



## Village of Lake Bluff, Illinois



**NORTH SHORE LIFE  
LAKE BLUFF STYLE**

# Comprehensive Annual Financial Report

For year ending April 30, 2015

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2015

Prepared by  
Finance Department

Susan M. Griffin  
Director of Finance

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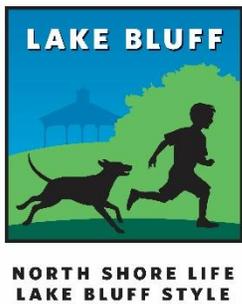
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## **INTRODUCTORY SECTION**



# VILLAGE OF LAKE BLUFF ILLINOIS

## PRINCIPAL OFFICIALS

### VILLAGE BOARD OF TRUSTEES

**Kathleen O'Hara, President**

**Steve Christensen**

**Mark Dewart**

**Eric Grenier**

**John Josephitis**

**William Meyer**

**Brian Rener**

**Barbara Ankenman, Village Clerk**

### ADMINISTRATION

**R. Drew Irvin, Village Administrator**

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

**David Belmonte, Police Chief**

**Michael Croak, Building Code Supervisor**

**N. David Graf, Fire Chief**

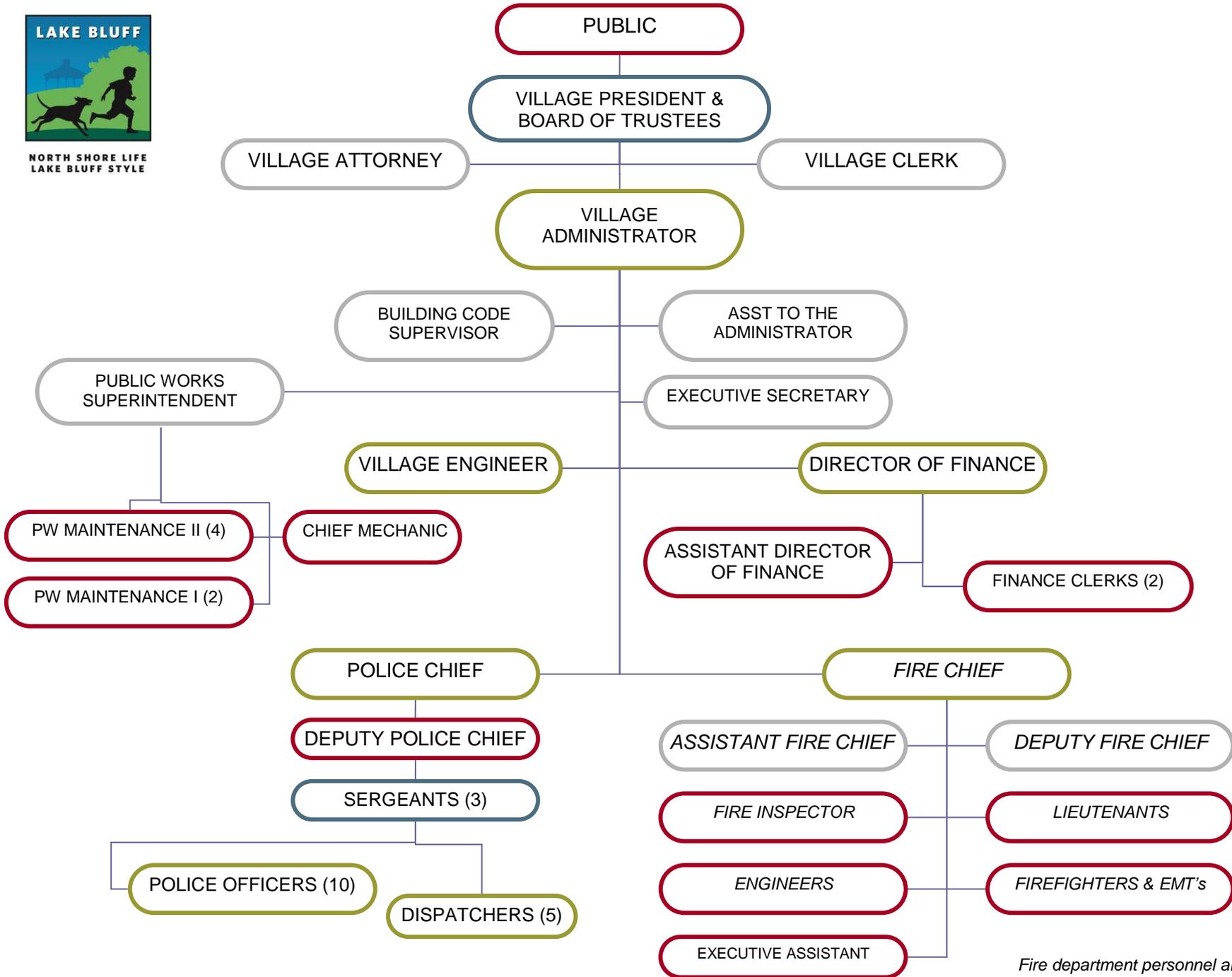
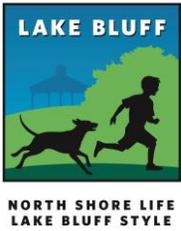
**George E. Russell Jr., Village Engineer**

**Marlene Scheibl, Assistant Finance Director**

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

**Peter M. Friedman, Village Attorney**

**Holland & Knight, LLP**



During the fiscal year dispatch servicing was outsourced. Two employees were retained to provide ancillary administrative support.

Fire department personnel are volunteers except the Executive Assistant



Government Finance Officers Association

**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, 2014**

Executive Director/CEO



October 26, 2015

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

The Comprehensive Annual Financial Report (“CAFR”) of the Village of Lake Bluff, Illinois (“Village”) for the fiscal year ended April 30, 2015 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 1-3 rendered an unmodified opinion that the Village’s financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

The Village was not required 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* during fiscal year 2015.

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 MD&A1.

The Village’s financial reporting entity excludes the Lake Bluff Public Library in compliance with Governmental Accounting Standards Board (“GASB”) Statement 61, which amends GASB Statements 14 and 34 regarding the inclusion of component units in the financial reporting entity. The Lake Bluff Public Library is fiscally dependent upon the Village, but functions as a separate legal entity; therefore, it is not reflected in the financial statements as a discretely presented component unit of the Village. The Library issues a separate financial report which can be obtained by contacting the Library Director at 123 E. Scranton Ave, Lake Bluff, IL 60044 or on the Library website at [lakebluffpubliclibrary.org](http://lakebluffpubliclibrary.org).

The Village has implemented the reporting requirements pursuant to GASB Statement 67 “*Financial Reporting for Pension Plans*”, which applies to the Lake Bluff Police Pension Plan established under 40 Illinois Compiled Statutes (ILCS) 5/3-101.

This CAFR 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 2010 census, is 5,722, which represents a 5.5% decrease from the 2000 census of 6,056. The 2014 Equalized Assessed Valuation (EAV) for the Village is \$479,518,737 or 1% less than the 2013 EAV of \$484,263,512. Based on available past figures, this is the fifth consecutive year that the Village’s EAV has decreased. The 2014 property tax levy will be collected and recorded as revenue in the next fiscal year.

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, SmartCar, and Hyundai dealerships; Imperial Motors Jaguar; The Exchange Group Chevrolet; and the Lake Forest Sportscar dealership which sells Maserati, Ferrari, McLaren, Aston Martin and Lotus autos. 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 of \$3.08 million represents 32% of the General Fund revenues, up from 30% in the prior year. Automobile and auto-related sales tax revenues represents 80% of the \$2.531 million from the state-shared sales tax (auto sales are exempt from the 1% home rule sales tax) received in FY2015 up from 76% in the prior fiscal year.

### **Major Initiatives**

#### For the year ended April 30, 2015

The focus this fiscal year continues to be about the financial sustainability of providing services in a cautiously optimistic economic environment. Municipalities in Illinois continue to 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. The participation in the Municipal Partnering Initiative has begun to bear fruit with the execution of a sharing arrangement for technology services and the completion of a dispatching services study with the

recommendation to consolidate dispatching services with other local municipalities. As for a snapshot of the commercial and residential development initiatives, the Village completed its building and zoning review processes to advance the redevelopment of a large vacant commercial parcel to attract Target with adjacent smaller retail stores and three residential subdivisions that are beginning to move forward.

Fiscal year 2014-15 was focused on (i) maintaining current fund balance at or above Village minimum levels; (ii) controlling operational costs; (iii) continuing reinvestment in Village infrastructure; and (iv) continuing to deliver quality and efficient services residents expect from the Village of Lake Bluff. Available Village resources were focused on these major priorities, with the following specific accomplishments:

1. Maintain the delivery of high-quality cost effective municipal services.
  - a. Following extensive study the Village (working with several municipalities) planned and successfully outsourced public safety dispatch to the Village of Glenview. This action reduced the Village full time staff by three positions and is projected to result in \$900k in savings over the 7-year contract.
  - b. Completed the recruitment process to replace the Building Code Supervisor and began the process to assess engineering needs upon the retirement of the long-serving Engineer.
  - c. Finalized negotiations with police sergeants' and patrol officers' collective bargaining units.
  - d. Obtained Tree City USA designation for the 19<sup>th</sup> consecutive year.
  - e. Maintained Police department accreditation by the Commission for Accreditation of Law Enforcement Agencies (CALEA), assuring compliance with the standards of a professional law enforcement agency.
  - 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 participation in the Municipal Partnering Initiative for shared service opportunities.
2. Heighten the community's sense of connection and shared values and foster a business climate that sustains a robust and stable local economy.
  - a. Upon the culmination of the community-wide branding study and development of a new Village logo, began the implementation of initiatives to promote the brand.
  - b. Facilitated the redevelopment of the vacant Shepard Chevrolet property into a Target store with three outlot buildings predominately with retail tenants.
  - c. Continued to lead the development of a design plan (Phase 1) for the reconfiguration of Rt. 176 and Rt. 41 interchange (both are State-owned roads) including facilitating resident workshops; fully funded by federal and state grants.
  - d. Assisted with the successful 3<sup>rd</sup> annual Lake Bluff Bicycle Criterium along with the Community Block Party.
  - e. Continued reviewing and updating the 1997 Comprehensive Plan.
  - f. Began implementation of Waukegan Road Corridor opportunities and recommendations of the Development & Downtown Committee (DDC).
3. Preserve sound financial management.
  - a. Levied a Village property tax within the Property Tax Limitation Act amount.
  - b. Received the Government Finance Officers Association (GFOA) Distinguished Budget Presentation award and Certificate of Achievement for Excellence in Financial Reporting.
  - c. Maintained Aaa bond rating from Moody's credit rating agency.

4. Safeguard capital assets.
  - a. Completed replacement of water valves on the West Side of the Village.
  - b. Expended \$520k for annual street resurfacing program.
  - c. Reviewed and updated the Village multi-year capital plan and vehicle and equipment replacement schedule.

These projects were funded through current operating revenues, a strategic reduction of excess fund balance reserves, and grant revenues.

#### For the Future

While the recession created challenges, the Village is committed to maintaining aging public facilities and infrastructure, preserving the safety and welfare of the public, respecting and sustaining the architectural and environmental character of the community, fostering the volunteer spirit and intergovernmental cooperatives, and supporting the advanced level of public services provided to the residents.

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 an intentional use of excess governmental fund reserves.

- ❖ Replace obsolete meters and implement an automatic water reading system.
- ❖ Construct pedestrian/bicycle path to connect the public safety building area with the Grand Illinois Bike Trail on the west side of Sheridan Road funded with a state grant of \$68 thousand.
- ❖ Complete pedestrian crossing safety improvements at Sheridan Road and Scranton Ave (train station).
- ❖ Initiate Waukegan Road Business Park study recommendations to reposition the area for the next decade.
- ❖ Continue multi-year program to replace pumps, piping, and control systems for the six sanitary sewer lift stations.
- ❖ Continue the revisions to the 1997 Comprehensive Plan and Zoning Code.
- ❖ Participate in North Shore Cable Consortium to more effectively provide public access programming and production.
- ❖ Assess candidates and/or firms to address the Village's engineering needs and begin recruitment process to replace the retiring Chief Mechanic.
- ❖ Continue the annual street resurface and roadway improvements program.
- ❖ Seek community input and refine the Village's CBD plan for Blocks 2 and 3.

#### **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 to its fiscal policies, 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 position held in trust for the Police Pension Fund as of April 30, 2015 is \$8.934 million, up 4.4% from \$8.558 million as of April 30, 2014. The Police Pension Fund is 53.73% funded, with an unfunded liability of \$7.206 million; this is a decline from a funded level of 54.17% with an unfunded liability of \$6.695 million for 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. The interest rate assumption is 7% aligning with expected average long-term returns based on the portfolio composition, investment philosophy and recent past performance. The Police Department consists of 15 members comprised of a Chief, a Deputy Chief, 3 Sergeants, and 10 Patrol officers; however, the Deputy Chief is not a member of the Pension Fund. The Pension Fund currently pays benefits to 14 annuitants. Total benefits increased by 0.6% to \$771,609 from \$766,962 in the prior fiscal year. The reason for this minimal increase, even though a deferred annuitant began receiving benefits, is due to the passing of a retiree (with no beneficiaries) in August 2014.

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 50% 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, which articulates the expanded investment instruments allowed by law for pension funds.

The Village earned \$12,411 on all Governmental and Water Fund investments for the year ended April 30, 2015. This represents \$1,181 or a 9% decrease from last year mostly due to the continued short-term interest rates at less than 2% and the increase in accounts receivable.

The Police Pension Fund realized interest on investments before net appreciation in the fair value of the portfolio of \$176,292. Mid-way through the prior fiscal year, the Pension Fund engaged ASB Capital to develop and manage the equity portfolio and McDonnell Investments to manage the fixed income investments. The investment fair value grew by \$284,549 due to the more active investing and revised asset allocation strategies. After investment expense the net investment income was \$418,503 or 36.2% of total additions to the net position. Total contributions comprised the remaining 63.8% of the \$736,442 total additions to the net position. The net position increased by \$376,136 after benefits and administrative deductions of \$778,809. The higher yields earned by the Pension Fund is attributable to the long-term character of its investment holdings and the equity investments allowed by law.

**Other Information**

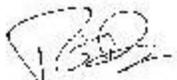
Awards. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lake Bluff for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2014. The Certificate 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, Tom Dunne 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**



1415 W. Diehl Road, Suite 400  
Naperville, Illinois 60563

630.566.8400 // [www.sikich.com](http://www.sikich.com)

Certified Public Accountants & Advisors  
*Members of American Institute of Certified Public Accountants*

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lake Bluff, Illinois (the Village), as of and for the year ended April 30, 2015, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Lake Bluff, Illinois, as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

## **Change in Accounting Principle**

The Village adopted GASB Statement No. 67, *Financial Reporting for Pension Plans*, during the year ended April 30, 2015, which modified certain disclosures in the notes to financial statements and the required supplementary information. Our opinions are not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, supplemental data and statistical section 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing

and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules and supplemental data are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Naperville, Illinois  
October 26, 2015

A handwritten signature in cursive script, appearing to read "S. Hill CP".

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended April 30, 2015

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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, 2015 with comparisons to the fiscal year ended April 30, 2014. 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 unmodified opinion from the independent audit firm, Sikich LLP.
- The Village's total net position is \$30.75 million as of April 30, 2015 compared to \$30.12 million as of April 30, 2014. The Village increased its total net position by \$630 thousand thus strengthening the overall financial position by 2%. Current assets grew by \$1.05 million from increases in cash and investments and property and other taxes receivables. A reduction of non-current liabilities of \$551 thousand is due to a decline in long term debt from the annual bond payments.
- The Village's net investment in capital assets of \$22.77 million equals the capital assets net of accumulated depreciation of \$25.92 million minus \$3.15 million in outstanding related debt. This is the result of a decrease in grant revenues used for capital equipment replacement and capital project improvements.
- Government-wide expenses were \$11.08 million, funded with program revenues of \$3.81 million and property, sales, utility, income and other taxes, interest, and miscellaneous revenues of \$7.90 million; with the difference accounting for the increase in net position during the fiscal year of \$630 thousand.
- The unrestricted net position of the primary government increased to \$6.80 million on April 30, 2015, from \$5.70 million as of April 30, 2014 attributed to an increase in charge for services (program revenues) and sales tax (general revenues.)
- The General Fund (the Village's main operating fund) ended the year with a fund balance of \$6.15 million up from \$5.05 million as of April 30, 2014. This fund balance represents 84% of the operating expenses (defined as personnel, commodities and contract expenditures), exceeding the Village's policy to maintain 50% of operating expenditures (revised from 30% in the prior year) to provide expanded flexibility and cash flow during these times of economic volatility and due to the increased reliance on sales tax revenue.

### 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 Position** that presents information about all of the Village's assets and liabilities, with the differences reported as net position. Over a multiyear period, an increase or decrease in net position 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 position 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. *The government-wide financial statements are presented on pages 4-6 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 7-10 of this report.*

The Village of Lake Bluff has 11 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 and the Redevelopment funds because they are major funds. 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 9 funds' data is combined into a single column labeled "nonmajor" governmental funds. *Individual fund data for these nonmajor governmental funds is shown on pages 69-74 in this report.*

The Village has adopted an annual budget for all of its funds except the Special Service Area Bonds and Special Service Area Capital Project Funds which have no expenses. 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 61-67 and 75-81, 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 11-14 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 15-16 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. *The notes are preceded by an index which begins on page 17 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 53-60 of this report.*

Major funds 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 69.*

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

The largest portion of the Village's net position 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. **Exhibit A** on the next page presents a summary of governmental and business-type **net position** as of April 30, 2015 compared to April 30, 2014 for the primary government.

