(See independent auditor's report.)

## **FIDUCIARY FUND**

**Police Pension Fund** - to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by sworn police officers at rates fixed by law and the Village at amounts determined by an annual actuarial study.

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET ASSETS -  
BUDGET AND ACTUAL  
POLICE PENSION FUND

For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance Over (Under)
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 422,340	\$ 423,637	\$ 1,297
Plan members contributions	128,850	122,857	(5,993)
Total contributions	<u>551,190</u>	<u>546,494</u>	<u>(4,696)</u>
Investment income			
Net depreciation in fair value of investments	-	843,233	843,233
Interest earned on investments	175,350	142,086	(33,264)
Total investment income	<u>175,350</u>	<u>985,319</u>	<u>809,969</u>
Less investment expense	<u>(21,250)</u>	<u>(20,851)</u>	<u>399</u>
Net investment income	<u>154,100</u>	<u>964,468</u>	<u>810,368</u>
Total additions	<u>705,290</u>	<u>1,510,962</u>	<u>805,672</u>
<b>DEDUCTIONS</b>			
Administration			
Fees	6,800	9,388	2,588
Miscellaneous	2,500	3,338	838
Disability and benefit payments	476,327	488,988	12,661
Refund of contributions	-	12,966	12,966
Total deductions	<u>485,627</u>	<u>514,680</u>	<u>29,053</u>
<b>NET INCREASE</b>	<u><u>\$ 219,663</u></u>	<u>996,282</u>	<u><u>\$ 776,619</u></u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1, 2009		<u>5,507,274</u>	
April 30, 2010		<u><u>\$ 6,503,556</u></u>	

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2001 GENERAL OBLIGATION LIMITED TAX CERTIFICATES

April 30, 2010

Paying Agent: JP Morgan Chase

Tax Year	Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:						
2000	2001-02	\$ -	\$ 38,987	\$ 38,987	9/1/01	4.00%
	2001-02	70,000	38,988	108,988	3/1/02	
2001	2002-03	-	37,588	37,588	9/1/02	4.00%
	2002-03	85,000	37,587	122,587	3/1/03	
2002	2003-04	-	35,887	35,887	9/1/03	4.00%
	2003-04	125,000	35,888	160,888	3/1/04	
2003	2004-05	-	33,388	33,388	9/1/04	4.00%
	2004-05	175,000	33,387	208,387	3/1/05	
2004	2005-06	-	29,887	29,887	9/1/05	4.00%
	2005-06	215,000	29,888	244,888	3/1/06	
2005	2006-07	-	25,587	25,587	9/1/06	4.00%
	2006-07	235,000	25,588	260,588	3/1/07	
2006	2007-08	-	20,888	20,888	9/1/07	4.00%
	2007-08	250,000	20,887	270,887	3/1/08	
2007	2008-09	-	15,888	15,888	9/1/08	4.00%
	2008-09	260,000	15,887	275,887	3/1/09	
2008	2009-10	-	10,688	10,688	9/1/09	4.10%
	2009-10	255,000	10,687	265,687	3/1/10	
Total payments made		1,670,000	497,575	2,167,575		
Current outstanding:						
2009	2010-11	-	5,460	5,460	9/1/10	4.20%
	2010-11	260,000	5,460	265,460	3/1/11	
Total current outstanding		260,000	10,920	270,920		
Original Issue		\$ 1,930,000	\$ 508,495	\$ 2,438,495		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS  
SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2004 GENERAL OBLIGATION BONDS

April 30, 2010

Paying Agent: JP Morgan Chase

Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:					
2004-05	\$ -	\$ 59,676	\$ 59,676	12/15/04	4.00%
2005-06	-	65,498	65,498	6/15/05	
2005-06	110,000	65,497	175,497	12/15/05	4.00%
2006-07	-	63,298	63,298	6/15/06	
2006-07	115,000	63,297	178,297	12/15/06	4.00%
2007-08	-	60,998	60,998	6/15/07	
2007-08	115,000	60,997	175,997	12/15/07	4.00%
2008-09	-	58,698	58,698	6/15/08	
2008-09	120,000	58,697	178,697	12/15/08	4.00%
2009-10	-	56,298	56,298	6/15/09	
2009-10	120,000	56,297	176,297	12/15/09	4.00%
Total payments made	<u>580,000</u>	<u>669,251</u>	<u>1,249,251</u>		
Current outstanding:					
2010-11	-	53,898	53,898	6/15/10	
2010-11	125,000	53,897	178,897	12/15/10	4.00%
2011-12	-	51,398	51,398	6/15/11	
2011-12	130,000	51,397	181,397	12/15/11	4.00%
2012-13	-	48,798	48,798	6/15/12	
2012-13	130,000	48,797	178,797	12/15/12	4.00%
2013-14	-	46,198	46,198	6/15/13	
2013-14	135,000	46,197	181,197	12/15/13	4.00%
2015-2019	780,000	373,135	1,153,135	Various	4.00% - 4.20%
2020-2024	960,000	188,650	1,148,650	Various	4.40% - 4.50%
2025	<u>220,000</u>	<u>10,340</u>	<u>230,340</u>	12/15/24	4.70%
Total current outstanding	<u>2,480,000</u>	<u>972,705</u>	<u>3,452,705</u>		
Original Issue	<u>\$ 3,060,000</u>	<u>\$ 1,641,956</u>	<u>\$ 4,701,956</u>		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2006 GENERAL OBLIGATION BONDS

April 30, 2010

Paying Agent: JP Morgan Chase

Tax Year	Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:						
2005	2006-07	\$ -	\$ 31,998	\$ 31,998	12/15/06	3.90%
2006	2007-08	-	85,964	85,964	12/15/07	3.90%
2007	2008-09	-	85,964	85,964	12/15/08	3.90%
2008	2009-10	-	85,964	85,964	12/15/09	3.90%
Total payments made		-	289,890	289,890		
Current outstanding:						
2009	2010-11	-	85,964	85,964	12/15/10	3.90%
2010	2011-12	130,000	85,964	215,964	12/15/11	3.90%
2011	2012-13	185,000	80,894	265,894	12/15/12	3.95%
2012	2013-14	195,000	73,586	268,586	12/15/13	4.00%
2013-17	2014-2019	1,090,000	243,695	1,333,695	Various	4.05% - 4.15%
2018-19	2019-2021	500,000	31,965	531,965	Various	4.15% - 4.25%
Total current outstanding		2,100,000	602,068	2,702,068		
Original Issue		\$ 2,100,000	\$ 891,958	\$ 2,991,958		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2005 NOTE PAYABLE TO BANK

