



## Village of Lake Bluff, Illinois



**NORTH SHORE LIFE  
LAKE BLUFF STYLE**

# Comprehensive Annual Financial Report

For year ending April 30, 2014

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

For the Year Ended  
April 30, 2014

Prepared by  
Finance Department

Susan M. Griffin  
Director of Finance

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## **INTRODUCTORY SECTION**



**NORTH SHORE LIFE  
LAKE BLUFF STYLE**

# **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**

**N. David Graf, Fire Chief**

**Gerald Nellessen, Building Code Supervisor**

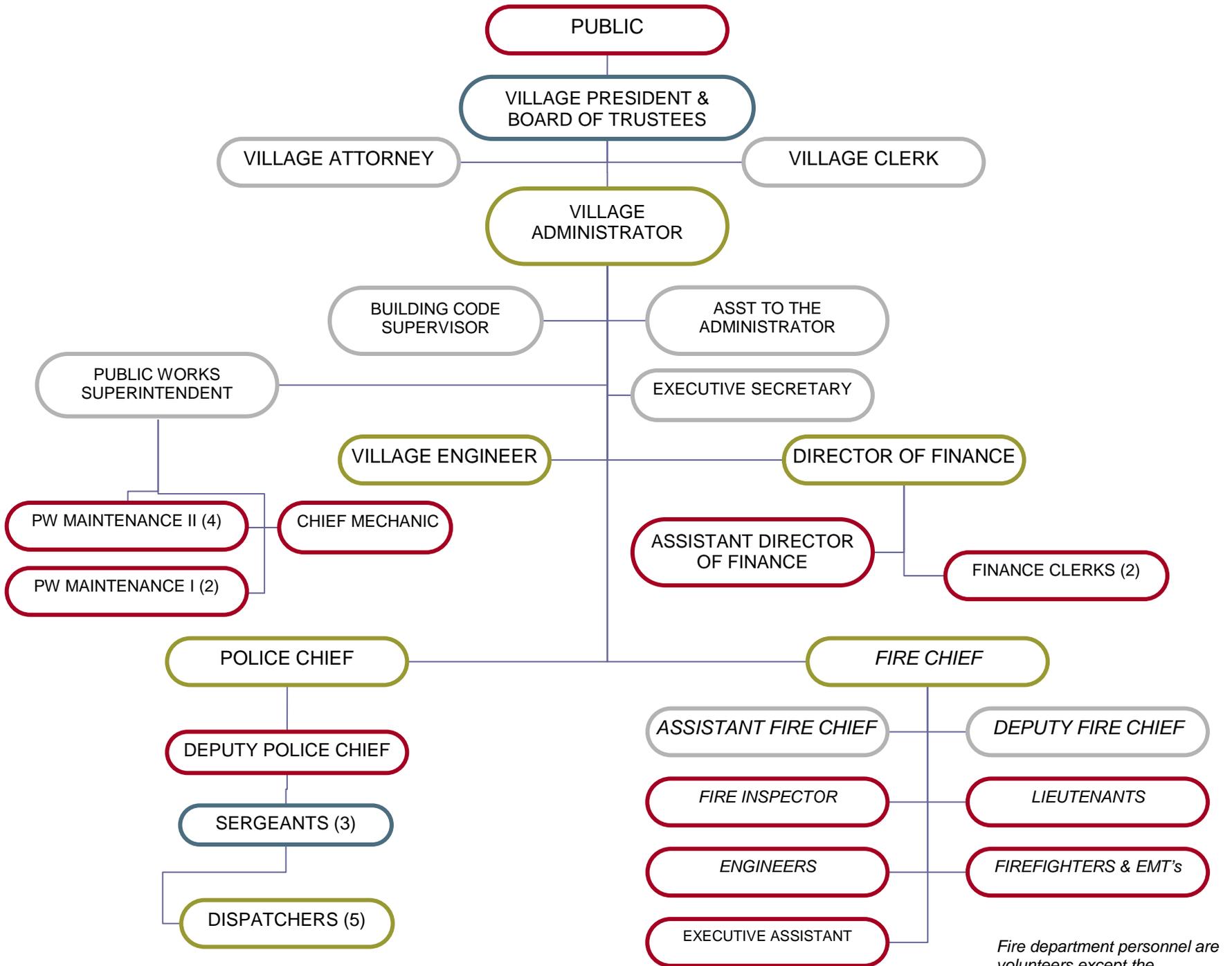
**George E. Russell Jr., Village Engineer**

**Marlene Scheibl, Assistant Finance Director**

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

**Peter M. Friedman, Village Attorney**

**Holland & Knight, LLP**



*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, 2013**

Executive Director/CEO



October 8, 2014

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, 2014 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 did expend federal funds during fiscal year 2014 requiring it to undergo a single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The federally mandated Single Audit is designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the Village’s internal controls and compliance with legal requirements, with special emphasis involving the administration of the federal awards. The Village’s separately issued Single Audit Report is available on the Village’s website at [lakebluff.org](http://lakebluff.org).