Pursuant to GASB Statements 63 and 65, unearned and unavailable revenues are categorized as deferred inflows of resources and shown below the liabilities and the unamortized loss on bond issuance is presented as deferred outflows of resources. The 2015 deferred inflows of \$3,149,695 accounts for the 2014 property taxes to be billed and collected in the next fiscal year. The unamortized accounting loss on the advance refunding of the 2006 and 2004 bonds in the amounts of \$77,869 and \$96,430 are shown as a deferred outflow of resources in the Governmental and the Water activities, respectively. At the fiscal year end April 30, 2015, the total unrestricted net position for the **primary government** is \$6,800,570, which is 19% more than the unrestricted net position of \$5,702,939 at the fiscal year ended April 30, 2014. **Governmental activities restricted** net position of \$1,181,045 is for street improvements, employee benefits and pensions, public safety E911 maintenance, fire service purposes, and debt repayment. These *restricted* amounts decreased by \$333,577 from the use of restricted Motor Fuel Tax allotments to complete the annual roadway improvements and the use of E911 monies to contribute to the purchase of dispatching equipment for the consolidated/outsourced dispatch center. The **governmental activities** unrestricted net position rose by \$1,126,559 from \$4,204,894 to \$5,331,453 as current assets grew, liabilities decreased, and capital improvements were financed with restricted net assets. The **governmental activities** combined *restricted* and unrestricted net position grew 14% or \$792,982. The **water activities** total net position decreased by \$86,387 as a result of an operating loss of \$27,375 plus non-operating expenses of \$59,012. **Exhibit B** presents a summary of governmental **revenues, expenses, and changes in net position** for the fiscal year ended April 30, 2015 compared to April 30, 2014.

**Village of Lake Bluff Net Position – Exhibit A**

	Governmental Activities		Water Activities		Total	
	2015	2014	2015	2014	2015	2014
Current & other assets	\$12,113,929	\$11,066,984	\$ 1,578,641	\$1,612,997	\$13,692,570	\$12,679,981
Capital assets	19,519,965	19,813,789	6,402,542	6,619,130	25,922,507	26,432,919
Total assets	31,633,894	30,880,773	7,981,183	8,232,127	39,615,077	39,112,900
Deferred Outflows	77,869	90,847	96,430	107,775	174,299	198,622
Long term liabilities	2,495,117	2,545,962	1,746,617	1,932,920	4,241,734	4,478,882
Other liabilities	1,386,619	1,366,582	264,441	254,040	1,651,060	1,620,622
Total liabilities	3,881,736	3,912,544	2,011,058	2,186,960	5,892,794	6,099,504
Deferred Inflows	3,149,695	3,094,924	----	----	3,149,695	3,094,924
<b>Net position:</b>						
Net investment in capital assets	\$18,167,834	\$18,244,636	\$ 4,597,438	\$4,654,897	\$22,765,272	\$22,899,533
Restricted	1,181,045	1,514,622	----	----	\$ 1,181,045	1,514,622
Unrestricted	5,331,453	4,204,894	1,469,117	1,498,045	6,800,570	5,702,939
<b>Total net position</b>	<b>\$24,680,332</b>	<b>\$23,964,152</b>	<b>\$ 6,066,555</b>	<b>\$6,152,942</b>	<b>\$30,746,887</b>	<b>\$30,117,094</b>

**Village of Lake Bluff Changes in Net Position – Exhibit B**

	Governmental Activities		Water (Business-Type)		Total	
	2015	2014	2015	2014	2015	2014
<b>Revenues:</b>						
Program revenues						
Charge for services	\$ 2,114,557	\$ 1,513,822	\$ 1,227,057	\$ 1,326,523	\$ 3,341,614	\$ 2,840,345
Operating grants and contributions	218,883	201,765	----	----	218,883	201,765
Capital grants/donations	248,314	1,020,690	----	----	248,314	1,020,690
General revenues						
Property taxes	3,087,275	3,064,916	----	----	3,087,275	3,064,916
Sales taxes	3,080,871	2,803,586	----	----	3,080,871	2,803,586
Other taxes	1,623,366	1,601,184	----	----	1,623,366	1,601,184
Interest/Invest Income	9,955	11,149	2,456	2,443	12,411	13,592
Miscellaneous	98,831	263,033	449	449	99,280	263,482
<i>Subtotal general revenue</i>	7,900,298	7,743,868	2,905	2,892	7,903,203	7,746,760
Total revenues	10,482,052	10,480,145	1,229,962	1,329,415	11,712,014	11,809,560
<b>Expenses:</b>						
General government	1,951,673	1,141,173	----	----	1,951,673	1,141,173
Public safety	4,684,816	4,445,493	----	----	4,684,816	4,445,493
Public works	3,091,324	2,875,330	----	----	3,091,324	2,875,330
Debt service interest	38,059	43,904	----	----	38,059	43,904
Water	----	----	1,316,349	1,335,190	1,316,349	1,335,190
Total expenses	9,765,872	8,505,900	1,316,349	1,335,190	11,082,221	9,841,090
<b>Incr/(Decr) in net position</b>	<b>716,180</b>	<b>1,974,245</b>	<b>(86,387)</b>	<b>(5,775)</b>	<b>629,793</b>	<b>1,968,470</b>
Net position – May 1, 2014	\$23,964,152	\$21,989,907	\$6,152,942	\$6,158,717	\$30,117,094	\$28,148,624
Net position–April 30, 2015	\$24,680,332	\$23,964,152	\$6,066,555	\$6,152,942	\$30,746,887	\$30,117,094

### Governmental Activities

Total governmental revenues rose marginally by \$1,907 over the prior year. Strong building permit revenues from commercial redevelopment was offset by a significant decline in grant funds. Even though total expenses increased by 14.8% or \$1,259,972, net position rose by \$716,180 because revenues exceeded expenses. The difference in the net position increase as of April 30, 2015 compared to an increase in net position of \$1,974,245 as of April 30, 2014 is mostly attributed to the receipt of grant funds in the prior fiscal year.

#### *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. Charge for services increased by 40% or \$600,735 mostly attributed to building permit fees growth of 110% to \$1,049,229 this year from \$498,690 the prior year due to Target commercial development and a modest recovery in residential building permits. Capital grants decreased \$772,376 or 75.7% as grant opportunities diminished due to the State's dire economic condition.

#### *General Revenues*

Village tax revenues are derived from a combination of the following sources: real estate, sales and local use, utility, personal property replacement, and motor fuel taxes. Property taxes continue to be the most significant part of the Village's revenue structure, accounting for 29% of the revenues. Property tax revenue from the 2013 tax levy increased by 0.7%, despite a decline of 4.6% in the equalized assessed value of taxable property, from the impact of the 1.7% Consumer Price Index (CPI) factor and the addition of new property to the tax rolls. Sales taxes (including the home rule sales tax), which comprise the second largest source of governmental revenues at 29% (slightly less than property tax revenue), up from 27% the prior year, increased by 10% or \$277,285 on the strength of auto sales.

Other taxes category includes state shared income, personal property replacement, demolition, prepared food and beverage, telecommunications, and utility taxes. In the aggregate these revenues increased by \$22,182 or 1.4%. Specifically, telecommunications, natural gas and electric utility taxes decreased by less than 1% or \$4,207 from the prior fiscal year due to lower natural gas and electric taxes attributed to the milder weather in 2014-2015. Income taxes increased slightly by 0.5% as the prior year realized a 36% jump in the May 2013 receipts caused partly by individuals and corporations reporting capital gains income in anticipation of significant changes in Federal tax policy. Municipalities receive one-tenth of the State's income tax receipts on a per capita basis. Miscellaneous revenue declined 62.3% or \$164,202 due to the sale of land in the prior year at \$110,000 and the reclassification of the IRMA rebate this year of \$40,705 from revenue to a reduction of the liability expense.

#### *Governmental Expenses*

Total governmental expenses increased by \$1,259,972 or 14.8% due to the outsourcing of dispatch operations which required operating and capital contributions by the Village. The Village expects to realize savings of \$900,000 over the 7-year dispatch contract. Direct personnel costs for salaries, benefits, insurance, and pension expenses represent 44% of the total governmental expenses; a slight increase from 43% in the prior fiscal year.

The general government expenses include the costs of the Administrator's Office, Finance, Engineering/Community Development, and Boards and Commissions departments. This category of expenses increased 71.0% or \$810,500. The major reason for this increase is due to the capitalization (reduction in expenses) in the prior year of over \$732k. Capitalized assets are not expenses in the *Statement of Changes in Net Position*. The rise of expenses not attributed to capitalized assets in the current fiscal year are: (i) a new technology service provider to expand support services and greatly improve overall system security and reliability; (ii) added temporary building inspection costs for outsourcing of Target development construction inspections; and (iii) the costs of applying the new logo to the Village's communications and upgrading the Village's website pursuant to the recommendations of the branding study completed the prior year.

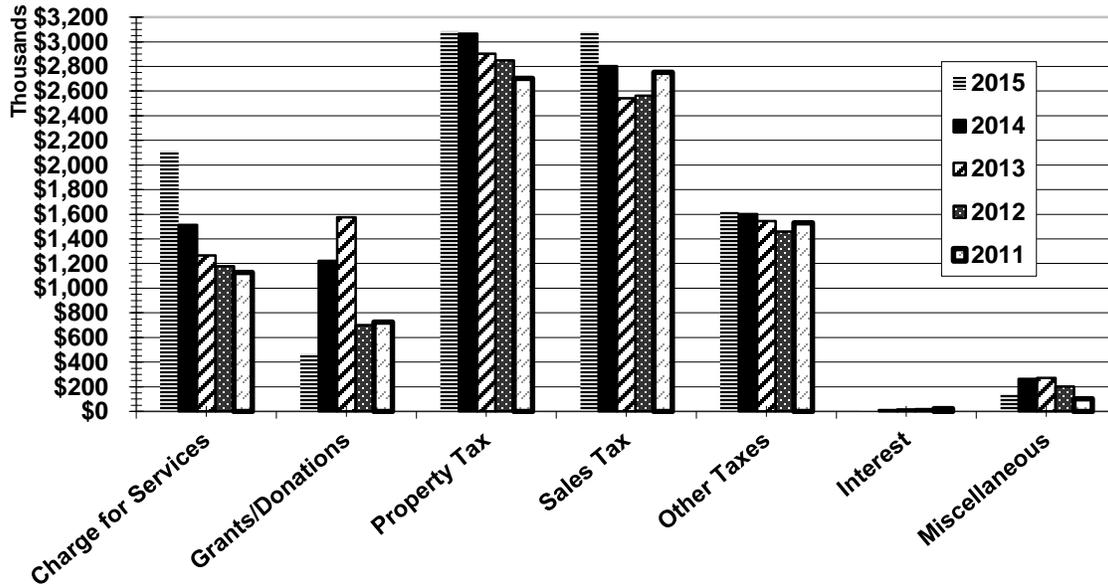
The public safety expenses are for the police sworn, dispatch, and fire departments. The Public Safety expenses increased 5.4% or \$239,323 predominately due to the start-up operating costs and the payout of accrued time for three dispatchers whose positions were eliminated because of the dispatching operations outsourced to the Village of Glenview. The capital contribution of \$191,237 was not capitalized on the Village books as the assets are owned by the Village of Glenview. After increasing last year by \$117,400 or 54% due to an increase in the number of transports and the cost per call pursuant to the Village's agreement with the City of Lake Forest, the cost of ambulance service declined by \$87,469 or 26% this fiscal year from a decrease in the per call cost and predominately the number of transports.

The public works expenses include the costs related to the maintenance of streets, bridges, sewers, street lights, forestry infrastructure, parkways, and the sanitation and recycling collection. The PW expenses increased by 7.5% or \$215,994 due to the cost of engineering studies to assess areas with stormwater drainage issues after substantial rainfalls and an increase in the expenditure of funds for street repaving projects.

Interest on long term debt decreased by \$5,845 or 13.3% based on the maturity schedule of the bonds.

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

Village of Lake Bluff Governmental Revenues – Exhibit C



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 \$2.60 per 1,000 gallons up from \$2.56 last year. Water purchases expense was \$24,255 less than the prior year of which a decrease in water volume accounted for \$33,575 of the decline in purchases offset by \$9,320 attributed to the wholesale water rate increase.

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 \$6.80 per thousand gallons of water used, up from \$6.60 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. Water sales revenue, as the main component of the charge for services category, decreased 8% or \$97,905 from the prior fiscal year. The retail water rate change of \$0.20 accounted for \$32,938 of the increase in water sales revenue offset by a \$130,843 reduction in revenue attributed to the decline in consumption. Water consumption is impacted

by the spring and summer weather as usage increases during months with warmer temperatures and rainfall amounts. 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. The Village advance refunded this debt in October 2011 to reduce the net interest costs. The outstanding principal balance of this debt is \$1.855 million at fiscal year-end.

**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. Unrestricted 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 \$7,850,715. The total fund balances grew by \$897,097 from 2014 to 2015 because of the increase in sales taxes and building permits. On page 8 of the financial statements is a reconciliation of the differences between the net position and the fund balance. Generally, the fund balance does not include capital assets, long term debt payable, net pension and OPEB obligations, and the loss on refunding bonds. Capital expenditures reduce the fund balance but depreciation is not an expenditure in governmental funds.

**Exhibit D** is a chart showing the governmental fund balances as of April 30, 2015 compared to April 30, 2014 with the dollar and percentage change.

**Village of Lake Bluff Governmental Fund Balances – Exhibit D**

		Governmental Activities		Increase/Decrease from 2014	
		2015	2014	Percentage	Dollars
General	Major	\$6,152,817	\$ 5,045,371	21.9%	\$1,107,446
Redevelopment	Major	368,260	376,740	(2.3)	(8,480)
Motor Fuel Tax	Nonmajor	177,843	285,254	(37.6)	(107,411)
Vehicle Replacement	Nonmajor	502,375	379,149	32.5	123,226
IL Municipal Retirement	Nonmajor	214,202	250,954	(14.6)	(36,752)
Federal Social Security	Nonmajor	176,184	232,609	(24.3)	(56,425)
E-911	Nonmajor	206,780	325,113	(36.4)	(118,333)
Fire Dept. Special	Nonmajor	24,345	30,523	(20.2)	(6,178)
SSA Bonds	Nonmajor	13,431	13,429	0.0	2
2006/2012 G.O. Bonds	Nonmajor	715	715	0.0	0
SSA Capital Projects	Nonmajor	13,763	13,761	0.0	2
Total		\$7,850,715	\$ 6,953,618	12.9%	\$ 897,097

Governmental Funds – Major and Nonmajor

**Major**

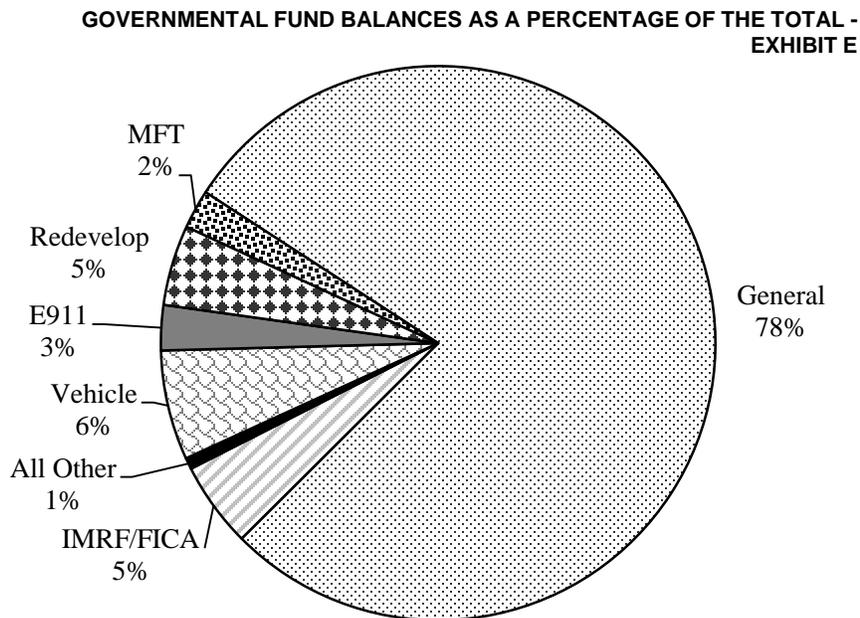
The General fund balance of \$6,152,817 reflects the available resources to finance the main operations of the Village of Lake Bluff. This fund balance exceeds the Village's policy of maintaining an amount equal to at least 50% of operating expenditures. The \$1,107,446 increase was the result of excess revenues over expenditures of \$1,783,397 plus \$5,912 from the sale of capital assets reduced by total other financing uses (transfers to other funds) of \$681,863. Total revenues increased from the prior year by \$282,604 or 3.5% while expenditures (not including other financing uses) decreased by \$771,589 or 9.3%. Transfers to other funds rose \$294,013 or 76% as the Village transferred \$182,000 from the General Fund to the Motor Fuel Tax Fund this fiscal year to supplement the annual road paving project in the MFT fund and increased the transfers to the Vehicle Replacement Fund to accumulate the funds to finance the vehicle and major equipment replacements.

The other major fund is the Redevelopment Fund which was created to account for capital projects financed by bond proceeds and/or capital grants. The fund balance declined \$8,480 as the cash was used to begin the pedestrian crossing safety improvements at Scranton Avenue and Sheridan Road.

**Non-Major**

The other governmental funds fund balances are required to be spent for their intended purpose. All of the non-major funds had decreases in the fund balance as excess fund balances were used for their restricted purposes. Specifically, the Motor Fuel Tax Fund monies are required to be utilized exclusively for maintenance of streets and this year the Village spent \$482,264 for resurfacing projects. The IMRF and Social Security Pension Funds excess balances were used to minimize the impact on the property tax levy as the expenditures have decreased over the past few years as staffing levels have fallen from 50 to 35 full time employees. The E911 fund is for the maintenance of the Village's police telecommunications system and resources were utilized to make a contribution to the consolidated dispatch operations for required capital equipment. The Vehicle Replacement Fund fund balance is reserved for replacement of capital vehicles and equipment. The principal and interest payments for the 2012 G.O. refunding bonds are transferred from the General Fund to the bond fund annually based on the debt repayment schedule. The property tax levy for bonded debt has been abated each year and is expected to be paid with General Fund revenues in the future.

**Exhibit E** is a chart showing the governmental fund balances as a percentage of the total fund balance.



General Fund Budgetary Highlights

The budget was not modified during the year and actual expenditures did not exceed the budget. Commercial development has fueled the rise in building permit and related fees. The Village continues to evaluate purchasing opportunities and assess processes for cost savings without sacrificing service and quality. The General Fund expenditures and transfers to other funds revenues were budgeted to exceed revenues and transfers in by \$714,006 to utilize excess fund balance reserves to maintain the Village's capital assets. Actual revenues and other financing sources for the fiscal year of \$9,651,316 were \$735,992 or 8% greater than projected. The General Fund expenditures and other financing sources of \$8,543,870 were \$1,085,460 or 11% less than budgeted due to conservative revenue projections and the carry forward of some capital projects in the next fiscal year.

Water - Proprietary Fund

The Water Fund had operating loss of \$27,375 compared to operating income of \$56,593 in the prior fiscal year. The Village sets a rate each year that is intended to cover the operating costs including depreciation. Actual operating revenues decreased 7.5% or \$99,466 and the decrease of 1.2% or \$15,498 in operating expenses correlates to the decline in revenues as water purchases declined with demand.