April 30, 2010

Paying Agent: The Northern Trust Company

Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:					
2006-07	\$ -	\$ 6,131	\$ 6,131	4/24/07	3.85%
2006-07	45,000	6,165	51,165	10/24/07	
2007-08	-	5,255	5,255	4/24/08	
2007-08	45,000	5,284	50,284	10/24/08	3.85%
2008-09	-	4,403	4,403	4/24/09	
2008-09	45,000	4,403	49,403	10/24/09	3.85%
2009-10	-	3,503	3,503	4/24/10	
2009-10	45,000	3,523	48,523	10/24/10	3.85%
Total payments made	180,000	38,667	218,667		
Current outstanding:					
2010-11	-	2,627	2,627	4/24/11	
2010-11	45,000	2,642	47,642	10/24/11	3.85%
2011-12	-	1,751	1,751	4/24/12	
2011-12	45,000	1,761	46,761	10/24/12	3.85%
2012-12	-	881	881		
2012-13	45,000	881	45,881	10/24/13	3.85%
Total current outstanding	135,000	10,543	145,543		
Original Issue	\$ 315,000	\$ 49,210	\$ 364,210		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2007 NOTE PAYABLE TO BANK

April 30, 2010

Paying Agent: The Northern Trust Company

Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:					
2006-07	\$ 37,496	\$ 1,184	\$ 38,680	3/15/07	4.35%
2007-08	31,733	6,948	38,681	9/15/07	
2007-08	32,257	6,175	38,432	3/15/08	4.35%
2008-09	33,161	5,520	38,681	9/15/08	
2008-09	33,965	4,704	38,669	3/15/09	4.35%
2009-10	34,654	4,027	38,681	9/15/09	
2009-10	35,465	3,204	38,669	3/15/10	4.35%
Total payments made	238,731	31,762	270,493		
Current outstanding:					
2010-11	36,213	2,468	38,681	9/15/10	
2010-11	37,033	1,635	38,668	3/15/11	4.35%
2011-12	38,023	839	38,862	9/15/11	4.35%
Total current outstanding	111,269	4,942	116,211		
Original Issue	\$ 350,000	\$ 36,704	\$ 386,704		

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the Village's 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 displays about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	96-105
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	106-112
<b>Debt Capacity</b> 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.	113-117
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	118-119
<b>Operating Information</b> 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.	120-122

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The Village implemented GASB Statement No. 34 in 2004; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF LAKE BLUFF, ILLINOIS

NET ASSETS BY COMPONENT

Last Seven Fiscal Years

Fiscal Years	2004	2005	2006
<b>GOVERNMENTAL ACTIVITIES</b>			
Invested in capital assets			
Net of related debt	\$ 15,744,333	\$ 15,467,624	\$ 16,311,231
Restricted	2,215,227	2,566,599	2,231,129
Unrestricted	1,854,856	1,907,507	2,244,238
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 19,814,416</b>	<b>\$ 19,941,730</b>	<b>\$ 20,786,598</b>
<b>BUSINESS-TYPE ACTIVITIES</b>			
<b>INVESTED IN CAPITAL ASSETS</b>			
Net of related debt	\$ 5,475,398	\$ 3,294,752	\$ 3,937,709
Unrestricted	569,271	2,824,049	2,393,782
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 6,044,669</b>	<b>\$ 6,118,801</b>	<b>\$ 6,331,491</b>
<b>PRIMARY GOVERNMENT</b>			
<b>INVESTED IN CAPITAL ASSETS</b>			
Net of related debt	\$ 21,219,731	\$ 18,762,376	\$ 20,248,940
Restricted	2,215,227	2,566,599	2,231,129
Unrestricted	2,424,127	4,731,556	4,638,020
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 25,859,085</b>	<b>\$ 26,060,531</b>	<b>\$ 27,118,089</b>

The implementation of GASB Statement No. 34 was completed for fiscal year ended April 30, 2004. Therefore, information prior to fiscal year 2004 is unavailable.

Data Source

The Village's Comprehensive Annual Financial Report

	2007	2008	2009	2010
	\$ 14,636,441	\$ 15,098,822	\$ 15,359,265	\$ 16,654,652
	3,675,276	4,337,303	2,037,230	1,587,832
	2,490,696	1,982,938	3,400,024	3,774,371
	<u>\$ 20,802,413</u>	<u>\$ 21,419,063</u>	<u>\$ 20,796,519</u>	<u>\$ 22,016,855</u>
	\$ 4,812,471	\$ 4,689,723	\$ 4,574,606	\$ 4,482,081
	1,629,307	1,834,495	1,902,188	1,735,068
	<u>\$ 6,441,778</u>	<u>\$ 6,524,218</u>	<u>\$ 6,476,794</u>	<u>\$ 6,217,149</u>
	\$ 19,448,912	\$ 19,788,545	\$ 19,933,871	\$ 21,136,733
	3,675,276	4,337,303	2,037,230	1,587,832
	4,120,003	3,817,433	5,302,212	5,509,439
	<u>\$ 27,244,191</u>	<u>\$ 27,943,281</u>	<u>\$ 27,273,313</u>	<u>\$ 28,234,004</u>

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET ASSETS

Last Seven Fiscal Years

Fiscal Year	2004	2005	2006
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 2,177,082	\$ 2,429,940	\$ 2,356,150
Police & Fire	2,763,140	2,986,276	3,024,058
Public works	2,425,725	2,562,975	2,416,710
Interest on long-term debt	72,375	67,075	66,506
Total governmental activities expenses	7,438,322	8,046,266	7,863,424
Business-type activities			
Water and sewer	1,059,494	1,291,039	1,371,289
Total business-type activities expenses	1,059,494	1,291,039	1,371,289
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 8,497,816</b>	<b>\$ 9,337,305</b>	<b>\$ 9,234,713</b>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services			
General government	\$ 1,028,039	\$ 1,162,232	\$ 1,004,652
Police & Fire	90,724	108,208	124,571
Public works	182,679	216,492	235,237
Operating grants and contributions	180,929	301,527	241,541
Capital grants and contributions	-	-	-
Total governmental activities program revenues	1,482,371	1,788,459	1,606,001
Business-type activities			
Charges for services			
Water & Sewer	1,096,081	1,331,893	1,523,294
Operating grants and contributions	-	-	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	1,096,081	1,331,893	1,523,294
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 2,578,452</b>	<b>\$ 3,120,352</b>	<b>\$ 3,129,295</b>
<b>NET (EXPENSE) REVENUE</b>			
Governmental activities	\$ (5,955,951)	\$ (6,257,807)	\$ (6,257,423)
Business-type activities	36,587	40,854	152,005
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (5,919,364)</b>	<b>\$ (6,216,953)</b>	<b>\$ (6,105,418)</b>