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).

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 2013 Equalized Assessed Valuation (EAV) for the Village is \$484,263,512 or 4.4% less than the 2012 EAV of \$506,500,163. Based on available past figures, this is the fourth consecutive year that the Village's EAV has decreased. The 2013 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 \$2.803 million represents 30% of the General Fund revenues, down from 31% in the prior year. Automobile and auto-related sales tax revenues represents 76% of the \$2.261 million from the state-shared sales tax (auto sales are exempt from the 1% home rule sales tax) received in FY2014.

## **Major Initiatives**

### For the year ended April 30, 2014

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. During the year, the

Village refined its building and zoning 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 2013-14 was focused on implementation of the strategic plan objectives, the maintenance of Village buildings, the development of a Village branding program, the study of Village services to decrease or contain costs and/or to enhance service delivery.

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

1. Maintain the delivery of high-quality cost effective municipal services.
  - a. Assessed the results of a dispatching services study and began the development of a consolidated operations plan to be implemented next fiscal year with the outsourcing of dispatching to the Village of Glenview.
  - b. Promoted Deputy Police Chief after extensive recruitment and evaluation process to replace retiring Chief.
  - c. Enabling a less experienced police supervisory staff the opportunity to expand their leadership skills by hiring, as the Deputy Chief, a retired police chief from a neighboring community for a two year period.
  - d. Obtained Tree City USA designation for the 18<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 Northern Illinois 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. Completed the coordination of a community-wide branding study culminating in the development of a new Village logo and initiatives to promote the brand.
  - b. Facilitated the redevelopment of the vacant Shepard Chevrolet property into a Target store with some smaller businesses on the outlot properties.
  - c. Assisted with the successful 2<sup>nd</sup> annual Lake Bluff Bicycle Criterium.
  - d. Continued a review of the 1997 Comprehensive Plan.
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. Ravine Park ravine restoration project was completed to mitigate storm water erosion; funded by \$789 thousand EPA Great Lakes Initiative grant.
  - b. Constructed traffic signal installation and roadway improvements at the intersection of North Shore Drive and Waukegan Road at a cost of \$1.3 million partially funded by a \$1 million state grant.
  - c. Lead the development of a design plan (Phase 1) for the reconfiguration of the Route 41/Route 176 interchange including facilitating resident workshops; fully funded by state and federal grant monies.

- d. Completed the fire department building addition to construct a bunk room with related interior renovations.
- e. Replaced water valves and storm sewers on Rockland Rd, East Witchwood at Moffett and the northwest area of the East Side of Lake Bluff.
- f. Installed natural gas back-up generator at Village Hall and replaced the diesel generator at the Tangley Oaks sanitary sewer lift station.

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

#### For the Future

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

- ❖ Transition from internal dispatching to an out-sourced consolidated operations center administered by the Village of Glenview.
- ❖ 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.
- ❖ Implement Village marketing and branding program recommendations.
- ❖ 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.
- ❖ Complete the revisions to the 1997 Comprehensive Plan and Zoning Code.
- ❖ Finalize negotiations with police sergeants' and patrol officers' collective bargaining units.
- ❖ Resume the annual street resurface and roadway improvements program.

#### **Financial Information**

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

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

Budgeting Controls. In addition, the Village maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Village Board. Activities of the General Fund, special revenue funds, debt service funds, capital project funds, enterprise fund, and pension trust fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. Encumbrance accounting is not used by the Village. All annual appropriations lapse at fiscal year-end and are generally reappropriated as part of the following year's budget.

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

Police Pension Trust Fund. The Village maintains a Police Pension Trust Fund mandated by state law for sworn police officers. The net position held in trust for the Police Pension Fund as of April 30, 2014 is \$8.558 million, up 11.2% from \$7.697 million as of April 30, 2013. Pursuant to the actuarial calculation of funding (using the entry age normal cost method), which was prepared as of May 1, 2014, the Police Pension Fund is 54.17% funded, with an unfunded liability of \$6.695 million; this is a decline from a funded level of 56.30% with an unfunded liability of \$5.833 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. Three years ago, the Police Pension Board of Trustees approved the reduction of the interest rate assumption from 7.50% to 7.25% 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 with 1 deferred annuitant expected to receive benefits in August 2014. Total benefits and refunds increased by 16.5% to \$766,962 from \$658,269 in the prior fiscal year due to the full year of benefits for a retiree and duty disability recipient.