Capital Assets and Debt Administration

*Capital Assets.* The Village's investment in capital assets, net of accumulated depreciation, for governmental activities was \$19,519,965 in fiscal year 2015 down from \$19,813,789 in fiscal year 2014. This decrease is attributable to the investment in capital assets during the year of less than the annual depreciation of those assets. The net realizable capital asset investment for the Water Fund declined this fiscal year to \$6,402,542 from \$6,619,130 in fiscal year 2014 because the depreciation exceeded the investment in capital assets during the year as the bond proceeds allowed the Village to accelerate the water infrastructure improvements. *Additional information regarding the Village's capital assets is presented in the footnotes on pages 31-32.*

*Long-Term Debt.* At April 30, 2015, the Village had three outstanding bond issues with a total principal balance of \$3.680 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. In 2012 these bonds were advance refunded to achieve a lower net interest cost with no changes to the original retirement date of December 2020. The outstanding principal balance on the 2012 G.O. Refunding bonds is \$1.430 million. These bond payments are paid from General Fund operating revenues. In June 2004, the Village issued \$3.06 million in alternate water revenue bonds to finance the cost of water infrastructure improvements previously scheduled to be accomplished over 10 years. In October 2011, these bonds were advance refunded to achieve a lower net interest cost with no changes to the original retirement date of the bonds. The outstanding principal balance on the 2011 Refunding Bonds is \$1.855 million; the bonds mature in December 2024, and will continue to be repaid with water revenues.

As a home rule unit of government, the Village does not have a statutory debt limit but has observes a very conservative 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 0.8% versus the median of 2.1%. The Village's outstanding general obligation debt principal represents 0.4% of 2014 EAV. *Additional information regarding the Village's debt is presented in the footnotes on pages 34-36, detailed schedules are shown on pages 78-80, and additional information is included in the statistical section on pages 99-103.*

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

*Bond Ratings.* In October 2011, Moody's Investor Service affirmed the Village's Aaa bond rating on all its outstanding debt. Moody's cited the Village's wealthy and steadily growing tax base; sound financial operations enhanced by home rule status; and minimal debt burden. The Village did not seek a bond rating in 2012 because this debt was sold by negotiation with a local bank.

*Economic Factors*

- Sales tax revenue is projected to increase 13% on the projection of auto and auto-related sales, and the taxes anticipated from the opening of Heinen's Fine Foods in the previously vacant Dominick's grocery store and new Target and other food and retail establishments on the former Shepard Chevrolet car dealership property.
- Building and development revenues are expected to be decline by next year due to the lack of commercial redevelopment experienced in the current fiscal year.
- Police pension obligations will continue to grow as a percentage of the organization's expenses.
- Health insurance costs are projected to rise by 10% next year.
- The three Sergeants and the Fraternal Order of Police (FOP) contract for the patrol officers expired at the end of the fiscal year and will be renegotiated.
- Short-term interest rates below 2% will continue to adversely affect interest earnings.
- Wholesale water rate increase from CLCJAWA of \$0.08 per thousand gallons from \$2.60 to \$2.68.
- Retail water rate rise from \$6.80 to \$6.95 per thousand gallons as water consumption is projected to remain flat or decline slightly next year.
- Consumer Price Index-Urban (CPI-U) factor for the 2014 property tax levy is 1.5% (down from 1.7% for 2013) with a projected decline in total equalized assessed value of 3% and minimal new construction added to the tax rolls.
- Home rule 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 2015-16 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 POSITION

April 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 7,727,033	\$ 1,011,625	\$ 8,738,658
Receivables, net of allowance for uncollectibles			
Property taxes	3,149,695	-	3,149,695
Other taxes	1,019,310	-	1,019,310
Other receivables	264,213	17,157	281,370
Accounts	42,743	276,578	319,321
Intergovernmental	157,210	-	157,210
Accrued interest	205	-	205
Inventory	16,196	-	16,196
Internal balances	(273,281)	273,281	-
Due from other governments	10,605	-	10,605
Capital assets			
Capital assets not being depreciated	2,913,891	-	2,913,891
Capital assets being depreciated, net	16,606,074	6,402,542	23,008,616
<b>Total assets</b>	<b>31,633,894</b>	<b>7,981,183</b>	<b>39,615,077</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized charge on refunding	77,869	96,430	174,299
<b>Total deferred outflows of resources</b>	<b>77,869</b>	<b>96,430</b>	<b>174,299</b>
<b>Total assets and deferred outflows of resources</b>	<b>31,711,763</b>	<b>8,077,613</b>	<b>39,789,376</b>
<b>LIABILITIES</b>			
Accounts payable	425,483	53,763	479,246
Accrued payroll	44,217	2,431	46,648
Interest payable	8,988	20,228	29,216
Other liabilities	80,076	-	80,076
Other unearned revenue	122,330	-	122,330
Deposits payable	441,413	8,803	450,216
Noncurrent liabilities			
Due within one year	264,112	179,216	443,328
Due in more than one year	2,495,117	1,746,617	4,241,734
<b>Total liabilities</b>	<b>3,881,736</b>	<b>2,011,058</b>	<b>5,892,794</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property taxes	3,149,695	-	3,149,695
<b>Total deferred inflows of resources</b>	<b>3,149,695</b>	<b>-</b>	<b>3,149,695</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>7,031,431</b>	<b>2,011,058</b>	<b>9,042,489</b>
<b>NET POSITION</b>			
Net investment in capital assets	18,167,834	4,597,438	22,765,272
Restricted for			
Employee benefits	390,386	-	390,386
Highways and streets	177,843	-	177,843
Public safety	231,125	-	231,125
Debt service	13,431	-	13,431
Capital outlay	368,260	-	368,260
Unrestricted	5,331,453	1,469,117	6,800,570
<b>TOTAL NET POSITION</b>	<b>\$ 24,680,332</b>	<b>\$ 6,066,555</b>	<b>\$ 30,746,887</b>

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,951,673	\$ 1,762,803	\$ -	\$ -
Public safety	4,684,816	186,057	26,055	-
Public works	3,091,324	165,697	192,828	248,314
Interest on long-term debt	38,059	-	-	-
Total governmental activities	9,765,872	2,114,557	218,883	248,314
Business-Type Activities				
Water	1,316,349	1,227,057	-	-
Total business-type activities	1,316,349	1,227,057	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 11,082,221</b>	<b>\$ 3,341,614</b>	<b>\$ 218,883</b>	<b>\$ 248,314</b>

	<b>Net (Expense) Revenue and Change in Net Position</b>		
	<b>Governmental</b>	<b>Business-Type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
	\$ (188,870)	\$ -	\$ (188,870)
	(4,472,704)	-	(4,472,704)
	(2,484,485)	-	(2,484,485)
	(38,059)	-	(38,059)
	<u>(7,184,118)</u>	-	<u>(7,184,118)</u>
	-	(89,292)	(89,292)
	-	(89,292)	(89,292)
	<u>(7,184,118)</u>	<u>(89,292)</u>	<u>(7,273,410)</u>
General Revenues			
Taxes			
Property tax	3,087,275	-	3,087,275
Utility tax	752,247	-	752,247
Replacement taxes	58,135	-	58,135
Sales tax	3,080,871	-	3,080,871
Wireless surcharge	54,099	-	54,099
Other taxes	198,503	-	198,503
Shared income tax	560,382	-	560,382
Miscellaneous	98,831	449	99,280
Investment income	9,955	2,456	12,411
Total	<u>7,900,298</u>	<u>2,905</u>	<u>7,903,203</u>
CHANGE IN NET POSITION	716,180	(86,387)	629,793
NET POSITION, MAY 1	<u>23,964,152</u>	<u>6,152,942</u>	<u>30,117,094</u>
<b>NET POSITION, APRIL 30</b>	<u>\$ 24,680,332</u>	<u>\$ 6,066,555</u>	<u>\$ 30,746,887</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2015

	General	Redevelopment Program	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 5,838,940	\$ 242,624	\$ 1,645,469	\$ 7,727,033
Receivables, net				
Property taxes	2,809,687	-	340,008	3,149,695
Other taxes	1,006,002	-	13,308	1,019,310
Other receivables	264,213	-	-	264,213
Accounts	35,204	-	7,539	42,743
Intergovernmental	-	157,210	-	157,210
Accrued interest	179	-	26	205
Inventory	16,196	-	-	16,196
Due from other funds	410	-	-	410
Due from other governments	10,605	-	-	10,605
<b>TOTAL ASSETS</b>	<b>\$ 9,981,436</b>	<b>\$ 399,834</b>	<b>\$ 2,006,350</b>	<b>\$ 12,387,620</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 330,896	\$ 31,574	\$ 63,013	\$ 425,483
Accrued payroll	44,217	-	-	44,217
Other liabilities	80,076	-	-	80,076
Other unearned revenue	122,330	-	-	122,330
Deposits payable	441,413	-	-	441,413
Advance from other funds	-	-	273,691	273,691
Total liabilities	1,018,932	31,574	336,704	1,387,210
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	2,809,687	-	340,008	3,149,695
Total deferred inflows of resources	2,809,687	-	340,008	3,149,695
Total liabilities and deferred inflows of resources	3,828,619	31,574	676,712	4,536,905
<b>FUND BALANCES</b>				
Nonspendable inventory	16,196	-	-	16,196
Restricted for employee benefits	-	-	390,386	390,386
Restricted for highways and streets	-	-	177,843	177,843
Restricted for public safety	-	-	231,125	231,125
Restricted for debt service	-	-	13,431	13,431
Restricted for capital outlay	-	368,260	-	368,260
Unrestricted				
Assigned for debt service	-	-	715	715
Assigned for capital outlay	300,000	-	516,138	816,138
Unassigned	5,836,621	-	-	5,836,621
Total fund balances	6,152,817	368,260	1,329,638	7,850,715
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 9,981,436</b>	<b>\$ 399,834</b>	<b>\$ 2,006,350</b>	<b>\$ 12,387,620</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 POSITION**

April 30, 2015

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 7,850,715
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	19,519,965
The charge on refunding bonds is capitalized and amortized over the life of the bonds on the statement of net position	77,869
Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(8,988)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(1,430,000)
Compensated absences payable	(374,581)
Net pension obligation	(124,628)
Net other postemployment benefit	<u>(830,020)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 24,680,332</u></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, 2015

	<b>General</b>	<b>Redevelopment Program</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 2,758,789	\$ -	\$ 328,486	\$ 3,087,275
Other taxes	4,080,163	-	38,178	4,118,341
Licenses, permits and fees	1,613,933	-	-	1,613,933
Intergovernmental	612,526	196,169	272,982	1,081,677
Charges for services	345,800	-	-	345,800
Fines and forfeitures	126,237	-	-	126,237
Investment income	9,158	6	791	9,955
Miscellaneous	98,798	-	36	98,834
<b>Total revenues</b>	<b>9,645,404</b>	<b>196,175</b>	<b>640,473</b>	<b>10,482,052</b>
<b>EXPENDITURES</b>				
Current				
General government	1,738,329	-	152,343	1,890,672
Public safety	4,059,473	-	426,674	4,486,147
Public works	2,064,205	-	567,905	2,632,110
Capital outlay	-	204,655	206,545	411,200
Debt service				
Principal	-	-	230,000	230,000
Interest and fiscal charges	-	-	25,863	25,863
<b>Total expenditures</b>	<b>7,862,007</b>	<b>204,655</b>	<b>1,609,330</b>	<b>9,675,992</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,783,397</b>	<b>(8,480)</b>	<b>(968,857)</b>	<b>806,060</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	5,912	-	85,125	91,037
Transfers in	-	-	681,863	681,863
Transfers (out)	(681,863)	-	-	(681,863)
<b>Total other financing sources (uses)</b>	<b>(675,951)</b>	<b>-</b>	<b>766,988</b>	<b>91,037</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,107,446</b>	<b>(8,480)</b>	<b>(201,869)</b>	<b>897,097</b>
<b>FUND BALANCES, MAY 1</b>	<b>5,045,371</b>	<b>376,740</b>	<b>1,531,507</b>	<b>6,953,618</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 6,152,817</b>	<b>\$ 368,260</b>	<b>\$ 1,329,638</b>	<b>\$ 7,850,715</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, 2015

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	<b>\$ 897,097</b>
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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	592,011
Depreciation expense	(761,806)

Gain (loss) 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

	(124,029)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal on long-term debt consumes the current financial resources of governmental funds

Retirement of general obligation debt	230,000
Amortization of charge on refunding	(12,978)
Change in compensated absences payable	8,036
Change in net pension obligation payable	32,587
Change in net other postemployment benefit payable	(145,520)

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

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<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 716,180</b>
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See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUND

April 30, 2015

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<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,011,625
Receivables	
Accounts, net of allowance for uncollectible accounts	276,578
Other	<u>17,157</u>
Total current assets	<u>1,305,360</u>
<b>NONCURRENT ASSETS</b>	
Advance to other funds	273,691
Capital assets, net of accumulated depreciation	<u>6,402,542</u>
Total noncurrent assets	<u>6,676,233</u>
Total assets	<u>7,981,593</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Unamortized charge on refunding	<u>96,430</u>
Total deferred outflows of resources	<u>96,430</u>
Total assets and deferred outflows of resources	<u>8,078,023</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	53,763
Accrued payroll	2,431
Accrued interest payable	20,228
Deposits held	8,803
Due to other funds	410
Compensated absences payable	14,216
General Obligation (Alternate Revenue Source) bonds payable	<u>165,000</u>
Total current liabilities	<u>264,851</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences payable	10,083
General Obligation (Alternate Revenue Source) bonds payable	<u>1,736,534</u>
Total noncurrent liabilities	<u>1,746,617</u>
Total liabilities	<u>2,011,468</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,597,438
Unrestricted	<u>1,469,117</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,066,555</u>

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUND**

For the Year Ended April 30, 2015

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**OPERATING REVENUES**

Water sales	\$ 1,181,893
Meter sales	15,902
Tap-on and connection fees	29,262
Miscellaneous	449
	<hr/>
Total operating revenues	1,227,506

**OPERATING EXPENSES**

Administrative and finance	391,789
Water purchases	605,814
Depreciation	257,278
	<hr/>
Total operating expenses	1,254,881

OPERATING INCOME (27,375)

**NON-OPERATING REVENUES (EXPENSES)**

Investment income	2,456
Interest expense	(61,468)
	<hr/>
Total non-operating revenues (expenses)	(59,012)

CHANGE IN NET POSITION (86,387)

NET POSITION, MAY 1 6,152,942

**NET POSITION, APRIL 30** \$ 6,066,555

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

For the Year Ended April 30, 2015

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 1,214,842
Payments to suppliers	(695,140)
Payments to employees	<u>(306,644)</u>
Net cash from operating activities	<u>213,058</u>

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

Interfund activity	50,905
Increase in advance to other funds	<u>(15,000)</u>
Net cash from noncapital financing activities	<u>35,905</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>2,456</u>
Net cash from investing activities	<u>2,456</u>

**CASH FLOWS FROM CAPITAL  
AND RELATED FINANCING ACTIVITIES**

Purchase of capital assets	(40,690)
Payments of principal	(165,000)
Interest and fiscal charges paid on capital debt	<u>(56,024)</u>
Net cash from capital and related financing activities	<u>(261,714)</u>

**NET INCREASE IN CASH AND  
CASH EQUIVALENTS**

CASH AND CASH EQUIVALENTS, MAY 1	<u>1,021,920</u>
<b>CASH AND CASH EQUIVALENTS, APRIL 30</b>	<u><u>\$ 1,011,625</u></u>

(This statement is continued on the following page.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUND**

For the Year Ended April 30, 2014

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ (27,375)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	257,278
(Increase) decrease in Receivables	(12,664)
Increase (decrease) in Accounts payable	29,321
Accrued payroll	(7,126)
Compensated absences payable	<u>(26,376)</u>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u><u>\$ 213,058</u></u>

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUND**

April 30, 2015

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	<b>Police Pension Fund</b>
	<u>                    </u>
<b>ASSETS</b>	
Cash	\$ 80,029
Investments (at fair value)	
Commercial paper	1,915,280
State and local obligations	104,043
Equity securities	2,158,003
U.S. Government obligations	2,417,827
Mutual funds	2,236,097
Accrued interest receivable	<u>25,448</u>
 Total assets	 <u>8,936,727</u>
 <b>LIABILITIES</b>	
Accounts payable	<u>2,278</u>
 Total liabilities	 <u>2,278</u>
 <b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	  <u><u>\$ 8,934,449</u></u>

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE PENSION FUND**

For the Year Ended April 30, 2015

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**ADDITIONS**

Contributions	
Employer	\$ 610,228
Plan members	<u>126,214</u>
Total contributions	<u>736,442</u>
Investment income	
Net appreciation in fair value of investments	284,549
Interest	<u>176,292</u>
Total investment income	460,841
Less investment expense	<u>(42,338)</u>
Net investment income	<u>418,503</u>
Total additions	<u>1,154,945</u>

**DEDUCTIONS**

Pension benefits and refunds	771,609
Administrative expenses	<u>7,200</u>
Total deductions	<u>778,809</u>

NET INCREASE 376,136

**NET POSITION HELD IN TRUST  
FOR PENSION BENEFITS**

May 1	<u>8,558,313</u>
April 30	<u><u>\$ 8,934,449</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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April 30, 2015

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# VILLAGE OF LAKE BLUFF, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2015

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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. Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable for.

#### 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 all or most of a Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds committed, restricted or assigned for the acquisition or construction of capital assets (capital projects funds) and the funds committed, restricted or assigned for the servicing of long-term debt (debt service funds). The General Fund is used to account for all activities of the Village 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).

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 position 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 accounted for in another fund.

The Redevelopment Program Fund accounts for the accumulation of resources for the redevelopment of the Village's commercial and industrial business districts and areas as restricted by enabling legislation.

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. Non-operating revenue/expenses are incidental to the operations of these funds.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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.

The Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period (60 days for property taxes). 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 and deferred/unavailable revenue on its financial statements. Deferred/unavailable revenues arise when a potential revenue does not meet both the available criteria for recognition in the current period, under the modified accrual basis of accounting. Unearned revenue arises when a revenue is measurable but not earned under the accrual basis of accounting. Unearned revenues also arise when resources are received by the Village 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 Village has a legal claim to the resources, the liability and deferred inflows of resource for unearned and deferred/unavailable revenue are removed from the financial statements and revenue is recognized.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

Investments

All village investments and all pension fund investments are stated at fair value in accordance with GASB Statement No. 67.