	2007	2008	2009	2010
	\$ 2,814,923	\$ 2,708,645	\$ 2,423,284	\$ 1,946,291
	3,229,925	3,589,680	3,856,962	4,027,882
	3,214,011	2,116,890	3,449,586	3,174,664
	88,851	150,799	173,693	119,692
	<u>9,347,710</u>	<u>8,566,014</u>	<u>9,903,525</u>	<u>9,268,529</u>
	1,160,630	1,266,233	1,172,971	1,336,637
	<u>1,160,630</u>	<u>1,266,233</u>	<u>1,172,971</u>	<u>1,336,637</u>
	<u>\$ 10,508,340</u>	<u>\$ 9,832,247</u>	<u>\$ 11,076,496</u>	<u>\$ 10,605,166</u>
	\$ 1,007,518	\$ 262,970	\$ 968,602	\$ 859,253
	196,406	122,457	150,057	122,978
	212,161	220,874	196,148	189,548
	185,442	240,528	205,604	195,079
	-	-	685,500	1,429,087
	<u>1,601,527</u>	<u>846,829</u>	<u>2,205,911</u>	<u>2,795,945</u>
	1,227,045	1,326,282	1,133,555	1,071,074
	-	-	-	-
	-	-	-	-
	<u>1,227,045</u>	<u>1,326,282</u>	<u>1,133,555</u>	<u>1,071,074</u>
	<u>\$ 2,828,572</u>	<u>\$ 2,173,111</u>	<u>\$ 3,339,466</u>	<u>\$ 3,867,019</u>
	\$ (7,746,183)	\$ (7,719,185)	\$ (7,697,614)	\$ (6,472,584)
	66,415	60,049	(39,416)	(265,563)
	<u>\$ (7,679,768)</u>	<u>\$ (7,659,136)</u>	<u>\$ (7,737,030)</u>	<u>\$ (6,738,147)</u>

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Seven Fiscal Years

Fiscal Year	2004	2005	2006
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>			
Governmental activities			
Taxes			
Property	\$ 2,070,250	\$ 2,147,483	\$ 2,208,571
Intergovernmental	466,955	556,345	608,005
Utility tax	530,847	544,142	610,065
Telecommunications tax	470,283	462,820	409,802
Hotel occupancy tax (1)	66,427	71,464	93,756
Sales	2,263,155	2,191,314	2,601,830
Other taxes	26,824	26,954	60,532
Gain (loss) on sale of capital assets	-	79,738	-
Investment income	48,404	90,000	188,497
Miscellaneous	243,295	194,254	291,228
Transfers	4,432	223,635	27,704
	<b>6,190,872</b>	<b>6,588,149</b>	<b>7,099,990</b>
Business-type activities			
Investment income	3,006	55,896	80,071
Transfers	(23,752)	(22,618)	(27,704)
Miscellaneous	-	-	8,318
	<b>(20,746)</b>	<b>33,278</b>	<b>60,685</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,170,126</b>	<b>\$ 6,621,427</b>	<b>\$ 7,160,675</b>
<b>CHANGE IN NET ASSETS</b>			
Governmental activities	\$ 234,921	\$ 330,342	\$ 842,567
Business-type activities	15,841	74,132	212,690
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS</b>	<b>\$ 250,762</b>	<b>\$ 404,474</b>	<b>\$ 1,055,257</b>

The implementation of GASB Statement No. 34 was completed for fiscal year ended April 30, 2004. Therefore, information prior to fiscal year 2004 is unavailable.

Note:

- (1) The only hotel occupancy generating facility in the Village closed December 31, 2006.

Data Source

The Village's Comprehensive Annual Financial Report

	2007	2008	2009	2010
\$	2,244,225	\$ 2,389,677	\$ 2,510,766	\$ 2,649,929
	668,708	726,705	666,049	582,343
	599,742	591,601	599,663	481,233
	406,537	398,650	344,701	344,701
	72,036	-	-	-
	3,218,327	3,242,281	2,673,399	2,695,117
	90,593	157,061	108,982	143,214
	5,127	384,231	-	-
	319,950	339,738	117,844	25,725
	110,102	84,580	146,681	257,932
	26,651	21,311	26,828	-
	<u>7,761,998</u>	<u>8,335,835</u>	<u>7,194,913</u>	<u>7,180,194</u>
	70,523	55,149	19,639	5,462
	(26,651)	(32,758)	(26,828)	-
	-	-	2,197	456
	<u>43,872</u>	<u>22,391</u>	<u>(4,992)</u>	<u>5,918</u>
\$	<u>7,805,870</u>	<u>8,358,226</u>	<u>7,189,921</u>	<u>7,186,112</u>
\$	15,815	\$ 616,650	\$ (502,701)	\$ 707,610
	110,287	82,440	(44,408)	(259,645)
\$	<u>126,102</u>	<u>699,090</u>	<u>(547,109)</u>	<u>447,965</u>

VILLAGE OF LAKE BLUFF, ILLINOIS  
PROGRAM REVENUES BY FUNCTION/PROGRAM  
Last Seven Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010
<b>PROGRAM REVENUES</b>							
Governmental activities							
General government	\$ 1,032,801	\$ 1,283,074	\$ 1,068,130	\$ 1,008,618	\$ 308,622	\$ 990,091	\$ 859,253
Police and fire	90,724	108,208	124,571	201,674	145,026	172,938	162,147
Public works	358,846	397,177	413,300	391,235	393,181	1,042,882	1,774,545
Total governmental activities program revenues	1,482,371	1,788,459	1,606,001	1,601,527	846,829	2,205,911	2,795,945
Business-type activities							
Water and sewer	1,096,081	1,331,893	1,523,294	1,227,045	1,326,282	1,133,555	1,071,074
Total business-type activities program revenues	1,096,081	1,331,893	1,523,294	1,227,045	1,326,282	1,133,555	1,071,074
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 2,578,452</b>	<b>\$ 3,120,352</b>	<b>\$ 3,129,295</b>	<b>\$ 2,828,572</b>	<b>\$ 2,173,111</b>	<b>\$ 3,339,466</b>	<b>\$ 3,867,019</b>

Note:

The statement of activities provides a breakdown of charges for services, grants and contributions.