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 \$13,592 on all governmental and Water Fund investments for the year ended April 30, 2014. This represents a 27% decrease from last year mostly due to the lower short-term interest rates, but also the decline in available cash as the Village ended the fiscal year with \$346,345 in grant reimbursements receivables in the Redevelopment Fund.

The Police Pension Fund realized interest on investments before net appreciation in the fair value of the portfolio of \$148,960. This 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 \$821,951 due to the more active investing and revised asset allocation strategies. After

investment expense the net investment income was \$943,848 or 57.8% of total additions to the net position. Total contributions comprised the remaining 42.2% of the \$688,729 total additions to the net position. The net position increased by \$860,822 after benefits and administrative expenses of \$771,755. 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, 2013. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, 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, Patricia Trevino 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**



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

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, 2014, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the 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.

In accordance with *Government Auditing Standards*, we have also issued our report October 8, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village's internal control over financial reporting and compliance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. The introductory section, combining and individual fund financial statements and schedules, the supplemental data, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and 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 financial statements. This information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such



**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended April 30, 2014

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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, 2014 with comparisons to the fiscal year ended April 30, 2013. 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 \$30.12 million as of April 30, 2014 compared to \$28.15 million as of April 30, 2013. The Village increased its total assets by \$1.54 million as a result of an increase in the capital assets of \$1.18 million and an increase in receivables of \$97 thousand. A reduction of liabilities and deferred inflows of resources of \$536 thousand was primarily from a decline in accounts payable as expenditures decreased and a decrease in long term debt from the annual bond payments. After accounting for the change in the net deferred outflows and inflows of \$104 thousand, the Village's total net position increased by \$1.97 million, thus strengthening the Village's overall financial position by 7%.
- The Village's net investment in capital assets of \$22.90 million equals the capital assets net of accumulated depreciation of \$26.43 million minus \$3.53 million in outstanding related debt. This is the result of an increase in net assets financed by grant revenues and developer donations.
- Government-wide expenses were \$9.84 million, funded with program revenues of \$4.06 million and property, sales, utility, income and other taxes, interest, and miscellaneous revenues of \$7.75 million; with the difference accounting for the increase in net position during the fiscal year of \$1.97 million.
- The unrestricted net position of the primary government increased to \$5.70 million on April 30, 2014, from \$5.35 million as of April 30, 2013 attributed to a reduction in expenditures and an increase in general revenues.
- The General Fund (the Village's main operating fund) had a fund balance of \$5.05 million which represents 72% of the operating expenses (defined as personnel, commodities and contract expenditures), exceeding the Village's policy to maintain 30% of operating expenditures to provide expanded flexibility and cash flow during these times of economic volatility.

### 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 63-68 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. 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 55-62 and 69-75, 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 50-54 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 63.*

## **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, 2014 compared to April 30, 2013 for the primary government.

Pursuant to GASB Statements 63 and 65, unearned 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 2014 deferred inflows of \$3,094,924 accounts for the 2013 property taxes to be billed and collected in the next fiscal year. The accounting loss on the advance refunding of the 2006 and 2004 bonds in the amounts of \$90,847 and \$107,775 are shown as a deferred outflow of resources in the Governmental and the Water activities, respectively. At the fiscal year end April 30, 2014, the total unrestricted net position for the **primary government** is \$5,702,939, which is 6.5% more than the unrestricted net position of \$5,352,747 at the fiscal year ended April 30, 2013. **Governmental activities restricted** net position of \$1,514,622 is for street improvements, employee benefits and pensions, public safety E911 maintenance, fire service purposes, and debt repayment. These *restricted* amounts increased by \$76,943 from the accumulation of restricted Motor Fuel Tax allotments as General Fund unrestricted assets were used to complete the annual roadway improvements. The **governmental activities** unrestricted net position rose from \$3,887,725 to \$4,204,894 as operating expenses declined and capital improvements were financed with grants and developer donations instead of the use of unrestricted net assets. The **governmental activities** combined *restricted* and unrestricted net position grew 9%, or \$1,974,245. The **water activities** total net position decreased by \$5,775 as a result of non-operating expenses of \$62,368 exceeding the operating income of \$56,593. **Exhibit B** presents a summary of governmental **revenues, expenses, and changes in net position** for the fiscal year ended April 30, 2014 compared to April 30, 2013.