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 non-exchange transactions is as follows:

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

g. Inventory

Supplies inventory is valued at cost. Inventory of items held for resale is valued at the lower of cost first-in/first-out (FIFO) method or market. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

h. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses and are recorded using the consumption method.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. 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.”

j. Capital Assets

Capital assets, which include property, plant, equipment, intangibles (software and easements) and infrastructure assets (e.g., roads, bridges and 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 are depreciated using the straight-line method over the following estimated useful lives:

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. 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.

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 30 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.

l. 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 the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The unamortized loss on refunding is reported as a deferred outflow of resources.

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)**

m. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact, unless conversion of the nonspendable asset to a spendable asset would result in a restriction or commitment on the spendable asset, in which case reporting the restriction or commitment takes precedent.

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities or from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance resides with the Finance Director as authorized by the fund balance policy adopted by the Village Board of Trustees. Any residual fund balance in the General Fund, including fund balance targets and any deficit fund balance of any other governmental fund is reported as unassigned.

The Village has established a fund balance policy for its general fund unassigned fund balance. The policy establishes a target for unassigned fund balance to be maintained in the general fund equivalent at 50% of budgeted operating expenditures, which is reported as unassigned fund balance in the General Fund.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned funds and then unassigned funds.

In the government-wide financial statements, restricted net positions are legally restricted by outside parties for a specific purpose. Net investment in capital assets represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets. None of the Village's net positions are restricted as a result of enabling legislation adopted by the Village.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

o. 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.

p. 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. PROPERTY TAXES**

Property taxes for 2014 attach as an enforceable lien on January 1, 2014 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are 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, the Village has not provided an allowance for uncollectible property

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

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**2. PROPERTY TAXES (Continued)**

taxes at April 30, 2015. These 2014 taxes are intended to finance the 2015 fiscal year and are not considered available or earned for current operations and are, therefore, reported as deferred/unearned revenue. The 2015 tax levy has not been recorded as a receivable at April 30, 2015, as the tax attached as a lien on property as of January 1, 2015; however, the tax will not be levied until December 2015 and, accordingly, is not measurable at April 30, 2015.

**3. 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 Government 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 (the Fund) 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.

**3. 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

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, respectively.

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.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. 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.

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

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2015 was as follows:

	Balances May 1	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,914,062	\$ 329	\$ 500	\$ 2,913,891
Total capital assets not being depreciated	2,914,062	329	500	2,913,891
Capital assets being depreciated				
Buildings and improvements	5,955,620	23,982	-	5,979,602
Equipment	5,513,847	484,598	748,672	5,249,773
Infrastructure	17,956,097	83,102	14,665	18,024,534
Total capital assets being depreciated	29,425,564	591,682	763,337	29,253,909
Less accumulated depreciation for				
Buildings and improvements	2,527,011	137,909	-	2,664,920
Equipment	3,459,435	354,812	634,526	3,179,721
Infrastructure	6,539,391	269,085	5,282	6,803,194
Total accumulated depreciation	12,525,837	761,806	639,808	12,647,835
Total capital assets being depreciated, net	16,899,727	(170,124)	123,529	16,606,074
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 19,813,789</b>	<b>\$ (169,795)</b>	<b>\$ 124,029</b>	<b>\$ 19,519,965</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 53,216
Public safety	282,941
Public works	425,649
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 761,806</b>

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Water systems/lines	\$ 9,290,557	\$ 40,690	\$ 204	\$ 9,331,043
Water tower	1,817,314	-	-	1,817,314
Vehicles	109,845	-	-	109,845
Total capital assets being depreciated	11,217,716	40,690	204	11,258,202

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

**4. CAPITAL ASSETS (Continued)**

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Water system/lines	\$ 3,592,911	\$ 200,521	\$ 204	\$ 3,793,228
Water tower	915,027	50,631	-	965,658
Vehicles	90,648	6,126	-	96,774
Total accumulated depreciation	<u>4,598,586</u>	<u>257,278</u>	<u>204</u>	<u>4,855,660</u>
Total capital assets being depreciated, net	<u>6,619,130</u>	<u>(216,588)</u>	<u>-</u>	<u>6,402,542</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 6,619,130</u>	<u>\$ (216,588)</u>	<u>\$ -</u>	<u>\$ 6,402,542</u>

**5. 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

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.

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

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**5. RISK MANAGEMENT (Continued)**

Intergovernmental Risk Management Agency (Continued)

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village is aware of no additional contributions due to IRMA as of April 30, 2015.

There have been no significant changes in coverage from the prior two years and settlements have not exceeded coverage in any of the prior three years.

**6. 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.

**7. 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, 2015 is as follows:

a. Governmental Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General Obligation Bonds						
\$1,685,000 General Obligation Bonds dated September 14, 2012, due in annual installments of \$25,000 to \$250,000 through December 15, 2020, interest payable each June 15 and December 15 at 0.75% to 2.35%.	2012 General Obligation Bond	\$ 1,660,000	\$ -	\$ 230,000	\$ 1,430,000	\$ 230,000

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

**7. LONG-TERM DEBT (Continued)**

a. Governmental Activities (Continued)

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	Balances April 30	Current Portion
General Obligation Bonds (Continued)						
Compensated absences	General	\$ 382,617	\$ 61,032	\$ 69,068	\$ 374,581	\$ 34,112
Net pension obligation	General	157,215	-	32,587	124,628	-
Net other postemployment benefit obligation	General	684,500	145,520	-	830,020	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<u>\$ 2,884,332</u>	<u>\$ 206,552</u>	<u>\$ 331,655</u>	<u>\$ 2,759,229</u>	<u>\$ 264,112</u>

A summary of changes in long-term debt reported in the business-type activities of the Village for the year ended April 30, 2015 is as follows:

b. Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
\$2,185,000 General Obligation Refunding Bonds (Alternate Revenue Source), due in annual installments of \$10,000 to \$210,000 through December 15, 2024 plus interest at 2.0% to 3.5%.	Waterworks	\$ 2,020,000	\$ -	\$ 165,000	\$ 1,855,000	\$ 165,000
Compensated absences	Waterworks	50,675	3,487	29,863	24,299	14,216
Unamortized premium	Waterworks	52,008	-	5,474	46,534	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<u>\$ 2,122,683</u>	<u>\$ 3,487</u>	<u>\$ 200,337</u>	<u>\$ 1,925,833</u>	<u>\$ 179,216</u>

The unamortized loss on refunding was reclassified to a deferred outflow of resources during the fiscal year ended April 30, 2015.

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

**7. 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
2016	\$ 230,000	\$ 23,792	\$ 165,000	\$ 53,544
2017	230,000	21,493	170,000	50,244
2018	235,000	18,616	170,000	46,844
2019	240,000	14,975	180,000	42,594
2020	245,000	10,775	180,000	37,644
2021	250,000	5,875	185,000	32,469
2022	-	-	190,000	26,688
2023	-	-	200,000	20,512
2024	-	-	205,000	14,011
2025	-	-	210,000	7,350
<b>TOTAL</b>	<b>\$ 1,430,000</b>	<b>\$ 95,526</b>	<b>\$ 1,855,000</b>	<b>\$ 331,900</b>

**8. INDIVIDUAL FUND DISCLOSURES**

a. Advances To/From Other Funds

Advances to/from other funds at April 30, 2015 consist of the following:

Receivable Fund	Payable Fund	Amount
Water	Vehicle/Equipment Replacement (Nonmajor governmental)	\$ 273,691
<b>TOTAL</b>		<b>\$ 273,691</b>

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

- \$273,691 owed to the Vehicle/Equipment Replacement Fund from the Water Fund is for future vehicle replacements. Repayment is not expected within one year.

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

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**8. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Transfers

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers (Out)
General	\$ 182,000	\$ 499,863
Nonmajor governmental	499,863	182,000
<b>TOTAL ALL FUNDS</b>	<b>\$ 681,863</b>	<b>\$ 681,863</b>

The purposes of significant transfers are as follows:

- \$255,863 was transferred to the 2006 General Obligation Bond Fund from the General Fund for funding of nonproperty tax debt. \$244,000 was transferred to the Vehicle/Equipment Replacement Fund from the General Fund for the replacement of vehicles. \$182,000 was transferred to the Motor Fuel Tax Fund from the General Fund to supplement for street paving projects.

**9. COMMITMENTS AND CONTINGENCIES**

a. Litigation

There is a pending lawsuit 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 purchase commitments for capital assets at April 30, 2015 is \$415,298.

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.

**10. JOINT VENTURES**

a. Central Lake County Joint Action Water Agency

The Village is a member of the Central Lake County Joint Action Water Agency (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, 2015 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)

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 and adopts by-laws, rules and regulations. The Village has no explicit and measurable equity interest in CLCJAWA, although there a residual interest does exist 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.

**10. JOINT VENTURES (Continued)**

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

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 \$630,069 to CLCJAWA for fiscal year 2015, which is recorded in the Village's Water Fund.

b. Solid Waste Agency of Lake County

The Village is a member of Solid Waste Agency of Lake County (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, 2015, 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.

**10. JOINT VENTURES (Continued)**

b. Solid Waste Agency of Lake County (Continued)

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 SWALCO, 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.

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, 2015.

**11. 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 (collectively called the pension plans) 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 plans do 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.

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. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten 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% for each year thereafter.

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 IMRF as specified by statute. The employer required contributions for 2014 and 2015 were 12.12% and 10.57%, respectively.

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan

*Plan Administration*

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.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's Mayor, one member is elected by pension beneficiaries and two members are elected by active police employees.

*Plan Membership*

At April 30, 2015, the measurement date, membership consisted of:

Plan members currently receiving benefits and terminated members entitled to benefits but not yet receiving them	14
Current plan members	
Vested	11
Nonvested	4
	<hr/>
TOTAL	<u><u>29</u></u>

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided* (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

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 Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2015, the Village's contribution was 48.74% of covered payroll.

*Investment Policy*

ILCS limit the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in any type of security pursuant to

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

40 ILCS 5/1-113.1 through 5/1-113.4a (2010), common or preferred stocks, corporate bonds rated upper medium grade or better by one of the two largest rating services at the time of purchase, money market instruments, real estate, loans upon real estate secured by first or second mortgages and mutual funds (stocks, bonds or money market instruments). During the year, there were no changes to the Fund's investment policy.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	53.00%	2.44%
Domestic equities	26.00%	7.00%
REITS	3.00%	9.00%
International equities	16.00%	7.10%
Cash and cash equivalents	2.00%	0.06%

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of April 30, 2015 are listed in the table above.

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities and mutual funds and contract values for insurance contracts. Illinois Funds, an investment pool created by the state legislature under the control of the State Treasurer, is a money market mutual fund that maintains a \$1 per share value.

*Investment Rate of Return*

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.48%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*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 Fund's deposits may not be returned to them. The Fund's investment policy 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 Fund's deposits with financial institutions.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
FHLB	\$ 50,257	\$ 50,257	\$ -	\$ -	\$ -
FHLMC	229,500	-	99,801	-	129,699
FNMA	320,198	201,722	-	118,476	-
U.S. Treasury notes	1,817,872	462,143	602,766	752,963	-
State and local obligations	104,043	-	73,608	30,435	-
Commercial paper	1,915,280	182,441	951,952	780,887	-
<b>TOTAL</b>	<b>\$ 4,437,150</b>	<b>\$ 896,563</b>	<b>\$ 1,728,127</b>	<b>\$ 1,682,761</b>	<b>\$ 129,699</b>

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the 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 Fund.

*Credit Risk*

In accordance with its investment policy the 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, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government or corporate bonds rated at least upper medium grade (e.g., an A rating or higher by Moody's). The FHLB, FHLMC and FNMA investments are rated AAA by Moody's. The municipal bonds are rated between AAA and AA3 by Moody's. The corporate bonds were rated between BAA and AAA by Moody's. At April 30, 2015, the Fund held several investments rated between BAA3 and BAA1, which is a violation of the investment policy.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund 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 Fund's agent separate from where the investment was purchased in the Fund's name. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Net Pension Liability*

The components of the net pension liability of the Police Pension Plan as of April 30, 2015, calculated in accordance with GASB Statement No. 67 were as follows:

Total pension liability	\$ 15,377,823
Plan fiduciary net position	8,934,449
Village's net pension liability	6,443,374
Plan fiduciary net position as a percentage of the total pension liability	58.10%

See the schedule of changes in the employer's net pension liability and related ratios in the required supplementary information for additional information related to the funded status of the Fund.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2015
Actuarial cost method	Entry-age Normal
Assumptions	
Inflation	3.00%
Salary increases	4.50%
Interest rate	7.00%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2000 Mortality Table projected to 2015 with Blue Collar Adjustment.

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net pension liability	\$ 8,646,248	\$ 6,443,374	\$ 4,672,469

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.

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

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**11. 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 United States Government guaranteed obligations) in any one organization that represent 5% or more of plan net position 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, 2012	April 30, 2014
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	5 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	23 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	4.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	0.40% to 10.00%	3.00%

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

**11. DEFINED BENEFIT PENSION PLANS (Continued)**

d. Annual Pension Costs (Continued)

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)	2013	\$	249,935	\$ 474,677
	2014		276,473	518,250
	2015		276,641	577,641
Actual contribution	2013	\$	249,935	\$ 554,148
	2014		276,473	572,963
	2015		276,641	610,228
Percentage of APC contributed	2013		100.00%	116.74%
	2014		100.00%	110.56%
	2015		100.00%	105.64%
Net pension obligation (NPO)	2013	\$	-	\$ 211,928
	2014		-	157,215
	2015		-	124,628

The APC and NPO for the Fund as of and for the year ended April 30, 2015 was calculated as follows:

Annual required contribution	\$ 577,657
Interest on net pension obligation	11,005
Adjustment to annual required contribution	<u>(11,021)</u>
Annual pension cost	577,641
Contributions made	<u>610,228</u>
Increase (decrease) in net pension obligation (asset)	(32,587)
Net pension obligation, beginning of year	<u>157,215</u>
<b>NET PENSION OBLIGATION, END OF YEAR</b>	<u><u>\$ 124,628</u></u>

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

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**11. DEFINED BENEFIT PENSION PLANS (Continued)**

e. Funded Status

The funded status of the plans as of December 31, 2014 for IMRF and April 30, 2015 for the Police Pension Plan, respectively, 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 11d:

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 6,820,109	\$ 15,377,823
Actuarial value of plan assets	6,029,400	8,934,449
Unfunded actuarial accrued liability (UAAL)	790,709	6,443,374
Funded ratio (actuarial value of plan assets/AAL)	88.41%	58.10%
Covered payroll (active plan members)	\$ 2,192,239	\$ 1,251,993
UAAL as a percentage of covered payroll	36.07%	514.60%

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.

**12. 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 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.

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

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At April 30, 2013 (most recent data available), membership consisted of:

Retirees and beneficiaries currently receiving benefits	5
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>30</u>
 TOTAL	 <u>35</u>
 Participating employers	 <u>1</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.

e. Annual OPEB Costs and Net OPEB Obligations

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 163,378	\$ 31,314	19.17%	\$ 540,137
2014	168,743	24,380	14.45%	684,500
2015	169,900	24,380	14.35%	830,020

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

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**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

The net OPEB obligation as of April 30, 2015 was calculated as follows:

Annual required contribution	\$ 161,027
Interest on net OPEB obligation	34,225
Adjustment to annual required contribution	<u>(25,352)</u>
Annual OPEB cost	169,900
Contributions made	<u>24,380</u>
Increase in net OPEB obligation	145,520
Net OPEB obligation, beginning of year	<u>684,500</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<u><u>\$ 830,020</u></u>

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of April 30, 2013 (most recent data available) was as follows:

Actuarial accrued liability (AAL)	\$ 1,962,515
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,962,515
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 2,456,430
UAAL as a percentage of covered payroll	79.89%

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.

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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

In the April 30, 2013 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5% and an initial healthcare cost trend rate of 9% with an ultimate healthcare inflation rate of 5%. 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 an open basis. The remaining amortization period at April 30, 2013 was 20 years.

**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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property taxes	\$ 2,747,322	\$ 2,758,789	\$ 11,467
Other taxes	3,651,040	4,080,163	429,123
Licenses, permits and fees	1,261,235	1,613,933	352,698
Intergovernmental grants and reimbursements	711,875	612,526	(99,349)
Charges for services	365,352	345,800	(19,552)
Fines and forfeitures	83,500	126,237	42,737
Investment income	12,000	9,158	(2,842)
Miscellaneous	81,500	98,798	17,298
<b>Total revenues</b>	<b>8,913,824</b>	<b>9,645,404</b>	<b>731,580</b>
<b>EXPENDITURES</b>			
Current			
General government	2,213,875	1,738,329	(475,546)
Public safety	4,228,505	4,059,473	(169,032)
Public works	2,505,050	2,064,205	(440,845)
<b>Total expenditures</b>	<b>8,947,430</b>	<b>7,862,007</b>	<b>(1,085,423)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(33,606)</b>	<b>1,783,397</b>	<b>1,817,003</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,500	5,912	4,412
Transfers (out)	(681,900)	(681,863)	37
<b>Total other financing sources (uses)</b>	<b>(680,400)</b>	<b>(675,951)</b>	<b>4,449</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (714,006)</b>	<b>1,107,446</b>	<b>\$ 1,821,452</b>
<b>FUND BALANCE, MAY 1</b>		<b>5,045,371</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 6,152,817</b>	

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended April 30, 2015

Schedule of Funding Progress

<b>Actuarial Valuation Date December 31,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2009	\$ 4,948,560	\$ 6,241,956	79.28%	\$ 1,293,396	\$ 2,641,538	48.96%
2010	3,929,456	5,354,595	73.38%	1,425,139	2,485,761	57.33%
2011	4,187,430	5,591,537	74.89%	1,404,107	1,997,108	70.31%
2012	4,284,986	5,737,351	74.69%	1,452,365	2,048,768	70.89%
2013	5,268,905	6,137,398	85.85%	868,493	2,078,240	41.79%
2014	6,029,400	6,820,109	88.41%	790,709	2,192,239	36.07%

Schedule of Employer Contribution

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2010	\$ 260,491	\$ 260,491	100.00%
2011	257,778	257,778	100.00%
2012	225,785	225,785	100.00%
2013	249,935	249,935	100.00%
2014	276,473	276,473	100.00%
2015	276,641	276,641	100.00%

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND**

For the Year Ended April 30, 2015

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<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Accrued Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2010	\$ 6,966,366	\$ 10,768,089	64.69%	\$ 3,801,723	\$ 1,282,564	296.42%
2011	6,508,534	11,825,962	55.04%	5,317,428	1,139,711	466.56%
2012	6,945,917	12,831,728	54.13%	5,885,811	1,120,790	525.15%
2013	7,516,073	13,349,050	56.30%	5,832,977	1,197,849	486.95%
2014	7,913,978	14,608,868	54.17%	6,694,890	1,168,815	572.79%
2015	8,367,017	15,572,807	53.73%	7,205,790	1,195,055	602.97%

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

For the Year Ended April 30, 2015

Schedule of Funding Progress

<b>Actuarial Valuation Date April 30,</b>	<b>(1) Actuarial Value of Assets</b>	<b>(2) Actuarial Liability (AAL) Entry-Age</b>	<b>(3) Funded Ratio (1) / (2)</b>	<b>(4) Unfunded AAL (UAAL) (2) - (1)</b>	<b>(5) Covered Payroll</b>	<b>UAAL as a Percentage of Covered Payroll (4) / (5)</b>
2010	\$ -	\$ 1,508,932	0.00%	\$ 1,508,932	\$ 2,745,912	54.95%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	-	1,962,515	0.00%	1,962,515	2,456,430	79.89%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2015	N/A	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>	<b>Net Other Postemployment Benefit Plan Obligation</b>
2010	\$ 19,576	\$ 153,358	12.76%	\$ 133,782
2011	19,576	153,358	12.76%	269,794
2012	19,576	153,358	12.76%	408,073
2013	31,314	168,257	18.61%	540,137
2014	24,380	161,027	15.14%	684,500
2015	24,380	161,027	15.14%	830,020

N/A - Information not available.