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS  
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>GENERAL FUND</b>										
Reserved	\$ 5,865	\$ 8,862	\$ 9,730	\$ 6,439	\$ 12,912	\$ 8,496	\$ 7,950	\$ 24,022	\$ 1,599	\$ 19,944
Unreserved	2,769,933	1,766,160	1,946,773	1,963,556	2,090,882	2,713,249	3,412,538	4,772,198	4,175,389	4,265,053
<b>TOTAL GENERAL FUND</b>	<b>\$ 2,775,798</b>	<b>\$ 1,775,022</b>	<b>\$ 1,956,503</b>	<b>\$ 1,969,995</b>	<b>\$ 2,103,794</b>	<b>\$ 2,721,745</b>	<b>\$ 3,420,488</b>	<b>\$ 4,796,220</b>	<b>\$ 4,176,988</b>	<b>\$ 4,284,997</b>
<b>ALL OTHER GOVERNMENT FUNDS</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,795	\$ 1,587,832
Unreserved, reported in										
Special revenue funds	866,749	864,828	1,167,264	1,184,856	1,364,654	1,666,081	3,024,337	1,615,653	991,204	-
Capital project funds	2,509,778	2,533,052	1,336,371	1,231,267	1,410,409	553,791	241,763	1,088,943	1,027,231	418,785
Debt service funds	13,666	12,541	11,588	11,103	11,035	11,257	18,790	18,213	(1,780)	2,545
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 3,390,193</b>	<b>\$ 3,410,421</b>	<b>\$ 2,515,223</b>	<b>\$ 2,427,226</b>	<b>\$ 2,786,098</b>	<b>\$ 2,231,129</b>	<b>\$ 3,284,890</b>	<b>\$ 2,722,809</b>	<b>\$ 2,035,450</b>	<b>\$ 2,009,162</b>

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2001	2002	2003	2004
<b>REVENUES</b>				
Property taxes	\$ 1,917,288	\$ 1,941,389	\$ 1,984,067	\$ 2,070,250
Other taxes (1)	3,042,152	3,547,900	3,667,423	3,797,667
Licenses, fees, and permits	657,771	702,445	964,869	1,028,039
Fines and penalties	101,711	71,678	67,748	90,724
Intergovernmental	173,353	182,629	201,904	202,991
Sewer and other charge for service	177,694	183,184	173,660	-
Interest earnings	298,695	243,798	143,926	48,404
Grants, donations	-	605,865	20,785	-
Proceeds from sale of capital assets	-	-	-	-
Miscellaneous	203,165	299,596	366,410	430,736
<b>Total revenues</b>	<b>6,571,829</b>	<b>7,778,484</b>	<b>7,590,792</b>	<b>7,668,811</b>
<b>EXPENDITURES</b>				
General government	1,534,826	1,965,439	2,126,873	1,944,378
Public safety	1,970,077	2,295,587	2,271,225	2,344,251
Public works	1,536,759	3,673,677	1,965,050	2,066,087
IMRF/FICA Pension (2)	144,625	-	-	-
Capital outlay	143,930	328,859	1,572,082	1,195,657
Debt service				
Principal	210,000	275,000	295,000	125,000
Interest	27,237	95,683	84,880	72,375
<b>Total expenditures</b>	<b>5,567,454</b>	<b>8,634,245</b>	<b>8,315,110</b>	<b>7,747,748</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,004,375</b>	<b>(855,761)</b>	<b>(724,318)</b>	<b>(78,937)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from borrowing	1,930,000	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	789,493	973,402	665,705	492,532
Transfers (out)	(759,900)	(1,098,187)	(658,931)	(488,100)
<b>Total other financing sources (uses)</b>	<b>1,959,593</b>	<b>(124,785)</b>	<b>6,774</b>	<b>4,432</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,963,968</b>	<b>\$ (980,546)</b>	<b>\$ (717,544)</b>	<b>\$ (74,505)</b>
<b>DEBT OF SERVICES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>4.40%</b>	<b>4.50%</b>	<b>5.60%</b>	<b>3.00%</b>

Notes:

(1) From FY1998 - FY2001 Sales tax revenues were net of the Knauz auto rebates. From FY2002 Sales tax revenue was shown gross with rebates expensed.

(2) IMRF/FICA Pension costs are included in their respective functions from FY2002 forward.

Data Source

The Village's Comprehensive Annual Financial Report

2005	2006	2007	2008	2009	2010
\$ 2,147,483	\$ 2,208,571	\$ 2,244,225	\$ 2,389,677	\$ 2,510,766	\$ 2,649,929
3,826,085	4,383,990	5,032,731	5,116,298	4,378,506	4,234,619
1,162,232	1,004,652	864,760	1,378,688	840,006	709,643
93,112	101,137	182,500	96,598	92,910	64,596
207,639	201,497	208,654	240,528	260,695	578,658
208,994	237,329	368,825	386,087	341,089	360,549
90,000	190,798	319,950	339,738	117,844	25,725
-	63,478	-	-	-	-
79,351	-	59,285	-	-	-
374,429	289,136	50,817	84,580	36,717	72,566
8,189,325	8,680,588	9,331,747	10,032,194	8,578,533	8,696,285
1,793,133	1,925,081	2,593,866	2,645,317	2,454,769	1,879,896
2,601,782	2,773,384	3,524,775	3,318,973	3,454,094	3,666,142
2,122,450	2,049,407	2,249,691	2,376,196	2,160,920	2,742,566
-	-	-	-	-	-
957,821	1,930,932	1,293,364	1,255,072	1,351,899	20,474
175,000	215,000	317,497	358,989	372,126	370,119
67,075	66,506	88,851	150,799	135,881	120,731
7,717,261	8,960,310	10,068,044	10,105,346	9,929,689	8,799,928
472,064	(279,722)	(736,297)	(73,152)	(1,351,156)	(103,643)
-	315,000	2,435,930	-	-	-
-	-	26,220	865,492	109,963	185,364
657,907	663,908	754,769	909,997	772,067	465,257
(434,272)	(636,204)	(728,118)	(888,686)	(745,239)	(465,257)
223,635	342,704	2,488,801	886,803	136,791	185,364
\$ 695,699	\$ 62,982	\$ 1,752,504	\$ 813,651	\$ (1,214,365)	\$ 81,721
3.20%	3.80%	4.50%	5.40%	5.90%	5.73%