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

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

For the Year Ended April 30, 2015

	<u><b>2015</b></u>
Actuarially determined contribution	\$ 640,595
Contributions in relation to the actuarially determined contribution	<u>610,228</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<u><u>\$ 30,367</u></u>
Covered-employee payroll	\$ 1,251,993
Contributions as a percentage of covered-employee payroll	48.7%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67, which the Village implemented for the fiscal year ended April 30, 2015.

Information for prior years is not available.

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contributions (ARC)</u>	<u>Percentage Contributed</u>
2010	\$ 423,637	\$ 454,809	93.15%
2011	440,214	432,660	101.75%
2012	496,129	462,791	107.20%
2013	554,148	474,353	116.82%
2014	572,963	518,472	110.51%
2015	610,228	577,657	105.64%

Notes to Required Supplementary Information

This information directly above is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations as of April 30, 2014. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was at market value and the significant actuarial assumptions were an investment rate of return at 7% annually, projected salary increases assumption of 4.5% compounded annually and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND

April 30, 2015

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<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 262,210
Interest	1,090,096
Changes of benefit terms	-
Differences between expected and actual experience	(775,681)
Changes of assumptions	-
Benefit payments, including refunds of member contributions	<u>(771,609)</u>
Net change in total pension liability	(194,984)
Total pension liability - beginning	<u>15,572,807</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>	<u><u>\$ 15,377,823</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>	
Contributions - employer	\$ 610,228
Contributions - member	126,214
Net investment income	418,503
Benefit payments, including refunds of member contributions	(771,609)
Administrative expense	<u>(7,200)</u>
Net change in plan fiduciary net position	376,136
Plan fiduciary net position - beginning	<u>8,558,313</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<u><u>\$ 8,934,449</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<u><u>\$ 6,443,374</u></u>
Plan fiduciary net position as a percentage of the total pension liability	58.1%
Covered-employee payroll	\$ 1,251,993
Employer's net pension liability as a percentage of the total pension liability	514.6%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67, which the Village implemented for the fiscal year ended April 30, 2015.

Information for prior years is not available.

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

April 30, 2015

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	<u><b>2015</b></u>
Annual money-weighted rate of return, net of investment expense	5.48%

The information directly above is formatted to comply with the requirements of GASB Statement No. 67, which the Village implemented for the fiscal year ended April 30, 2015.

Information for prior years is not available.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2015

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**BUDGETS**

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

- a. At the Village Board 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 of Trustees 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, 2015. 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, except for those funds noted below. The basis of the budget is the same as GAAP.

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

Debt Service Fund - Special Service Area Bond

Capital Projects Fund - Special Service Area Capital Improvements Fund

The actual expenditures of the following funds exceeded their budgeted expenditures:

Fund	Budget	Actual
Vehicle/Equipment Replacement	\$ 175,626	\$ 206,545
Fire Department Special	28,800	32,282
Federal Social Security	233,460	240,422
Redevelopment Program	180,000	204,655

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

## **MAJOR GOVERNMENTAL FUNDS**

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

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

**VILLAGE OF LAKE BLUFF, ILLINOIS**

SCHEDULE OF DETAILED REVENUES -  
BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property taxes			
General	\$ 615,822	\$ 618,325	\$ 2,503
Waste disposal	515,000	516,881	1,881
Police protection	390,000	391,284	1,284
Crossing guards	4,500	4,831	331
Fire protection	307,500	309,641	2,141
Audit	25,000	28,984	3,984
Unemployment	4,500	4,831	331
Police pension	605,000	603,833	(1,167)
Liability insurance	280,000	280,179	179
Total property taxes	2,747,322	2,758,789	11,467
Other taxes			
Home rule sales tax	550,800	544,270	(6,530)
Sales tax sharing - North Chicago	10,810	-	(10,810)
Prepared food and beverage tax	62,700	70,487	7,787
Utility tax - natural gas	153,000	211,628	58,628
Utility tax - electricity	321,300	308,147	(13,153)
Telecommunications tax	239,140	232,471	(6,669)
Demolition tax	20,000	50,000	30,000
Road and bridge	75,600	78,016	2,416
Personal property replacement tax	42,275	42,148	(127)
Replacement tax - police pension	6,415	6,395	(20)
Sales tax	2,160,000	2,531,174	371,174
Sales tax - auto rental	9,000	5,427	(3,573)
Total other taxes	3,651,040	4,080,163	429,123
Total taxes	6,398,362	6,838,952	440,590
Licenses, permits and fees			
Beverage licenses	15,000	16,830	1,830
Farmers' market permit	4,200	7,055	2,855
Vehicle license fees	136,000	130,735	(5,265)
Vehicle licenses - late fees	1,200	2,785	1,585
Village lot parking fees	7,500	8,967	1,467

(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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>			
Licenses, permits and fees (Continued)			
Central business district (CBD) parking permits	\$ 5,125	\$ 607	\$ (4,518)
Commuter lot parking fees	86,700	92,878	6,178
Bicycle licenses	10	4	(6)
Peddler permits	300	100	(200)
Contractor's business license	26,000	23,100	(2,900)
Business license	1,500	2,750	1,250
Building permits	775,000	1,049,229	274,229
Demolition permits	25,000	81,638	56,638
Electrical, plumbing, heating and air conditioning	7,500	12,240	4,740
Plan review fees - fire and building	-	500	500
Plan review fees - sprinkler	4,000	1,900	(2,100)
Elevator plan review	-	210	210
Occupancy permits	3,000	4,100	1,100
Business occupancy permits	700	400	(300)
Street opening permits	8,000	4,510	(3,490)
Sewer permits	5,000	3,500	(1,500)
Pools and spas	-	680	680
Other permits	5,000	11,130	6,130
Alarm system license	9,200	9,175	(25)
Telecom franchise fees	8,550	7,158	(1,392)
PEG access fees	31,000	36,596	5,596
Cable franchise fees	95,750	105,156	9,406
<b>Total licenses, permits and fees</b>	<b>1,261,235</b>	<b>1,613,933</b>	<b>352,698</b>
Intergovernmental			
State income taxes	541,875	560,382	18,507
Federal grants	169,600	51,744	(117,856)
State grants	400	400	-
<b>Total intergovernmental</b>	<b>711,875</b>	<b>612,526</b>	<b>(99,349)</b>
Charges for services			
Public works			
Sewer charge	185,000	163,997	(21,003)
Stormwater ordinance review	1,000	1,550	550
Public safety			
Fire protection district and police services	27,760	31,383	3,623

(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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES (Continued)</b>			
Charges for services (Continued)			
General government			
Photo copy sales	\$ 300	\$ 441	\$ 141
Maps and publications	100	1,025	925
Zoning application fees	2,500	7,800	5,300
Rental income	148,692	139,604	(9,088)
Total charges for services	<u>365,352</u>	<u>345,800</u>	<u>(19,552)</u>
Fines and forfeitures			
Public safety			
Court fines	55,000	93,279	38,279
Alarm system fines	2,500	1,200	(1,300)
Parking fines	22,000	25,123	3,123
Vehicle sticker fines	2,000	4,925	2,925
Nuisances fines	1,000	1,160	160
Animal impoundment fee	500	400	(100)
General government			
Other fines/building code fines	500	150	(350)
Total fines and forfeitures	<u>83,500</u>	<u>126,237</u>	<u>42,737</u>
Investment income	<u>12,000</u>	<u>9,158</u>	<u>(2,842)</u>
Miscellaneous			
Restitution/claims and judgments	-	3,820	3,820
Recycling rebates	10,000	9,777	(223)
Naperville contributions/impact fee	16,500	18,482	1,982
Tree permit and mitigation fee	20,000	60,438	40,438
Miscellaneous income	5,000	5,601	601
Police application fee	-	680	680
IRMA rebate	30,000	-	(30,000)
Total miscellaneous	<u>81,500</u>	<u>98,798</u>	<u>17,298</u>
<b>TOTAL REVENUES</b>	<u><u>\$ 8,913,824</u></u>	<u><u>\$ 9,645,404</u></u>	<u><u>\$ 731,580</u></u>

(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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>			
Administrator's office			
Personnel	\$ 401,390	\$ 386,699	\$ (14,691)
Contractual services/commodities	561,890	432,916	(128,974)
Contingency	300,000	-	(300,000)
Capital outlay	12,000	9,147	(2,853)
Total administrator's office	<u>1,275,280</u>	<u>828,762</u>	<u>(446,518)</u>
Finance department			
Personnel	325,155	313,356	(11,799)
Contractual services/commodities	113,110	156,823	43,713
Total finance department	<u>438,265</u>	<u>470,179</u>	<u>31,914</u>
Boards and commissions			
Contractual services/commodities	60,840	49,113	(11,727)
Total boards and commissions	<u>60,840</u>	<u>49,113</u>	<u>(11,727)</u>
Engineering, community development			
Personnel	158,990	205,293	46,303
Contractual services/commodities	184,400	125,763	(58,637)
Total engineering, community development	<u>343,390</u>	<u>331,056</u>	<u>(12,334)</u>
Village hall			
Personnel	9,300	22,876	13,576
Contractual services/commodities	23,700	25,724	2,024
Capital outlay	59,500	6,484	(53,016)
Total village hall	<u>92,500</u>	<u>55,084</u>	<u>(37,416)</u>
Village properties			
Contractual services/commodities	3,600	4,135	535
Total village properties	<u>3,600</u>	<u>4,135</u>	<u>535</u>
Total general government	<u>2,213,875</u>	<u>1,738,329</u>	<u>(475,546)</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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY</b>			
Police protection			
Personnel	\$ 1,825,450	\$ 1,754,849	\$ (70,601)
Police pension contribution	611,415	610,228	(1,187)
Contractual services/commodities	208,265	202,711	(5,554)
Capital outlay	45,000	99,663	54,663
Total police protection	<u>2,690,130</u>	<u>2,667,451</u>	<u>(22,679)</u>
Police dispatch and operations			
Personnel	394,260	348,372	(45,888)
Contractual services/commodities	323,290	243,655	(79,635)
Total police dispatch operations	<u>717,550</u>	<u>592,027</u>	<u>(125,523)</u>
Crossing guards			
Personnel	9,500	9,749	249
Commodities	100	-	(100)
Total crossing guards	<u>9,600</u>	<u>9,749</u>	<u>149</u>
Fire protection			
Personnel	176,120	163,123	(12,997)
Contractual services/commodities	471,855	340,402	(131,453)
Capital outlay	20,000	67,553	47,553
Total fire protection	<u>667,975</u>	<u>571,078</u>	<u>(96,897)</u>
Public safety buildings			
Personnel	9,300	21,997	12,697
Contractual services/commodities	53,200	46,221	(6,979)
Capital outlay	80,750	150,950	70,200
Total public safety buildings	<u>143,250</u>	<u>219,168</u>	<u>75,918</u>
Total public safety	<u>4,228,505</u>	<u>4,059,473</u>	<u>(169,032)</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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS</b>			
Streets and bridges			
Personnel	\$ 369,480	\$ 368,258	\$ (1,222)
Contractual services/commodities	199,650	241,912	42,262
Capital outlay	236,600	177,044	(59,556)
Total streets and bridges	<u>805,730</u>	<u>787,214</u>	<u>(18,516)</u>
Sanitation			
Personnel	10,030	8,713	(1,317)
Contractual services/commodities	607,580	573,187	(34,393)
Total sanitation	<u>617,610</u>	<u>581,900</u>	<u>(35,710)</u>
Forestry			
Personnel	106,735	82,624	(24,111)
Contractual services/commodities	51,000	31,634	(19,366)
Capital outlay	14,000	9,644	(4,356)
Total forestry	<u>171,735</u>	<u>123,902</u>	<u>(47,833)</u>
Parks and parkways			
Personnel	41,035	33,297	(7,738)
Contractual services/commodities	43,550	33,141	(10,409)
Capital outlay	78,000	2,900	(75,100)
Total parks and parkways	<u>162,585</u>	<u>69,338</u>	<u>(93,247)</u>
Sewers			
Personnel	173,430	97,779	(75,651)
Contractual services/commodities	41,300	171,963	130,663
Capital outlay	336,800	65,924	(270,876)
Total sewers	<u>551,530</u>	<u>335,666</u>	<u>(215,864)</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, 2015

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS (Continued)</b>			
Public works facility			
Personnel	\$ 6,785	\$ 21,997	\$ 15,212
Contractual services/commodities	43,350	37,173	(6,177)
Capital outlay	54,000	25,975	(28,025)
Total public works facility	<u>104,135</u>	<u>85,145</u>	<u>(18,990)</u>
Commuter station building and lot			
Personnel	39,895	29,202	(10,693)
Contractual services/commodities	45,830	51,838	6,008
Capital outlay	6,000	-	(6,000)
Total commuter station building and lot	<u>91,725</u>	<u>81,040</u>	<u>(10,685)</u>
Total public works	<u>2,505,050</u>	<u>2,064,205</u>	<u>(440,845)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 8,947,430</u>	<u>\$ 7,862,007</u>	<u>\$ (1,085,423)</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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 196,169	\$ 196,169
Investment income	10	6	(4)
	<hr/>	<hr/>	<hr/>
Total revenues	10	196,175	196,165
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Capital outlay			
Infrastructure improvements	180,000	204,655	24,655
	<hr/>	<hr/>	<hr/>
Total expenditures	180,000	204,655	24,655
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (179,990)</u>	(8,480)	<u>\$ 171,510</u>
<b>FUND BALANCE, MAY 1</b>		<hr/>	
		376,740	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 368,260</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 restricted or committed revenue sources that by law are required 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.

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.

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 restrict those allotments to be used to maintain streets.

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

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

### **DEBT SERVICE FUNDS**

Debt service funds are used to account for the funds committed, restricted or assigned for the servicing of general long-term debt. The nonmajor debt service funds maintained by the Village are as follows:

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.

2006/2012 General Obligation Bond Fund - to account for the accumulation of resources for the payment of principal and interest on the 2006 General Obligation Bond and the 2012 General Obligation Refunding Bond. Financing is provided by a transfer from the General Fund.

### **CAPITAL PROJECTS FUNDS**

Capital projects funds account for the resources committed, restricted or assigned for the acquisition and/or construction of capital assets. The nonmajor capital projects funds maintained by the Village are as follows:

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

For the Year Ended April 30, 2015

	<b>Special Revenue</b>			
	<b>Illinois Municipal Retirement</b>	<b>Fire Department Special</b>	<b>Federal Social Security</b>	<b>Motor Fuel Tax</b>
<b>ASSETS</b>				
Cash and investments	\$ 235,922	\$ 24,345	\$ 184,895	\$ 195,886
Receivables, net				
Property taxes	150,003	-	190,005	-
Other taxes	-	-	-	13,308
Accrued interest	-	-	-	-
Accounts	614	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 386,539</b>	<b>\$ 24,345</b>	<b>\$ 374,900</b>	<b>\$ 209,194</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 22,334	\$ -	\$ 8,711	\$ 31,351
Advance from other funds	-	-	-	-
Total liabilities	22,334	-	8,711	31,351
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	150,003	-	190,005	-
Total deferred inflows of resources	150,003	-	190,005	-
Total liabilities and deferred inflows of resources	172,337	-	198,716	31,351
<b>FUND BALANCES</b>				
Restricted for employee benefits	214,202	-	176,184	-
Restricted for public safety	-	24,345	-	-
Restricted for highways and streets	-	-	-	177,843
Restricted for debt service	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	-
Assigned for capital outlay	-	-	-	-
Total fund balances	214,202	24,345	176,184	177,843
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 386,539</b>	<b>\$ 24,345</b>	<b>\$ 374,900</b>	<b>\$ 209,194</b>

<b>Special Revenue</b>		<b>Debt Service</b>		
<b>E-911</b>	<b>Total Nonmajor Special Revenue Funds</b>	<b>Special Service Area Bond</b>	<b>2006/2012 General Obligation Bond</b>	<b>Total Nonmajor Debt Service Funds</b>
\$ 200,472	\$ 841,520	\$ 13,431	\$ 715	\$ 14,146
-	340,008	-	-	-
-	13,308	-	-	-
-	-	-	-	-
6,925	7,539	-	-	-
<b>\$ 207,397</b>	<b>\$ 1,202,375</b>	<b>\$ 13,431</b>	<b>\$ 715</b>	<b>\$ 14,146</b>
\$ 617	\$ 63,013	\$ -	\$ -	\$ -
-	-	-	-	-
617	63,013	-	-	-
-	340,008	-	-	-
-	340,008	-	-	-
617	403,021	-	-	-
-	390,386	-	-	-
206,780	231,125	-	-	-
-	177,843	-	-	-
-	-	13,431	-	13,431
-	-	-	715	715
-	-	-	-	-
206,780	799,354	13,431	715	14,146
<b>\$ 207,397</b>	<b>\$ 1,202,375</b>	<b>\$ 13,431</b>	<b>\$ 715</b>	<b>\$ 14,146</b>

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended April 30, 2015

	<u>Capital Projects</u>			<u>Total</u>
	<u>Special Service Area Capital Improvement</u>	<u>Vehicle/ Equipment Replacement</u>	<u>Total Nonmajor Capital Projects Funds</u>	
<b>ASSETS</b>				
Cash and investments	\$ 13,763	\$ 776,040	\$ 789,803	\$ 1,645,469
Receivables, net				
Property taxes	-	-	-	340,008
Other taxes	-	-	-	13,308
Accrued interest	-	26	26	26
Accounts	-	-	-	7,539
<b>TOTAL ASSETS</b>	<b>\$ 13,763</b>	<b>\$ 776,066</b>	<b>\$ 789,829</b>	<b>\$ 2,006,350</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 63,013
Advance from other funds	-	273,691	273,691	273,691
Total liabilities	-	273,691	273,691	336,704
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	-	-	-	340,008
Total deferred inflows of resources	-	-	-	340,008
Total liabilities and deferred inflows of resources	-	273,691	273,691	676,712
<b>FUND BALANCES</b>				
Restricted for employee benefits	-	-	-	390,386
Restricted for public safety	-	-	-	231,125
Restricted for highways and streets	-	-	-	177,843
Restricted for debt service	-	-	-	13,431
Unrestricted				
Assigned for debt service	-	-	-	715
Assigned for capital outlay	13,763	502,375	516,138	516,138
Total fund balances	13,763	502,375	516,138	1,329,638
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,763</b>	<b>\$ 776,066</b>	<b>\$ 789,829</b>	<b>\$ 2,006,350</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, 2015

	<b>Special Revenue</b>			
	<b>Illinois Municipal Retirement</b>	<b>Fire Department Special</b>	<b>Federal Social Security</b>	<b>Motor Fuel Tax</b>
<b>REVENUES</b>				
Property taxes	\$ 149,751	\$ -	\$ 178,735	\$ -
Other taxes	4,360	-	5,232	-
Intergovernmental	-	26,055	-	192,828
Investment income	33	13	30	25
Miscellaneous	-	36	-	-
<b>Total revenues</b>	<b>154,144</b>	<b>26,104</b>	<b>183,997</b>	<b>192,853</b>
<b>EXPENDITURES</b>				
Current				
General government	97,499	-	54,844	-
Public safety	42,094	32,282	151,240	-
Public works	51,303	-	34,338	482,264
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>190,896</b>	<b>32,282</b>	<b>240,422</b>	<b>482,264</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(36,752)</b>	<b>(6,178)</b>	<b>(56,425)</b>	<b>(289,411)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	182,000
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>182,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(36,752)</b>	<b>(6,178)</b>	<b>(56,425)</b>	<b>(107,411)</b>
<b>FUND BALANCES, MAY 1</b>	<b>250,954</b>	<b>30,523</b>	<b>232,609</b>	<b>285,254</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 214,202</b>	<b>\$ 24,345</b>	<b>\$ 176,184</b>	<b>\$ 177,843</b>

<b>Special Revenue</b>		<b>Debt Service</b>		
<b>E-911</b>	<b>Total Nonmajor Special Revenue Funds</b>	<b>Special Service Area Bond</b>	<b>2006/2012 General Obligation Bond</b>	<b>Total Nonmajor Debt Service Funds</b>
\$ -	\$ 328,486	\$ -	\$ -	\$ -
28,586	38,178	-	-	-
54,099	272,982	-	-	-
40	141	2	-	2
-	36	-	-	-
82,725	639,823	2	-	2
-	152,343	-	-	-
201,058	426,674	-	-	-
-	567,905	-	-	-
-	-	-	230,000	230,000
-	-	-	25,863	25,863
-	-	-	-	-
201,058	1,146,922	-	255,863	255,863
(118,333)	(507,099)	2	(255,863)	(255,861)
-	-	-	-	-
-	182,000	-	255,863	255,863
-	182,000	-	255,863	255,863
(118,333)	(325,099)	2	-	2
325,113	1,124,453	13,429	715	14,144
\$ 206,780	\$ 799,354	\$ 13,431	\$ 715	\$ 14,146

(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, 2015

	<b>Capital Projects</b>			<b>Total</b>
	<b>Special Service Area Capital Improvement</b>	<b>Vehicle/ Equipment Replacement</b>	<b>Total Nonmajor Capital Projects Funds</b>	
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 328,486
Other taxes	-	-	-	38,178
Intergovernmental	-	-	-	272,982
Investment income	2	646	648	791
Miscellaneous	-	-	-	36
<b>Total revenues</b>	<b>2</b>	<b>646</b>	<b>648</b>	<b>640,473</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	152,343
Public safety	-	-	-	426,674
Public works	-	-	-	567,905
Debt service				
Principal	-	-	-	230,000
Interest	-	-	-	25,863
Capital outlay	-	206,545	206,545	206,545
<b>Total expenditures</b>	<b>-</b>	<b>206,545</b>	<b>206,545</b>	<b>1,609,330</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2</b>	<b>(205,899)</b>	<b>(205,897)</b>	<b>(968,857)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	85,125	85,125	85,125
Transfers in	-	244,000	244,000	681,863
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>329,125</b>	<b>329,125</b>	<b>766,988</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>2</b>	<b>123,226</b>	<b>123,228</b>	<b>(201,869)</b>
<b>FUND BALANCES, MAY 1</b>	<b>13,761</b>	<b>379,149</b>	<b>392,910</b>	<b>1,531,507</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 13,763</b>	<b>\$ 502,375</b>	<b>\$ 516,138</b>	<b>\$ 1,329,638</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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property taxes	\$ 150,000	\$ 149,751	\$ (249)
Other taxes			
Replacement taxes	4,000	4,360	360
Investment income	100	33	(67)
Total revenues	154,100	154,144	44
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	87,140	97,499	10,359
Public safety			
Employer contributions	46,365	42,094	(4,271)
Public works			
Employer contributions	60,700	51,303	(9,397)
Total expenditures	194,205	190,896	(3,309)
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ (40,105)</u>	(36,752)	<u>\$ 3,353</u>
<b>FUND BALANCE, MAY 1</b>		<u>250,954</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 214,202</u>	

(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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Foreign fire insurance tax	\$ 24,300	\$ 26,055	\$ 1,755
Investment income	18	13	(5)
Miscellaneous	50	36	(14)
	<hr/>	<hr/>	<hr/>
Total revenues	24,368	26,104	1,736
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Public safety			
Volunteer recognition	7,000	5,360	(1,640)
Training and meetings	6,000	8,579	2,579
Uniforms	7,000	8,249	1,249
Postage	300	-	(300)
Community awareness	-	831	831
Donations	1,500	1,395	(105)
Smoke detector program	500	-	(500)
Minor equipment	1,000	2,220	1,220
Furniture and equipment	5,000	4,664	(336)
Miscellaneous	500	984	484
	<hr/>	<hr/>	<hr/>
Total expenditures	28,800	32,282	3,482
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (4,432)</u>	<u>(6,178)</u>	<u>\$ (1,746)</u>
FUND BALANCE, MAY 1		<u>30,523</u>	
FUND BALANCE, APRIL 30		<u>\$ 24,345</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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property taxes	\$ 175,000	\$ 178,735	\$ 3,735
Other taxes			
Replacement taxes	4,500	5,232	732
Investment income	65	30	(35)
Total revenues	179,565	183,997	4,432
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	48,100	54,844	6,744
Public safety			
Employer contributions	144,135	151,240	7,105
Public works			
Employer contributions	41,225	34,338	(6,887)
Total expenditures	233,460	240,422	6,962
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (53,895)</u></b>	<b>(56,425)</b>	<b><u>\$ (2,530)</u></b>
<b>FUND BALANCE, MAY 1</b>		<u>232,609</u>	
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 176,184</u></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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 160,000	\$ 192,828	\$ 32,828
Investment income	45	25	(20)
Total revenues	<u>160,045</u>	<u>192,853</u>	<u>32,808</u>
<b>EXPENDITURES</b>			
Public works			
Capital outlay	490,000	482,264	(7,736)
Total expenditures	<u>490,000</u>	<u>482,264</u>	<u>(7,736)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(329,955)</u>	<u>(289,411)</u>	<u>40,544</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out) to General Fund	182,000	182,000	-
Total other financing sources (uses)	<u>182,000</u>	<u>182,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (147,955)</u>	<u>(107,411)</u>	<u>\$ 40,544</u>
<b>FUND BALANCE, MAY 1</b>		<u>285,254</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 177,843</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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Other taxes			
Telephone surcharge	\$ 24,700	\$ 28,586	\$ 3,886
Intergovernmental			
Wireless surcharge	50,000	54,099	4,099
Investment income	30	40	10
Total revenues	74,730	82,725	7,995
<b>EXPENDITURES</b>			
Current			
Public safety			
Miscellaneous	259,177	201,058	(58,119)
Capital outlay	14,000	-	(14,000)
Total expenditures	273,177	201,058	(72,119)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (198,447)</b>	<b>(118,333)</b>	<b>\$ 80,114</b>
<b>FUND BALANCE, MAY 1</b>		<b>325,113</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 206,780</b>	

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
2006/2012 GENERAL OBLIGATION BOND FUND**

For Year Ended April 30, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
General government - financing costs	500	-	(500)
Debt service			
Principal	230,000	230,000	-
Interest	25,863	25,863	-
Total expenditures	256,363	255,863	(500)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(256,363)</b>	<b>(255,863)</b>	<b>500</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	255,900	255,863	(37)
Total other financing sources (uses)	255,900	255,863	(37)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (463)</b>	<b>-</b>	<b>\$ 463</b>
<b>FUND BALANCE, MAY 1</b>		<b>715</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 715</b>	

(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, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment income	\$ 400	\$ 646	\$ 246
Total revenues	400	646	246
<b>EXPENDITURES</b>			
Capital outlay			
General government equipment	-	36,968	36,968
Public safety vehicles	32,100	27,771	(4,329)
Public works vehicles	143,526	141,806	(1,720)
Total expenditures	175,626	206,545	30,919
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(175,226)	(205,899)	(30,673)
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	88,000	85,125	(2,875)
Transfers in from			
General Fund	244,000	244,000	-
Water Fund	15,000	-	(15,000)
Total other financing sources (uses)	347,000	329,125	(17,875)
NET CHANGE IN FUND BALANCE	\$ 171,774	123,226	\$ (48,548)
FUND BALANCE, MAY 1		379,149	
FUND BALANCE, APRIL 30		\$ 502,375	

(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 POSITION - BUDGET AND ACTUAL  
WATER FUND

For Year Ended April 30, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>OPERATING REVENUES</b>			
Water sales	\$ 1,322,500	\$ 1,181,893	\$ (140,607)
Meter sales	3,925	15,902	11,977
Tap-on fees	375	100	(275)
Water connection fees	120,000	29,162	(90,838)
Miscellaneous	500	449	(51)
	<hr/>	<hr/>	<hr/>
Total operating revenues	1,447,300	1,227,506	(219,794)
<b>OPERATING EXPENSES</b>			
Administration and finance			
Personnel services	308,520	273,142	(35,378)
Contractual services/commodities	96,345	118,647	22,302
Contingency	50,000	-	(50,000)
Water purchases	603,840	605,814	1,974
Water infrastructure	395,000	-	(395,000)
	<hr/>	<hr/>	<hr/>
Total operating expenses	1,453,705	997,603	(456,102)
OPERATING INCOME (LOSS)	<hr/>	<hr/>	<hr/>
	(6,405)	229,903	236,308
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	2,400	2,456	56
Interest expense	(56,844)	(61,468)	(4,624)
Principal expense	(165,000)	(165,000)	-
	<hr/>	<hr/>	<hr/>
Total non-operating revenues (expenses)	(219,444)	(224,012)	(4,568)
INCOME (LOSS) BEFORE TRANSFERS	<hr/>	<hr/>	<hr/>
	(225,849)	5,891	231,740
<b>TRANSFERS</b>			
Transfers (out)	(15,000)	-	15,000
	<hr/>	<hr/>	<hr/>
Total transfers	(15,000)	-	15,000
CHANGE IN NET POSITION (BUDGETARY BASIS)	<hr/>	<hr/>	<hr/>
	\$ (240,849)	5,891	\$ 246,740
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Depreciation		(257,278)	
Principal expense		165,000	
		<hr/>	
TOTAL ADJUSTMENTS TO GAAP BASIS		(92,278)	
CHANGE IN NET POSITION GAAP BASIS		<hr/>	
		(86,387)	
NET POSITION, MAY 1		<hr/>	
		6,152,942	
NET POSITION, APRIL 30		<hr/>	
		\$ 6,066,555	

(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 POSITION -  
BUDGET AND ACTUAL  
POLICE PENSION FUND

For Year Ended April 30, 2015

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 611,415	\$ 610,228	\$ (1,187)
Plan members contributions	121,900	126,214	4,314
Total contributions	733,315	736,442	3,127
Investment income			
Net appreciation in fair value of investments	145,000	284,549	139,549
Investment income	172,000	176,292	4,292
Total investment income	317,000	460,841	143,841
Less investment expense	(48,000)	(42,338)	5,662
Net investment income	269,000	418,503	149,503
Total additions	1,002,315	1,154,945	152,630
<b>DEDUCTIONS</b>			
Pension benefits and refunds	811,772	771,609	(40,163)
Administration			
Fees	6,550	6,787	237
Miscellaneous	4,625	413	(4,212)
Total deductions	822,947	778,809	(44,138)
<b>NET INCREASE</b>	<b>\$ 179,368</b>	<b>376,136</b>	<b>\$ 196,768</b>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1		8,558,313	
April 30		\$ 8,934,449	

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2011 GENERAL OBLIGATION REFUNDING BONDS**

For Year Ended April 30, 2015

Paying Agent: Wells Fargo Bank, N.A.

<b>Tax Year</b>	<b>Fiscal Year</b>	<b>Principal Payment</b>	<b>Interest Payment</b>	<b>Total Payment</b>	<b>Payment Date</b>	<b>Interest Rate</b>
Payments Made						
2011	2012-13	\$ 10,000	\$ 68,664	\$ 78,664	12/15/12	2.000%
2012	2013-14	155,000	59,944	214,944	12/15/13	2.000%
2013	2014-15	<u>165,000</u>	<u>56,844</u>	<u>221,844</u>	12/15/14	2.000%
Total payments made		<u>330,000</u>	<u>185,452</u>	<u>515,452</u>		
Current Outstanding						
2014	2015-16	165,000	53,544	218,544	12/15/15	2.000%
2015	2016-17	170,000	50,244	220,244	12/15/16	2.000%
2016	2017-18	170,000	46,844	216,844	12/15/17	2.500%
2017	2018-19	180,000	42,592	222,592	12/15/18	2.750%
2018	2019-20	180,000	37,644	217,644	12/15/19	2.875%
2019	2020-21	185,000	32,469	217,469	12/15/20	3.125%
2020	2021-22	190,000	26,688	216,688	12/15/21	3.250%
2021	2022-23	200,000	20,512	220,512	12/15/22	3.250%
2022	2023-24	205,000	14,013	219,013	12/15/23	3.250%
2023	2024-25	<u>210,000</u>	<u>7,350</u>	<u>217,350</u>	12/15/24	3.500%
Total current outstanding		<u>1,855,000</u>	<u>331,900</u>	<u>2,186,900</u>		
Original Issue		<u>\$ 2,185,000</u>	<u>\$ 517,352</u>	<u>\$ 2,702,352</u>		

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2012 GENERAL OBLIGATION REFUNDING BONDS**

For Year Ended April 30, 2015

Paying Agent: Wells Fargo Bank, N.A.

<b>Tax Year</b>	<b>Fiscal Year</b>	<b>Principal Payment</b>	<b>Interest Payment</b>	<b>Total Payment</b>	<b>Payment Date</b>	<b>Interest Rate</b>
Payments Made						
2012	2013-14	\$ 25,000	\$ 26,050	\$ 51,050	12/15/13	0.75%
2013	2014-15	230,000	25,863	255,863	12/15/14	0.90%
Total payments made		255,000	51,913	306,913		
Current Outstanding						
2014	2015-16	230,000	23,792	253,792	12/15/15	1.00%
2015	2016-17	230,000	21,493	251,493	12/15/16	1.25%
2016	2017-18	235,000	18,616	253,616	12/15/17	1.55%
2017	2018-19	240,000	14,975	254,975	12/15/18	1.75%
2018	2019-20	245,000	10,775	255,775	12/15/19	2.00%
2019	2020-21	250,000	5,875	255,875	12/15/20	2.35%
Total current outstanding		1,430,000	95,526	1,525,526		
Original Issue		\$ 1,685,000	\$ 147,439	\$ 1,832,439		

(See independent auditor's report.)