VILLAGE OF LAKE BLUFF, ILLINOIS  
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS  
Last Ten Fiscal Years

Fiscal Year	Property	Sales (1)	Home Rule Sales (2)	Utility	Telecomm	Income (3)	Other	Total
2001	\$ 1,917,288	\$ 1,871,618	\$ -	\$ 538,164	\$ 341,484	\$ 434,227	\$ 215,659	\$ 5,318,440
2002	1,941,389	2,143,838	-	457,524	303,442	415,028	228,068	5,489,289
2003	1,984,067	2,165,379	-	517,122	338,334	393,927	252,661	5,651,490
2004	2,070,250	2,263,155	-	519,973	481,157	365,325	168,057	5,867,917
2005	2,147,483	2,191,314	-	544,142	462,820	421,987	205,822	5,973,568
2006	2,208,571	2,432,006	169,824	610,065	409,802	468,441	293,852	6,592,561
2007	2,244,225	2,462,463	679,808	599,742	406,537	522,333	361,848	7,276,956
2008	2,389,677	2,538,470	703,811	591,601	398,650	557,596	313,192	7,492,997
2009	2,510,766	2,066,394	607,006	599,663	344,701	551,791	264,133	6,944,454
2010	2,649,929	2,027,980	639,316	501,370	324,565	480,990	260,398	6,884,548

Notes:

- (1) Sales tax revenue is shown as a gross amount. In FY1998 - FY2001 the sales tax is reflected net of rebates.
- (2) Home rule sales tax was implemented effective January 1, 2006.
- (3) Income tax for FY2008 was restated in FY2009 (from \$570,574 to \$557,596).

Data Source

The Village's Comprehensive Annual Financial Report and records

VILLAGE OF LAKE BLUFF, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2000	\$ 307,162,672	\$ 18,446,901	\$ 26,792,316	\$ 1,017,387	\$ 232,036	\$ 353,651,312	0.5400	\$ 1,062,015,952
2001	330,106,479	19,759,841	29,388,203	1,073,303	241,726	380,569,552	0.5120	1,142,851,508
2002	369,934,524	22,060,332	25,241,256	1,128,556	286,227	418,650,895	0.4760	1,257,209,895
2003	404,683,142	22,315,948	26,119,005	1,115,035	310,391	454,543,521	0.4610	1,364,995,559
2004	426,238,157	22,616,770	29,531,198	1,618,719	349,150	480,353,994	0.4540	1,442,504,486
2005	463,425,285	23,536,180	30,084,621	1,894,814	328,991	519,269,891	0.4350	1,559,369,042
2006	512,941,384	26,093,053	30,311,216	2,014,942	333,595	571,694,190	0.4200	1,716,799,369
2007	564,290,558	38,558,393	22,604,764	1,951,156	360,889	627,765,760	0.4030	1,883,485,629
2008	585,618,467	36,608,937	23,113,146	2,004,961	395,474	647,740,985	0.4140	1,943,417,297
2009	571,790,938	34,339,275	22,400,394	1,947,012	475,399	630,953,018	0.5144	1,893,048,359

Note:

Property in the Village is reassessed each year. Property is assessed at 33% of actual value. Tax rates are per \$100 of equalized assessed value.

Data Source

Lake County Tax Extension Office, Report PTAX-251.

VILLAGE OF LAKE BLUFF, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Fiscal/ Tax Year	Village Direct Rates		Component Unit	Overlapping Rate									Overlapping Rate	
	Village Overall Rate	(1) Village Sanctuary Rate	Lake Bluff Public Library	School District 65	High School District 115	College of Lake County 532 District	Lake County	Forest Preserve	North Shore Sanitary	Shield's Township	Park District	Mosquito Abatement	(2) Central LC Water Agency	(1) Rockland Fire Protection
2000-01 1999	0.565	0.497	0.117	1.924	1.219	0.213	0.521	0.187	0.172	0.085	0.400	0.022	0.077	0.301
2001-02 2000	0.540	0.476	0.115	1.885	1.201	0.235	0.521	0.231	0.167	0.084	0.392	0.022	0.072	0.418
2002-03 2001	0.512	0.450	0.112	1.881	1.157	0.211	0.516	0.221	0.160	0.083	0.383	0.023	0.066	0.411
2003-04 2002	0.476	0.419	0.106	2.079	1.092	0.308	0.502	0.232	0.152	0.098	0.358	0.021	0.064	0.387
2004-05 2003	0.461	0.408	0.102	2.068	1.045	0.201	0.490	0.235	0.144	0.083	0.356	0.020	0.058	0.371
2005-06 2004	0.454	0.403	0.100	2.009	1.003	0.200	0.465	0.219	0.139	0.070	0.353	0.014	0.054	0.371
2006-07 2005	0.435	0.386	0.128	2.096	0.965	0.197	0.454	0.210	0.132	0.069	0.344	0.013	0.049	0.340
2007-08 2006	0.420	0.375	0.122	2.059	0.961	0.195	0.450	0.204	0.125	0.070	0.336	0.012	0.046	0.326
2008-09 2007	0.403	0.360	0.117	2.041	0.959	0.192	0.444	0.201	0.120	0.066	0.295	0.011	0.042	0.310
2009-10 2008	0.414	0.370	0.120	2.070	1.001	0.196	0.453	0.199	0.121	0.069	0.319	0.010	0.042	0.298

Note:

Due to overlapping jurisdictions, not all Village residents are assessed taxes from all of the above governments.

Data Source

Lake County Clerk's Office

- (1) Sanctuary subdivision residents pay to the Rockland Fire Protection District, but not to the Village's fire protection.
- (2) Sanctuary subdivision residents do not pay to the Water Agency.