## STATISTICAL SECTION

This part of the Village of Lake Bluff, Illinois' 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.	86-97
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	98-105
<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.	106-110
<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.	111-112
<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.	113-116

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

VILLAGE OF LAKE BLUFF, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

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<b>Fiscal Years</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 16,311,231	\$ 14,636,441	\$ 15,098,822	\$ 15,359,265
Restricted	2,231,129	3,675,276	4,337,303	2,037,230
Unrestricted	2,244,238	2,490,696	1,982,938	3,400,024
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>				
	<u>\$ 20,786,598</u>	<u>\$ 20,802,413</u>	<u>\$ 21,419,063</u>	<u>\$ 20,796,519</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 3,937,709	\$ 4,812,471	\$ 4,689,723	\$ 4,574,606
Unrestricted	2,393,782	1,629,307	1,834,495	1,902,188
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>				
	<u>\$ 6,331,491</u>	<u>\$ 6,441,778</u>	<u>\$ 6,524,218</u>	<u>\$ 6,476,794</u>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 20,248,940	\$ 19,448,912	\$ 19,788,545	\$ 19,933,871
Restricted	2,231,129	3,675,276	4,337,303	2,037,230
Unrestricted	4,638,020	4,120,003	3,817,433	5,302,212
<b>TOTAL PRIMARY GOVERNMENT</b>				
	<u>\$ 27,118,089</u>	<u>\$ 27,244,191</u>	<u>\$ 27,943,281</u>	<u>\$ 27,273,313</u>

Data Source

The Village's CAFR

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$	16,654,652	\$ 16,433,199	\$ 16,449,622	\$ 16,664,503	\$ 18,244,636	\$ 18,167,834
	1,587,832	1,497,653	1,580,539	1,437,679	1,514,622	1,181,045
	3,774,371	3,546,695	3,557,045	3,887,725	4,204,894	5,331,453
\$	22,016,855	\$ 21,477,547	\$ 21,587,206	\$ 21,989,907	\$ 23,964,152	\$ 24,680,332
\$	4,482,081	\$ 4,398,432	\$ 4,737,154	\$ 4,693,695	\$ 4,654,897	\$ 4,597,438
	1,735,068	1,672,417	1,348,074	1,465,022	1,498,045	1,469,117
\$	6,217,149	\$ 6,070,849	\$ 6,085,228	\$ 6,158,717	\$ 6,152,942	\$ 6,066,555
\$	21,136,733	\$ 20,831,631	\$ 21,186,776	\$ 21,358,198	\$ 22,899,533	\$ 22,765,272
	1,587,832	1,497,653	1,580,539	1,437,679	1,514,622	1,181,045
	5,509,439	5,219,112	4,905,119	5,352,747	5,702,939	6,800,570
\$	28,234,004	\$ 27,548,396	\$ 27,672,434	\$ 28,148,624	\$ 30,117,094	\$ 30,746,887

**VILLAGE OF LAKE BLUFF, ILLINOIS**

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 2,356,150	\$ 2,814,923	\$ 2,708,645	\$ 2,423,284
Public safety	3,024,058	3,229,925	3,589,680	3,856,962
Public works	2,416,710	3,214,011	2,116,890	3,449,586
Interest on long-term debt	66,506	88,851	150,799	173,693
Total governmental activities expenses	7,863,424	9,347,710	8,566,014	9,903,525
Business-type activities				
Water	1,371,289	1,160,630	1,266,233	1,172,971
Total business-type activities expenses	1,371,289	1,160,630	1,266,233	1,172,971
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 9,234,713</b>	<b>\$ 10,508,340</b>	<b>\$ 9,832,247</b>	<b>\$ 11,076,496</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 1,004,652	\$ 1,007,518	\$ 262,970	\$ 968,602
Police and fire	124,571	196,406	122,457	150,057
Public works	235,237	212,161	220,874	196,148
Operating grants and contributions	241,541	185,442	240,528	205,604
Capital grants and contributions	-	-	-	685,500
Total governmental activities program revenues	1,606,001	1,601,527	846,829	2,205,911
Business-type activities				
Charges for services				
Water	1,523,294	1,227,045	1,326,282	1,133,555
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	1,523,294	1,227,045	1,326,282	1,133,555
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 3,129,295</b>	<b>\$ 2,828,572</b>	<b>\$ 2,173,111</b>	<b>\$ 3,339,466</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ (6,257,423)	\$ (7,746,183)	\$ (7,719,185)	\$ (7,697,614)
Business-type activities	152,005	66,415	60,049	(39,416)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (6,105,418)</b>	<b>\$ (7,679,768)</b>	<b>\$ (7,659,136)</b>	<b>\$ (7,737,030)</b>

	2010	2011	2012	2013	2014	2015
\$	1,946,291	\$ 2,062,487	\$ 1,677,840	\$ 1,749,648	\$ 1,141,173	\$ 1,951,673
	4,027,882	4,085,025	4,105,315	4,208,309	4,445,493	4,684,816
	3,174,664	3,249,937	2,985,744	3,693,891	2,875,330	3,091,324
	119,692	104,143	88,316	61,496	43,904	38,059
	9,268,529	9,501,592	8,857,215	9,713,344	8,505,900	9,765,872
	1,336,637	1,327,218	1,218,425	1,388,909	1,335,190	1,316,349
	1,336,637	1,327,218	1,218,425	1,388,909	1,335,190	1,316,349
\$	10,605,166	\$ 10,828,810	\$ 10,075,640	\$ 11,102,253	\$ 9,841,090	\$ 11,082,221
\$	859,253	\$ 794,571	\$ 849,175	\$ 931,338	\$ 1,154,728	\$ 1,762,803
	122,978	144,034	143,296	139,005	178,582	186,057
	189,548	187,591	184,767	195,079	180,512	165,697
	195,079	232,581	198,900	187,962	201,765	218,883
	1,429,087	492,360	499,915	1,386,979	1,020,690	248,314
	2,795,945	1,851,137	1,876,053	2,840,363	2,736,277	2,581,754
	1,071,074	1,177,545	1,229,799	1,447,150	1,326,523	1,227,057
	-	-	-	1,326,523	-	-
	1,071,074	1,177,545	1,229,799	2,773,673	1,326,523	1,227,057
\$	3,867,019	\$ 3,028,682	\$ 3,105,852	\$ 5,614,036	\$ 4,062,800	\$ 3,808,811
\$	(6,472,584)	\$ (7,650,455)	\$ (6,981,162)	\$ (6,872,981)	\$ (5,769,623)	\$ (7,184,118)
	(265,563)	(149,673)	11,374	1,384,764	(8,667)	(89,292)
\$	(6,738,147)	\$ (7,800,128)	\$ (6,969,788)	\$ (5,488,217)	\$ (5,778,290)	\$ (7,273,410)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 2,208,571	\$ 2,244,225	\$ 2,389,677	\$ 2,510,766
Intergovernmental	608,005	668,708	726,705	666,049
Utility tax	610,065	599,742	591,601	599,663
Telecommunications tax	409,802	406,537	398,650	344,701
Hotel occupancy tax (1)	93,756	72,036	-	-
Sales	2,601,830	3,218,327	3,242,281	2,673,399
Other taxes	60,532	90,593	157,061	108,982
Gain (loss) on sale of capital assets	-	5,127	384,231	-
Shared income tax (2)	-	-	-	-
Investment income	188,497	319,950	339,738	117,844
Miscellaneous	291,228	110,102	84,580	146,681
Transfers	27,704	26,651	21,311	26,828
Total governmental activities	7,099,990	7,761,998	8,335,835	7,194,913
Business-type activities				
Investment income	80,071	70,523	55,149	19,639
Transfers	(27,704)	(26,651)	(32,758)	(26,828)
Miscellaneous	8,318	-	-	2,197
Total business-type activities	60,685	43,872	22,391	(4,992)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 7,160,675</b>	<b>\$ 7,805,870</b>	<b>\$ 8,358,226</b>	<b>\$ 7,189,921</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 842,567	\$ 15,815	\$ 616,650	\$ (502,701)
Business-type activities	212,690	110,287	82,440	(44,408)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 1,055,257</b>	<b>\$ 126,102</b>	<b>\$ 699,090</b>	<b>\$ (547,109)</b>

Note:

- (1) The only hotel occupancy generating facility in the Village closed December 31, 2006.
- (2) State shared income taxes were reclassified from other taxes to intergovernmental revenues during ended April 30, 2012.

Data Source

Village's CAFR

	2010	2011	2012	2013	2014	2015
\$	2,649,929	\$ 2,704,232	\$ 2,847,986	\$ 2,903,873	\$ 3,064,916	\$ 3,087,275
	582,343	575,692	-	-	-	-
	481,233	467,150	415,787	404,618	410,630	407,546
	344,701	344,701	344,701	344,701	344,701	344,701
	-	-	-	-	-	-
	2,695,117	2,752,483	2,562,532	2,541,332	2,803,586	3,080,871
	143,214	142,350	131,294	169,766	175,474	198,503
	-	-	-	-	109,192	-
	-	-	469,244	515,670	557,587	560,382
	25,725	22,677	18,023	15,768	11,149	9,955
	257,932	101,862	201,805	337,983	153,841	98,831
	-	-	99,449	41,971	112,792	112,234
	7,180,194	7,111,147	7,090,821	7,275,682	7,743,868	7,900,298
	5,462	2,941	2,572	2,820	2,443	2,456
	-	-	-	67,694	-	-
	456	432	433	7,747	449	449
	5,918	3,373	3,005	78,261	2,892	2,905
\$	7,186,112	\$ 7,114,520	\$ 7,093,826	\$ 7,353,943	\$ 7,746,760	\$ 7,903,203
\$	707,610	\$ (539,308)	\$ 109,659	\$ 402,701	\$ 1,974,245	\$ 716,180
	(259,645)	(146,300)	14,379	1,463,025	(5,775)	(86,387)
\$	447,965	\$ (685,608)	\$ 124,038	\$ 1,865,726	\$ 1,968,470	\$ 629,793

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**PROGRAM REVENUES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
General government	\$ 1,068,130	\$ 1,008,618	\$ 308,622	\$ 990,091
Police and fire	124,571	201,674	145,026	172,938
Public works	413,300	391,235	393,181	1,042,882
Total governmental activities program revenues	1,606,001	1,601,527	846,829	2,205,911
Business-type activities				
Water and sewer	1,523,294	1,227,045	1,326,282	1,133,555
Total business-type activities program revenues	1,523,294	1,227,045	1,326,282	1,133,555
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 3,129,295</b>	<b>\$ 2,828,572</b>	<b>\$ 2,173,111</b>	<b>\$ 3,339,466</b>

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

Data Source

Village's CAFR

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$	859,253	\$ 819,525	\$ 849,175	\$ 931,338	\$ 1,154,728	\$ 1,762,803
	162,147	169,083	172,238	333,005	212,784	212,112
	1,774,545	862,529	854,640	1,576,020	1,368,765	606,839
	2,795,945	1,851,137	1,876,053	2,840,363	2,736,277	2,581,754
	1,071,074	1,177,545	1,229,799	1,447,150	1,326,523	1,227,057
	1,071,074	1,177,545	1,229,799	1,447,150	1,326,523	1,227,057
\$	3,867,019	\$ 3,028,682	\$ 3,105,852	\$ 4,287,513	\$ 4,062,800	\$ 3,808,811

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GENERAL FUND</b>				
Reserved	\$ 8,496	\$ 7,950	\$ 24,022	\$ 1,599
Unreserved	2,713,249	3,412,538	4,772,198	4,175,389
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 2,721,745</b>	<b>\$ 3,420,488</b>	<b>\$ 4,796,220</b>	<b>\$ 4,176,988</b>
<b>ALL OTHER GOVERNMENT FUNDS</b>				
Reserved	\$ -	\$ -	\$ -	\$ 18,795
Unreserved, reported in				
Special revenue funds	1,666,081	3,024,337	1,615,653	991,204
Capital project funds	553,791	241,763	1,088,943	1,027,231
Debt service funds	11,257	18,790	18,213	(1,780)
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	-
Assigned for capital outlay	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 2,231,129</b>	<b>\$ 3,284,890</b>	<b>\$ 2,722,809</b>	<b>\$ 2,035,450</b>

Note: GASB Statement No. 54 was implemented for the 2012 fiscal year.

Data Source

Village's CAFR

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$	19,944	\$ 28,969	\$ -	\$ -	\$ -	\$ -
	4,265,053	4,180,772	-	-	-	-
	-	-	60,487	24,500	25,386	16,196
	-	-	3,047	3,047	-	-
	-	-	300,000	485,000	300,000	300,000
	-	-	4,021,571	4,147,263	4,719,985	5,836,621
<b>\$</b>	<b>4,284,997</b>	<b>\$ 4,209,741</b>	<b>\$ 4,385,105</b>	<b>\$ 4,659,810</b>	<b>\$ 5,045,371</b>	<b>\$ 6,152,817</b>
\$	1,587,832	\$ 1,497,653	\$ -	\$ -	\$ -	\$ -
	-	-	-	-	-	-
	418,785	387,502	-	-	-	-
	2,545	1,745	-	-	-	-
	-	-	-	-	-	-
	-	-	1,577,492	1,434,632	1,514,622	1,181,045
	-	-	1,245	965	715	715
	-	-	376,029	375,339	392,910	516,138
<b>\$</b>	<b>2,009,162</b>	<b>\$ 1,886,900</b>	<b>\$ 1,954,766</b>	<b>\$ 1,810,936</b>	<b>\$ 1,908,247</b>	<b>\$ 1,697,898</b>

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>REVENUES</b>				
Property taxes	\$ 2,208,571	\$ 2,244,225	\$ 2,389,677	\$ 2,510,766
Other taxes	4,383,990	5,032,731	5,116,298	4,378,506
Licenses, fees and permits	1,004,652	864,760	1,378,688	840,006
Fines and penalties	101,137	182,500	96,598	92,910
Intergovernmental	201,497	208,654	240,528	260,695
Sewer and other charge for service	237,329	368,825	386,087	341,089
Interest earnings	190,798	319,950	339,738	117,844
Grants, donations	63,478	-	-	-
Proceeds from sale of capital assets	-	59,285	-	-
Miscellaneous	289,136	50,817	84,580	36,717
<b>Total revenues</b>	<b>8,680,588</b>	<b>9,331,747</b>	<b>10,032,194</b>	<b>8,578,533</b>
<b>EXPENDITURES</b>				
General government	1,925,081	2,593,866	2,645,317	2,454,769
Public safety	2,773,384	3,524,775	3,318,973	3,454,094
Public works	2,049,407	2,249,691	2,376,196	2,160,920
Capital outlay	1,930,932	1,293,364	1,255,072	1,351,899
Debt service				
Principal	215,000	317,497	358,989	372,126
Interest	66,506	88,851	150,799	135,881
<b>Total expenditures</b>	<b>8,960,310</b>	<b>10,068,044</b>	<b>10,105,346</b>	<b>9,929,689</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(279,722)</b>	<b>(736,297)</b>	<b>(73,152)</b>	<b>(1,351,156)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from borrowing	315,000	2,435,930	-	-
Issuance of refunding bonds	-	-	-	-
Payment to escrow agent	-	-	-	-
Sale of capital assets	-	26,220	865,492	109,963
Transfers in	663,908	754,769	909,997	772,067
Transfers (out)	(636,204)	(728,118)	(888,686)	(745,239)
<b>Total other financing sources (uses)</b>	<b>342,704</b>	<b>2,488,801</b>	<b>886,803</b>	<b>136,791</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 62,982</b>	<b>\$ 1,752,504</b>	<b>\$ 813,651</b>	<b>\$ (1,214,365)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>3.80%</b>	<b>4.50%</b>	<b>5.40%</b>	<b>5.90%</b>

Data Source

Village's CAFR

	2010	2011	2012	2013	2014	2015
\$	2,649,929	\$ 2,704,232	\$ 2,847,986	\$ 2,903,873	\$ 3,064,916	\$ 3,087,275
	4,234,619	4,272,360	3,542,130	3,543,334	3,823,924	4,118,341
	709,643	631,367	695,370	734,119	1,003,721	1,613,933
	64,596	83,700	82,945	79,573	121,676	126,237
	578,658	770,255	1,214,994	2,148,209	1,833,251	1,081,677
	360,549	375,830	363,625	420,880	358,476	345,800
	25,725	22,677	18,023	15,768	11,149	9,955
	-	-	-	-	-	-
	-	-	-	-	-	-
	72,566	97,863	197,195	321,822	153,840	98,834
	8,696,285	8,958,284	8,962,268	10,167,578	10,370,953	10,482,052
	1,879,896	2,014,495	1,726,514	1,717,319	1,754,300	1,890,672
	3,666,142	3,721,070	3,853,691	4,149,454	4,337,422	4,486,147
	2,742,566	2,407,391	2,397,227	2,249,906	3,124,139	2,632,110
	20,474	533,206	443,737	1,627,237	535,921	411,200
	370,119	378,246	213,023	230,000	220,000	230,000
	120,731	105,394	89,452	79,168	33,850	25,863
	8,799,928	9,159,802	8,723,644	10,053,084	10,005,632	9,675,992
	(103,643)	(201,518)	238,624	114,494	365,321	806,060
	-	-	-	-	-	-
	-	-	-	1,685,000	-	-
	-	-	-	(1,684,780)	-	-
	185,364	4,000	4,606	16,161	117,551	91,037
	465,257	583,062	669,083	710,630	402,016	681,863
	(465,257)	(583,062)	(669,083)	(710,630)	(402,016)	(681,863)
	185,364	4,000	4,606	16,381	117,551	91,037
\$	81,721	\$ (197,518)	\$ 243,230	\$ 130,875	\$ 482,872	\$ 897,097
	5.73%	5.34%	3.68%	3.34%	2.54%	2.82%

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Property</b>	<b>Sales</b>	<b>Home Rule Sales (1)</b>	<b>Utility</b>	<b>Telecomm</b>	<b>Income (2) (3)</b>	<b>Other</b>	<b>Total</b>
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
2011	2,704,232	2,134,282	618,201	514,714	297,137	472,166	245,876	6,986,608
2012	2,847,986	2,010,676	551,856	470,404	290,084	-	219,110	6,390,116
2013	2,903,873	2,012,989	528,343	475,706	273,613	-	279,431	6,473,955
2014	3,064,916	2,278,161	525,425	537,585	21,745	-	288,266	6,716,098
2015	3,087,275	2,536,601	544,270	519,775	232,471	-	310,737	7,231,129

Notes:

(1) Home rule sales tax was implemented effective January 1, 2006.

(2) Income tax for FY2008 was restated in FY2009 (from \$570,574 to \$557,596).

(3) State shared income taxes were reclassified from other taxes to intergovernmental revenues during the fiscal year ended April 30, 2012.

Data Source

Village's CAFR and records

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY**

Last Ten Levy Years

<b>Levy Year</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Farm Property</b>	<b>Railroad Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>
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	0.4320	1,893,048,359
2010	530,575,336	31,616,598	20,595,998	2,494,498	617,404	585,899,834	0.4900	1,757,875,290
2011	496,403,771	31,296,748	20,033,876	2,869,493	651,066	551,254,954	0.5320	1,653,930,255
2012	454,892,868	30,461,126	17,798,977	2,620,658	726,534	506,500,163	0.5980	1,519,652,454
2013	432,581,864	30,992,675	17,237,835	2,531,049	920,089	484,263,512	0.6420	1,452,935,830
2014	428,024,903	29,933,184	16,454,822	4,139,813	966,015	479,518,737	0.6598	1,438,700,081

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	(3) Village Sanctuary Rate	Lake Bluff Public Library	School District 65	High School District 115	College of Lake County District 532	Lake County	Forest Preserve	North Shore Sanitary	Shield's Township	Park District	Mosquito Abatement	(2) Central LC Water Agency	(1) Rockland Fire Protection
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
2010-11 2009	0.432	0.386	0.124	2.084	1.069	0.200	0.464	0.200	0.124	0.068	0.326	0.011	0.042	0.050
2011-12 2010	0.490	0.438	0.134	2.308	1.101	0.218	0.505	0.198	0.136	0.062	0.363	0.011	0.045	0.558
2012-13 2011	0.532	0.475	0.146	2.508	1.191	0.240	0.554	0.201	0.150	0.069	0.389	0.012	0.047	0.579
2013-14 2012	0.598	0.535	0.165	2.190	1.322	0.272	0.608	0.212	0.150	0.065	0.437	0.014	0.052	0.641
2014-15 2013	0.642	0.575	0.176	2.667	1.420	0.296	0.663	0.218	0.164	0.069	0.481	0.015	0.055	0.703
2015-16 2014	0.660	0.593	0.182	2.777	1.448	0.306	0.683	0.210	0.169	0.072	0.536	0.015	0.056	0.718

**Components of Total Direct Rates**

	<b>Audit Tax</b>	<b>Corporate</b>	<b>Crossing Guards</b>	<b>Fire Protection</b>	<b>Garbage Disposal</b>	<b>IMRF</b>	<b>Police Pension</b>	<b>Police Protection</b>	<b>Social Security</b>	<b>Liability Insurance</b>	<b>Insurance</b>	<b>Total</b>
2006-07												
2005	0.005	0.086	0.002	0.049	0.068	0.037	0.054	0.052	0.051	0.029	0.002	0.435
2007-08												
2006	0.005	0.079	0.002	0.045	0.063	0.041	0.059	0.048	0.049	0.027	0.002	0.420
2008-09												
2007	0.005	0.073	0.002	0.043	0.059	0.039	0.060	0.048	0.044	0.028	0.002	0.403
2009-10												
2008	0.005	0.072	0.001	0.044	0.059	0.042	0.065	0.048	0.045	0.031	0.002	0.414
2010-11												
2009	0.004	0.075	0.001	0.046	0.061	0.040	0.069	0.050	0.046	0.037	0.003	0.432
2011-12												
2010	0.004	0.091	0.001	0.052	0.068	0.037	0.084	0.056	0.047	0.049	0.001	0.490
2012-13												
2011	0.005	0.099	0.001	0.057	0.075	0.035	0.100	0.062	0.044	0.053	0.001	0.532
2013-14												
2012	0.005	0.120	0.001	0.063	0.095	0.034	0.110	0.075	0.039	0.055	0.001	0.598
2014-15												
2013	0.006	0.128	0.001	0.067	0.107	0.031	0.125	0.081	0.037	0.058	0.001	0.642
2015-16												
2014	0.006	0.136	0.001	0.067	0.115	0.031	0.134	0.084	0.040	0.044	0.002	0.660

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.
- (3) Village Sanctuary subdivision direct rate is comprised of the same components of the Village rate except it does not contain the Village Fire Protection rate.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**PRINCIPAL PROPERTY TAXPAYERS**

Current Year and Nine Years Ago

Taxpayer	2015(1)			2006		
	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	\$ 5,319,368	1	1.11%	\$ 5,736,339	1	1.19%
Cantera Investors LLC	2,667,358	2	0.56%			
Profile Plastics	2,607,118	3	0.54%	1,613,173	10	0.34%
Carriage Way	2,492,870	4	0.52%	2,740,079	5	0.57%
Buehler, Inc	1,911,957	5	0.40%	1,838,349	8	0.38%
Individual Taxpayer/Trust	1,877,083	6	0.39%	2,415,564	6	0.50%
Individual Taxpayer	1,838,339	7	0.38%	1,741,895	9	0.36%
Franklin 101 Waukegan LLc	1,826,102	8	0.38%			
Chicago Titla and Trust	1,662,335	9	0.35%			
LFSC Leasing	1,445,647	10	0.30%			
Ohio State Teachers Retirement				3,209,118	2	0.67%
Harrison Conference Center				3,199,890	3	0.67%
Individual Taxpayer/Friedman				2,966,161	4	0.62%
Liquid Controls				2,211,775	7	0.46%
	<u>\$ 23,648,177</u>		<u>4.93%</u>	<u>\$ 27,672,343</u>		<u>5.76%</u>

(1) The taxable assessed value is for 2014 (the most recent data available)

Data Source

Lake County Assessor

**VILLAGE OF LAKE BLUFF, ILLINOIS**  
**PROPERTY TAX LEVIES AND COLLECTIONS**

Last Ten Levy Years

<b>Tax levy year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014(1)</b>
General corporate	\$ 445,933	\$ 451,608	\$ 451,946	\$ 462,878	\$ 471,546	\$ 531,227	\$ 542,937	\$ 607,800	\$ 619,857	\$ 653,776
School crossing guard	10,370	11,433	12,382	6,429	6,287	5,838	5,484	5,065	4,843	5,001
Police protection	269,634	274,395	297,170	308,585	314,356	326,902	340,021	379,875	392,253	400,000
Fire protection	242,712	245,601	255,201	271,250	277,394	291,146	298,872	305,041	310,408	308,503
Sanitation	352,598	360,143	365,271	379,303	383,514	396,952	411,316	481,175	518,162	552,391
Auditing	25,926	28,583	30,955	32,144	25,148	23,350	27,421	25,325	29,056	28,004
Liability insurance	150,373	154,347	173,349	199,295	232,623	286,039	290,663	278,575	280,873	210,000
Illinois municipal retirement	191,855	234,379	241,451	270,012	251,485	215,989	191,947	172,210	150,122	150,003
Police pension	280,004	337,277	371,463	417,876	433,811	490,352	548,421	557,150	605,329	640,603
Public library	663,714	697,420	724,352	771,464	779,602	782,229	800,695	835,725	852,304	873,918
Social security	264,448	280,112	272,406	289,299	289,207	274,364	241,305	197,535	179,177	190,005
Unemployment insurance	10,371	11,433	12,382	12,858	18,861	5,838	5,484	5,065	4,843	11,408
<b>LEVY AS EXTENDED</b>	<b>\$ 2,907,938</b>	<b>\$ 3,086,731</b>	<b>\$ 3,208,328</b>	<b>\$ 3,421,393</b>	<b>\$ 3,483,834</b>	<b>\$ 3,630,226</b>	<b>\$ 3,704,566</b>	<b>\$ 3,850,541</b>	<b>\$ 3,947,227</b>	<b>\$ 4,023,612</b>
<b>TOTAL COLLECTED</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>\$ 3,643,564</b>	<b>\$ 3,723,710</b>	<b>\$ 3,914,502</b>	<b>\$ 3,937,471</b>	<b>\$ -</b>
<b>PERCENT COLLECTED</b>	<b>99.86%</b>	<b>99.99%</b>	<b>98.62%</b>	<b>99.25%</b>	<b>99.65%</b>	<b>99.63%</b>	<b>99.49%</b>	<b>98.37%</b>	<b>99.75%</b>	<b>0.00%</b>

(1) The 2014 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

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
General merchandise	\$ 249	\$ 182	\$ 925	\$ 321	\$ 265	\$ 265	\$ -	\$ -	\$ -	\$ -
Food	155,743	161,941	159,180	167,320	177,211	177,372	169,825	166,119	173,693	44,314
Drink, eat, rooms	28,679	34,138	33,842	36,965	46,341	69,693	62,630	65,408	65,478	73,666
Apparel	-	-	-	-	-	-	522	132	828	804
Furniture	6,196	9,883	5,396	6,831	4,336	7,862	8,932	11,142	9,090	11,692
Lumber, hardware	26,251	34,742	121,171	108,020	93,353	91,856	110,558	116,235	97,869	100,860
Auto, filling stations	1,559,423	1,718,851	1,772,387	1,546,659	1,379,588	1,411,289	1,401,864	1,331,805	1,629,396	1,812,126
Drugs, retail	102,498	100,124	127,718	133,329	130,460	127,314	53,000	56,018	49,974	28,319
Agriculture and all others	176,280	174,440	158,573	137,590	90,796	109,603	105,018	103,118	118,311	152,277
Manufacturing	35,790	40,019	43,895	31,982	20,578	32,920	15,747	(5,276)	5,177	9,553
<b>TOTAL</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>\$ 2,028,174</b>	<b>\$ 1,928,096</b>	<b>\$ 1,844,701</b>	<b>\$ 2,149,816</b>	<b>\$ 2,233,611</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

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<b>Calendar Year</b>	<b>Village Direct Rate</b>	<b>Village Home Rule Rate (1)</b>	<b>Lake County and RTA Rate</b>	<b>State Rate</b>	<b>Total</b>
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%
2010	1.00%	1.00%	1.00%	5.00%	8.00%
2011	1.00%	1.00%	1.00%	5.00%	8.00%
2012	1.00%	1.00%	1.00%	5.00%	8.00%
2013	1.00%	1.00%	1.00%	5.00%	8.00%
2014	1.00%	1.00%	1.00%	5.00%	8.00%

(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	Bank Notes Payable	Alternate Water Revenue Bonds			
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%	1,080
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
2011	2,100,000	128,023	2,355,000	4,583,023	1.1%	801
2012	1,970,000	45,000	2,315,000	4,330,000	1.1%	757
2013	1,880,000	-	2,175,000	4,055,000	0.9%	709
2014	1,660,000	-	2,020,000	3,680,000	0.9%	643
2015	1,430,000	-	1,855,000	3,285,000	0.9%	574

\* See the schedule of Demographic and Economic Information on page 105 for personal income and population data.

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

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

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Fiscal Year	<u>General Bonded Debt Outstanding</u>		Percentage of Taxable Assessed Value of Property (1)	Per Capita (2)
	General Obligation Bonds			
2006	\$ 1,260,000		0.24%	\$ 208
2007	4,385,000		0.77%	724.08
2008	2,875,000		0.46%	462.07
2009	2,615,000		0.40%	420.28
2010	2,360,000		0.37%	380.65
2011	2,100,000		0.36%	367.00
2012	1,970,000		0.36%	344.29
2013	1,880,000		0.37%	328.56
2014	1,660,000		0.34%	290.11
2015	1,430,000		0.30%	249.91

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 93 for more property value information.

(2) See the schedule of Demographic and Economic Statistics on page 105 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, 2014

<b>Governmental unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage of Debt Applicable to the Village of Lake Bluff (2)</b>	<b>Estimated Share of Overlapping Debt</b>
Village of Lake Bluff	\$ 1,430	100.00%	\$ 1,430
Overlapping debt (1)			
Lake Bluff Park District	6,030	87.32%	5,265
Lake Bluff School District 65	19,940	85.58%	17,065
Lake Forest-Lake Bluff High School District 115	41,555	17.56%	7,297
Central Lake County Joint Action Water Agency (CLCJAWA)	11,530	8.00%	922
North Shore Sanitary District	-	0.00%	-
Lake County Community College District 532	76,910	2.23%	1,715
Lake County	109,060	2.12%	2,312
Lake County Forest Preserve	232,030	2.12%	4,919
Other debt			
Lake County capital leases	-	0.00%	-
Lake County - other debt	-	0.00%	-
Subtotal	<u>497,055</u>		<u>39,495</u>
<b>TOTAL</b>	<u>\$ 498,485</u>		<u>\$ 40,925</u>

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 \$1.66 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

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Assessed Value	\$ 519,270	\$ 571,694	N/A							
Debt limit	44,787	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	1,260	-	-	-	-	-	-	-	-	-
<b>LEGAL DEBT MARGIN</b>	<b>\$ 43,527</b>	<b>\$ 571,694</b>	<b>\$ -</b>							
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	2.81%	-	-	-	-	-	-	-	-	-

N/A - Not applicable

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 Ten Fiscal Years

Fiscal Year	2004 Alternate Water Revenue Bonds				Coverage Required	Actual Coverage
	Water Operating Revenues	Debt Service		Coverage Required		
		Principal	Interest			
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	
2011	1,177,977	125,000	105,920	296,744	3.97	
2012	1,230,232	130,000	43,743	296,744	4.15	
2013	1,454,897	130,000	3,250	296,744	4.90	
2014	1,326,972	-	-	-	-	
2015	1,227,506	-	-	-	-	

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.

The 2004 Alternate Water Revenue Bonds were refunded during fiscal year 2013.

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

Data Source

The Village's Comprehensive Annual Financial Report

# VILLAGE OF LAKE BLUFF, ILLINOIS

## DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2006	6,056	\$ 444,931	\$ 73,469	2.80%
2007	6,056	467,177	77,143	3.30%
2008	6,222	490,536	78,839	4.40%
2009	6,222	490,536	78,839	4.40%
2010	6,200	467,177	75,351	5.50%
2011	5,722	402,555	70,352	5.20%
2012	5,722	402,402	70,325	5.20%
2013	5,722	433,271	75,720	5.00%
2014	5,722	394,262	68,903	4.80%
2015	5,722	379,931	66,398	4.50%

Data Source

Population and per capita information provided by the U.S. Census Bureau

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**PRINCIPAL EMPLOYERS**

Current Year and Nine Years Ago

<b>Employer</b>	<b>Business/Service</b>	<b>2015</b>		<b>2006</b>	
		<b>Employees</b>	<b>Rank</b>	<b>Employees</b>	<b>Rank</b>
Knauz Motors, Inc	BMW, Mercedes, Land Rover, Hyundai Mini & SmartCar auto dealerships	260	1	235	1
Liquid Controls Corp	Manufacture - Liquid flow meters	167	2	175	2
Lake Bluff School District 65	Elementary school district	123	3	119	6
Buehler, Inc	Scientific instruments supplier	120	4	100	7
Mariani Landscaping	Landscaping architect	105	5		
Profile Plastics	Manufacturer - plastic parts	60	6	80	10
Village of Lake Bluff	Municipal government	35	7		
Lake Forest Sports Cars	Ferrari, Maserati, Aston Martin, Lotus & McLaren dealership	28	8		
Chelsea & Scott, LTD	Catalog sales - children's products			145	3
Clarín/Greenwich Industries	Manufacturer - steel folding chairs			125	4
Deerpath Medical Associates	Medical clinic			125	5
Shepherd Chevrolet	Chevrolet and Geo auto dealership			95	8
Harrison Conference Center	Conference/training facility/hotel			83	9
<b>TOTAL</b>		<u>898</u>		<u>1,282</u>	

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

Data Source

Telephone poll of businesses.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

<b>Function/Program</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>GENERAL GOVERNMENT</b>										
Administrator's Office	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00	3.00
Finance	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Engineering, Building and Zoning	3.00	3.00	2.00	2.00	2.00	2.00	2.00	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	17.00	17.00	17.00	17.00	15.00	15.00	14.00	15.00	15.00	15.00
Telecommunications Dispatchers	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00	-
Police records										2.00
<b>PUBLIC WORKS</b>										
Administration, Street, Sewer	10.00	10.00	10.00	10.00	8.00	6.00	6.00	6.00	6.00	6.00
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	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>51.00</b>	<b>51.00</b>	<b>50.00</b>	<b>50.00</b>	<b>42.00</b>	<b>39.00</b>	<b>37.00</b>	<b>38.00</b>	<b>38.00</b>	<b>35.00</b>

Data Source

Village budget

**VILLAGE OF LAKE BLUFF, ILLINOIS**

OPERATING INDICATORS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>GENERAL GOVERNMENT</b>				
Administration				
Village board meetings	22	22	23	18
Other Board and commission meetings	46	46	49	24
Village newsletter mailings	5	5	5	4
Lake Bluff list serve subscribers	214	293	438	487
Finance				
Accounts payable (in thousands)	\$ 5,790	\$ 7,650	\$ 8,000	\$ 7,013
Water and sewer invoices prepared	8,232	8,225	8,185	8,179
Engineering, Building and Zoning				
Residential building permits issued	523	464	447	418
Commercial building permits issued	25	23	14	18
Zoning petitions	22	7	9	7
<b>PUBLIC SAFETY</b>				
Police				
Number of calls	10,078	11,703	10,282	10,322
Felony offenses	77	49	52	88
Misdemeanor offenses	406	311	336	390
Auto Accident investigations	203	203	177	195
Fire				
Fire calls	52	48	37	34
Rescue/medical transported	174	217	211	227
Rescue/medical not transported	70	50	61	73
<b>PUBLIC WORKS</b>				
General				
Streets patching (in tons)	57	71	118	64
Street cleaned - miles	975	1,134	1,562	813
Compacted household refuse collected	2,620	2,678	2,223	1,911
Curbside recycling collections (tons)	715	758	1,148	1,124
Cubic yards of				
leaves/yard waste collected	2,500	2,512	2,658	3,560
Parkway trees planted	76	67	52	50
Parkway grass trimmed (in acres)	276	301	401	329
Sanitary sewers cleaned (in linear feet)	16,679	44,178	65,925	80,000
Storm sewers cleaned (in linear feet)	4,158	2,358	2,111	3,837
Water				
Main break repairs	18	9	16	9
JULIE utility locates	1,227	1,368	1,210	1,345

Data Source

Various village departments

	2010	2011	2012	2013	2014	2015
	23	23	23	20	21	21
	30	38	48	33	37	56
	5	5	5	5	5	3
	550	663	700	700	700	871
\$	5,622	\$ 6,273	\$ 6,965	\$ 7,000	\$ 7,324	\$ 6,570
	8,256	8,247	8,240	8,235	8,295	8,269
	323	378	455	430	474	409
	14	60	9	36	74	76
	8	5	8	8	5	5
	11,208	11,457	11,744	12,042	12,019	11,132
	66	82	101	116	79	117
	406	588	643	702	1,211	1,439
	210	173	193	140	147	152
	41	44	43	43	35	38
	250	250	205	210	206	221
	76	84	80	67	75	98
	38	20	42	10	10	13
	813	614	1,114	504	612	500
	1,850	1,850	1,500	1,978	1,500	1,412
	1,084	1,084	1,004	1,006	1,100	923
	3,432	3,432	n/a	1,106	4,500	1,482
	42	22	20	23	25	46
	305	300	300	300	300	300
	79,821	48,853	4,975	45,350	18,101	17,205
	3,474	n/a	2,450	4,500	1,065	1,200
	5	7	13	8	10	10
	1,354	900	775	800	775	875

VILLAGE OF LAKE BLUFF, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>PUBLIC SAFETY</b>										
Police										
Patrol units	6	7	8	8	8	8	8	8	8	8
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Engines (1)	5.5	5.5	5.5	5.0	5.0	5.0	5.0	5.0	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	27.8	27.8	27.8	27.8	27.8	27.8
Sidewalks (miles)	20.3	20.3	20.3	20.6	25.9	26.0	26.0	26.0	26.0	26.0
Building facilities maintained	6	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	6	6	6	6	6	6	6	6	6	6
<b>WATER - SANITARY SEWER</b>										
Fire hydrants	460	476	488	490	490	492	492	493	493	478
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

(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