VILLAGE OF LAKE BLUFF, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2010(1)			2001		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Knauz Motors Inc	\$ 6,672,428	1	1.06%	\$ 4,349,365	1	1.14%
Orren Pickell Builders	4,556,648	2	0.72%			
Cantera Investors LLC	4,070,849	3	0.65%			
Profile Plastics	3,132,632	4	0.50%	1,459,262	8	0.38%
The Taxman Corp/Carriage Way	2,666,401	5	0.42%	2,478,639	4	0.65%
Individual Taxpayer/Zenni	2,528,918	6	0.40%	2,185,810	5	0.57%
New England Builders	2,177,566	7	0.35%			
Buehler, Inc	2,138,891	8	0.34%	1,885,040	7	0.50%
Individual Taxpayer/Sandner	2,095,706	9	0.33%			
Shepard Chevrolet	1,841,221	10	0.29%	1,391,875	10	0.37%
Carriage Point				2,185,079	6	0.57%
Ohio State Teachers Retirement				3,154,763	2	0.83%
Harrison Conference Center				2,894,587	3	0.76%
Lake Bluff Office Center				1,422,149	9	0.38%
	<u>\$ 31,881,260</u>		<u>5.06%</u>	<u>\$ 23,406,569</u>		<u>6.15%</u>

Note:

(1) The taxable assessed value is for 2009 (the most available)

Data Source

Lake County Assessor

VILLAGE OF LAKE BLUFF, ILLINOIS  
PROPERTY TAX LEVIES AND COLLECTION

Last Ten Levy Years

Tax levy year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009(1)
General corporate	\$ 512,914	\$ 475,214	\$ 501,568	\$ 448,822	\$ 450,440	\$ 445,933	\$ 451,608	\$ 451,946	\$ 462,878	\$ -
School crossing guard	21,224	22,810	12,539	9,067	9,584	10,370	11,433	12,382	6,429	-
Police protection	233,464	243,309	246,604	253,879	263,555	269,634	274,395	297,170	308,585	-
Fire protection	212,898	225,330	227,850	229,512	233,543	242,712	245,601	255,201	271,250	-
Sanitation	318,360	323,145	326,019	330,950	335,434	352,598	360,143	365,271	379,303	-
Auditing	21,224	15,207	16,719	22,668	23,960	25,926	28,583	30,955	32,144	-
Liability insurance	120,269	117,853	121,212	131,473	153,341	150,373	154,347	173,349	199,295	-
Illinois municipal retirement	91,971	95,043	100,314	136,007	162,925	191,855	234,379	241,451	270,012	-
Police pension	148,568	152,068	163,009	240,278	253,971	280,004	337,277	371,463	417,876	-
Public library	406,794	425,791	443,051	462,423	479,191	663,714	697,420	724,352	771,464	-
Social security	212,240	258,516	254,964	272,013	273,139	264,448	280,112	272,406	289,299	-
Unemployment insurance	3,537	7,603	8,359	4,534	4,792	10,371	11,433	12,382	12,858	-
Special service area #1	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 2,303,463</b>	<b>\$ 2,361,889</b>	<b>\$ 2,422,208</b>	<b>\$ 2,541,626</b>	<b>\$ 2,643,875</b>	<b>\$ 2,907,938</b>	<b>\$ 3,086,731</b>	<b>\$ 3,208,328</b>	<b>\$ 3,421,393</b>	<b>\$ -</b>
<b>LEVY AS EXTENDED</b>	<b>\$ 2,306,290</b>	<b>\$ 2,364,367</b>	<b>\$ 2,426,137</b>	<b>\$ 2,548,286</b>	<b>\$ 2,650,290</b>	<b>\$ 2,912,108</b>	<b>\$ 3,086,938</b>	<b>\$ 3,253,214</b>	<b>\$ 3,447,229</b>	<b>\$ 3,496,243</b>
<b>PERCENT COLLECTED</b>	<b>99.88%</b>	<b>99.90%</b>	<b>99.84%</b>	<b>99.74%</b>	<b>99.76%</b>	<b>99.86%</b>	<b>99.99%</b>	<b>98.62%</b>	<b>99.25%</b>	<b>0.00%</b>

Note:

(1) The 2008 property tax levy collections are in the next fiscal year.

Data Source

Illinois Department of Revenue

VILLAGE OF LAKE BLUFF, ILLINOIS  
SALES TAX COLLECTED BY CATEGORY

Last Ten Calendar Years

Fiscal Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General merchandise	\$ -	\$ -	\$ -	\$ -	\$ 392	\$ 249	\$ 182	\$ 925	\$ 321	\$ 265
Food	84,158	143,687	164,408	164,650	158,553	155,743	161,941	159,180	167,320	177,211
Drink, eat, rooms	30,575	28,123	18,659	13,405	15,692	28,679	34,138	33,842	36,965	46,341
Apparel	-	-	-	-	-	-	-	-	-	-
Furniture	7,426	6,717	5,561	9,530	6,424	6,196	9,883	5,396	6,831	4,336
Lumber, hardware	19,421	30,007	24,145	22,604	23,345	26,251	34,742	121,171	108,020	93,353
Auto, filling stations	1,180,475	1,337,665	1,488,401	1,658,046	1,695,614	1,559,423	1,718,851	1,772,387	1,546,659	1,379,588
Drugs, retail	94,875	102,488	71,453	78,015	92,425	102,498	100,124	127,718	133,329	130,460
Agriculture and all others	68,816	65,757	52,660	54,547	130,978	176,280	174,440	158,573	137,590	90,796
Manufacturing	14,570	34,455	44,550	46,492	31,972	35,790	40,019	43,895	31,982	20,578
<b>TOTAL</b>	<b>\$ 1,500,316</b>	<b>\$ 1,748,899</b>	<b>\$ 1,869,837</b>	<b>\$ 2,047,289</b>	<b>\$ 2,155,395</b>	<b>\$ 2,091,109</b>	<b>\$ 2,274,320</b>	<b>\$ 2,423,087</b>	<b>\$ 2,169,017</b>	<b>\$ 1,942,928</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

VILLAGE OF LAKE BLUFF, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	Village Direct Rate	Village Home Rule Rate (1)	Lake County & RTA Rate	State Rate	Total
2000	1.00%	0.00%	0.50%	5.00%	6.50%
2001	1.00%	0.00%	0.50%	5.00%	6.50%
2002	1.00%	0.00%	0.50%	5.00%	6.50%
2003	1.00%	0.00%	0.50%	5.00%	6.50%
2004	1.00%	0.00%	0.50%	5.00%	6.50%
2005	1.00%	0.00%	0.50%	5.00%	6.50%
2006	1.00%	1.00%	0.50%	5.00%	7.50%
2007	1.00%	1.00%	0.50%	5.00%	7.50%
2008	1.00%	1.00%	1.00%	5.00%	8.00%
2009	1.00%	1.00%	1.00%	5.00%	8.00%

Note:

(1) The Village enacted a home rule sales tax effective January 1, 2006.

Data Source

Illinois Department of Revenue

VILLAGE OF LAKE BLUFF, ILLINOIS  
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities		Total Village	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Special Service Area Bonds	Bank Notes Payable	Alternate Water Revenue Bonds				
2001	\$ 2,345,000	\$ -	\$ -	\$ -	\$ 2,345,000	1.0%	\$ 387	
2002	1,135,752	120,000	115,595	-	1,371,347	0.6%	342	
2003	1,775,000	-	-	-	1,775,000	0.5%	293	
2004	1,650,000	-	-	-	1,650,000	0.4%	272	
2005	1,475,000	-	-	3,060,000	4,535,000	1.1%	749	
2006	1,260,000	-	315,000	2,950,000	4,525,000	1.0%	747	
2007	3,125,000	-	582,503	2,835,000	6,542,503	1.4%	1080	
2008	2,875,000	-	473,625	2,720,000	6,068,625	1.2%	975	
2009	2,615,000	-	361,388	2,600,000	5,576,388	1.1%	896	
2010	2,360,000	-	246,269	2,480,000	5,086,269	1.1%	820	

Note:

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

\* See the schedule of Demographic and Economic Information on page 118 for personal income and population data.

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Taxable Assessed Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Special Service Area Bonds	Total		
2001	\$ 2,345,000	\$ -	\$ 2,345,000	0.71%	\$ 387
2002	1,135,752	115,595	1,371,347	0.71%	341.81
2003	1,775,000	-	1,775,000	0.47%	293.10
2004	1,650,000	-	1,650,000	0.39%	272.46
2005	1,475,000	-	1,475,000	0.32%	243.56
2006	1,260,000	-	1,260,000	0.84%	208.06
2007	4,385,000	-	4,385,000	0.84%	724.08
2008	2,875,000	-	2,875,000	0.50%	474.74
2009	2,615,000	-	2,615,000	0.42%	420.28
2010	2,360,000	-	2,360,000	0.36%	380.65

Notes:

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

(1) See the schedule of Assessed Value and Actual Value of Taxable Property on page 107 for more property value information.

(2) See the schedule of Demographic and Economic Statistics on page 118 for population data.

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
(in thousands of dollars)

April 30, 2010

Governmental unit	Debt Outstanding	Estimated Percentage of Debt Applicable to the Village of Lake Bluff (2)	Estimated Share of Overlapping Debt
Village of Lake Bluff	\$ 2,360	100.00%	\$ 2,360
Overlapping debt (1)			
Lake Bluff Park District	440	87.44%	385
Lake Bluff School District 65	26,440	85.40%	22,580
Lake Forest-Lake Bluff High School District 115	51,145	18.14%	9,278
Central Lake County Joint Action Water Agency (CLCJAWA)	22,545	7.97%	1,797
North Shore Sanitary District	3,463	6.31%	219
Lake County Community College District 532	7,000	2.20%	154
Lake County	2,595	2.09%	54
Lake County Forest Preserve	316,780	2.09%	6,621
Other debt			
Lake County capital leases	-	0.00%	-
Lake County - other debt	-	0.00%	-
Subtotal	430,408		41,088
TOTAL	\$ 432,768		\$ 43,448

Notes:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Village of Lake Bluff. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Lake Bluff. This process recognizes that, when considering the Village's ability to issue and repay long-term debt, the entire debt burden borne by the residents and business should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(2) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the Village's boundaries and dividing it by each unit's total taxable assessed value. This approach was also used for Lake County's capital lease, loan, and other debt

Data Source

Assessed value data used to estimate applicable percentages provided by the Lake County Board of Equalization and Assessment. Debt outstanding data provided by Lake County Tax Extension Office.

The Village of Lake Bluff has general obligation (tax-supported) debt of \$2.360 million; however, the debt levies have been abated each year.

VILLAGE OF LAKE BLUFF, ILLINOIS

LEGAL DEBT MARGIN INFORMATION  
(in thousands of dollars)

Last Ten Fiscal Years

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Assessed Value	\$ 353,651	\$ 380,570	\$ 418,651	\$ 454,544	\$ 480,354	\$ 519,270	\$ 571,694	\$ 627,766	\$ 647,741	\$ 630,953
Debt limit	30,502	32,824	36,109	39,204	41,431	44,787	-	-	-	-
Total net debt applicable to limit	2,345	2,070	1,775	1,650	1,475	1,260	-	-	-	-
LEGAL DEBT MARGIN	\$ 28,157	\$ 30,754	\$ 34,334	\$ 37,554	\$ 39,956	\$ 43,527	\$ 571,694	\$ 627,766	\$ 647,741	\$ 630,953
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	7.69%	6.31%	4.92%	4.21%	3.56%	2.81%	-	-	-	-

Note:

Under state finance law, the Village's outstanding general obligation debt should not exceed 8.625% of total assessed property value. However, the Village became a home-rule community effective January 1, 2006 and is not required to compute a legal debt margin. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin.

"The General Assembly may limit by law the amount and 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 50,000 an aggregate 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 amounts."

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

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Six Fiscal Years

2004 Alternate Water Revenue Bonds						
Fiscal Year	Water Operating Revenues	Debt Service		Coverage Required	Actual Coverage	
		Principal	Interest			
2005	\$ 1,096,081	\$ -	\$ 60,350	\$ 296,744	3.69	
2006	1,331,893	110,000	130,995	296,744	4.49	
2007	1,523,294	115,000	126,595	296,744	5.13	
2008	1,326,282	115,000	121,995	296,744	4.47	
2009	1,135,752	120,000	115,595	296,744	3.83	
2010	1,071,530	120,000	114,020	296,744	3.61	

Notes:

This schedule presents all nongeneral obligation long-term debt backed by pledged revenues. The coverage required pursuant to Ordinance 2004-20 is 1.25 times the maximum debt service payment on the bonds.

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

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

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Fiscal Year	Population	Personal Income (in thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2001	6,056	\$ 348,615	\$ 57,565	1.90%
2002	6,056	366,045	60,443	2.30%
2003	6,056	384,348	63,466	2.50%
2004	6,056	403,565	66,639	2.30%
2005	6,056	423,743	69,971	1.90%
2006	6,056	444,931	73,469	2.80%
2007	6,056	467,177	77,143	3.30%
2008	6,222	490,536	78,390	4.40%
2009	6,222	490,536	78,390	4.40%
2010	6,200	467,177	75,351	5.50%

Data Source

Population and per capita information provided by the U.S. Census Bureau  
 Unemployment data for the Village is estimated based on information provided by Illinois  
 Department of Employment Security (IDES)

VILLAGE OF LAKE BLUFF, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Business/Service	2010		2001	
		Employees	Rank	Employees	Rank
Knautz Motors, Inc	BMW, Mercedes, Chrysler, Hyundai Land Rover & Mini auto dealerships	300	1	235	1
Liquid Controls Corp	Manufacture - Liquid flow meters	167	2	175	2
Lake Bluff School District 65	Elementary school district	150	3	119	6
Buehler, Inc	Metallurgical equipment	145	4	100	7
Chelsea & Scott, LTD	Catalog sales - children's products	138	5	145	3
Mariani Landscaping	Landscaping architect	105	6		
Clarín/Greenwich Industries	Manufacture - steel folding chairs	86	7	125	4
Shepard Chevrolet	Chevrolet and Geo auto dealership	75	8	95	8
Profile Plastics	Manufacture - plastic parts	60	9	80	10
Circuit Works	Circuit board assembly	34	10		
Deerpath Medical Associates	Medical clinic			125	5
Harrison Conference Center	Conference/training facility/hotel			83	9
Total		<u>1,260</u>		<u>1,282</u>	

Note:

Data to determine each principal employers' percentage of total employment is not available.

Data Source

2006 Illinois Manufacturers Directory, 2006 Illinois Services Directory and a 2010 selective telephone survey. 1998 from a telephone canvass of employers in April 1998. See 1998 G.O. Bonds Official Statement.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 FULL-TIME EQUIVALENT EMPLOYEES  
 Last Ten Fiscal Years

Function/Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>GENERAL GOVERNMENT</b>										
Administrator's Office	4.50	4.50	4.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Finance	3.50	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00
Engineering, Building & Zoning	2.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00
<b>PUBLIC SAFETY</b>										
Fire										
Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police										
Police sworn	15.00	15.00	16.00	16.00	16.00	17.00	17.00	17.00	17.00	15.00
Telecommunications Dispatchers	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>PUBLIC WORKS</b>										
Administration, Street, Sewer	9.00	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00
Water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	4.00	4.00	4.00	3.50	3.50	4.00	4.00	4.00	4.00	-
Vehicle maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>47.00</b>	<b>48.00</b>	<b>50.00</b>	<b>48.50</b>	<b>49.00</b>	<b>51.00</b>	<b>51.00</b>	<b>50.00</b>	<b>50.00</b>	<b>42.00</b>

Data Source

Village budget

VILLAGE OF LAKE BLUFF, ILLINOIS

OPERATING INDICATORS

Last Eight Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010
<b>GENERAL GOVERNMENT</b>								
Administration								
Village Board Meetings	21	20	21	22	22	23	18	23
Other Board & commission meetings	34	31	46	46	46	49	24	30
Village newsletter mailings	6	4	2	5	5	5	4	5
Lake Bluff List Serve Subscribers	n/a	n/a	92	214	293	438	487	550
Finance								
Accounts payable (in thousands)	\$ 6,800	\$ 5,000	\$ 4,800	\$ 5,790	\$ 7,650	\$ 8,000	\$ 7,013	5,622
Water & Sewer invoices prepared	7,956	7,915	8,175	8,232	8,225	8,185	8,179	8,256
Engineering, Building & Zoning								
Residential building permits issued	488	463	491	523	464	447	418	323
Commercial building permits issued	34	32	17	25	23	14	18	14
Zoning petitions	22	24	8	22	7	9	7	8
<b>PUBLIC SAFETY</b>								
Police								
Number of calls	7,972	10,737	9,286	10,078	11,703	10,282	10,322	11,208
Felony offenses	39	56	71	77	49	52	88	66
Misdemeanor offenses	215	266	304	406	311	336	390	406
Auto Accident investigations	199	169	183	203	203	177	195	210
Fire								
Fire calls	33	24	35	52	48	37	34	41
Rescue/Medical transported	171	181	208	174	217	211	227	250
Rescue/Medical not transported	38	45	56	70	50	61	73	76
<b>PUBLIC WORKS</b>								
General								
Streets patching (in tons)	75	47	61	57	71	118	64	38
Street cleaned - miles	1,388	1,187	1,360	975	1,134	1,562	813	813
Compacted household refuse collected	2,481	2,542	2,704	2,620	2,678	2,223	1,911	1,850
Curbside recycling collections (tons)	801	710	790	715	758	1,148	1,124	1,084
Cubic yards of								
leaves/yard waste collected	3,023	3,512	2,498	2,500	2,512	2,658	3,560	3,432
Parkway trees planted	79	79	81	76	67	52	50	42
Parkway grass trimmed (in acres)	392	414	387	276	301	401	329	305
Sanitary sewers cleaned (in linear feet)	49,896	37,120	17,679	16,679	44,178	65,925	80,000	79,821
Storm sewers cleaned (in linear feet)	9,686	7,476	4,257	4,158	2,358	2,111	3,837	3,474
Water								
Main break repairs	5	8	12	18	9	16	9	5
JULIE utility locates	700	1,409	1,273	1,227	1,368	1,210	1,345	1,354

Data Source

Various Village departments

VILLAGE OF LAKE BLUFF, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>PUBLIC SAFETY</b>										
Police										
Patrol units	5	5	5	6	6	6	7	8	8	8
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Engines (1)	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.0	5.0
Stations	1	1	1	1	1	1	1	1	1	1
<b>PUBLIC WORKS</b>										
Streets (miles)	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0	27.8
Sidewalks (miles)	20.0	20.0	20.0	20.0	20.3	20.3	20.3	20.3	20.6	25.9
Building facilities maintained	5	6	6	6	6	6	6	6	6	6
Sanitary sewers (miles)	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Storm Sewers (miles)	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Sanitary sewer lift stations	5	5	5	5	6	6	6	6	6	6
<b>WATER - sanitary sewer</b>										
Fire hydrants	400	405	425	425	435	460	476	488	490	490
Storage capacity (thousands of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Watermains (miles)	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5

Note:

(1) An aerial ladder truck was purchased and is shared pursuant to an Intergovernmental agreement with the City of Lake Forest accounting for the .5 of an engine from 2000 to 2008 was sold in 2009.

Data Source

Village budgets