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

	Governmental Activities		Water Activities		Total	
	2014	2013	2014	2013	2014	2013
Current & other assets	\$11,066,984	\$10,731,646	\$ 1,612,997	\$1,596,415	\$12,679,981	\$12,328,061
Capital assets	19,813,789	18,440,678	6,619,130	6,807,057	26,432,919	25,247,735
Total assets	30,880,773	29,172,324	8,232,127	8,403,472	39,112,900	37,575,796
Deferred Outflows	90,847	103,825	107,775	119,120	198,622	222,945
Long term liabilities	2,884,332	2,687,528	1,932,920	2,101,351	4,487,398	4,788,879
Other liabilities	1,028,212	1,583,898	254,040	262,524	1,620,622	1,846,422
Total liabilities	3,912,544	4,271,426	2,186,960	2,363,875	6,108,020	6,635,301
Deferred Inflows	3,094,924	3,014,816	----	----	3,094,924	3,014,816
<b>Net position:</b>						
Net investment in capital assets	\$18,244,636	\$16,664,503	\$ 4,654,897	\$4,693,695	\$22,899,533	\$21,358,198
Restricted	1,514,622	1,437,679	----	----	\$ 1,514,622	1,437,679
Unrestricted	4,204,894	3,887,725	1,498,045	1,465,022	5,702,939	5,532,747
<b>Total net position</b>	<b>\$23,964,152</b>	<b>\$21,989,907</b>	<b>\$ 6,152,942</b>	<b>\$6,158,717</b>	<b>\$30,117,094</b>	<b>\$28,148,624</b>

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

	Governmental Activities		Water (Business-Type)		Total	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program revenues						
Charge for services	\$ 1,513,822	\$ 1,265,422	\$ 1,326,523	\$ 1,447,150	\$ 2,840,345	\$ 2,712,572
Operating grants and contributions	201,765	187,962	----	----	201,765	187,962
Capital grants/donations	1,020,690	1,386,979	----	----	1,020,690	1,386,979
General revenues						
Property taxes	3,064,916	2,903,873	----	----	3,064,916	2,903,873
Sales taxes	2,803,586	2,541,332	----	----	2,803,586	2,541,332
Other taxes	1,601,184	1,544,420	----	----	1,601,184	1,544,420
Interest/Invest Income	11,149	15,768	2,443	2,820	13,592	18,588
Miscellaneous/Transfers	263,033	270,289	449	75,441	263,482	345,730
<i>Subtotal general revenue</i>	<i>7,743,868</i>	<i>7,275,682</i>	<i>2,892</i>	<i>78,261</i>	<i>7,746,760</i>	<i>7,353,943</i>
Total revenues	10,480,145	10,116,045	1,329,415	1,525,411	11,809,560	11,641,456
<b>Expenses:</b>						
General government	1,141,173	1,749,648	----	----	1,141,173	1,749,648
Public safety	4,445,493	4,208,309	----	----	4,445,493	4,208,309
Public works	2,875,330	3,693,891	----	----	2,875,330	3,693,891
Debt service interest	43,904	61,496	----	----	43,904	61,496
Water	----	----	1,335,190	1,388,909	1,335,190	1,388,909
Total expenses	8,505,900	9,713,344	1,335,190	1,388,909	9,841,090	11,102,253
<b>Incr/(Decr) in net position</b>	<b>1,974,245</b>	<b>402,701</b>	<b>(5,775)</b>	<b>136,502</b>	<b>1,968,470</b>	<b>539,203</b>
Net position – May 1, 2013	\$21,989,907	\$21,587,206	\$6,158,717	\$6,085,228	\$28,148,624	\$27,672,434
Prior Period Adjustment	----	----	----	(63,013)	----	(63,013)
Net position–April 30, 2014	\$23,964,152	\$21,989,907	\$6,152,942	\$6,158,717	\$30,117,094	\$28,148,624

### Governmental Activities

Total governmental revenues rose by \$364,100 or 3.6% due to the receipt of the capital grant proceeds and total expenses decreased by 12.4% or \$1,207,444. This resulted in a positive change in the net position of \$1,974,245 as of April 30, 2014 compared to an increase in net position of \$402,701 as of April 30, 2013.

#### *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. Overall, this category increased by 19.6% or \$248,400 mostly attributed to building permit fees growth of 97% to \$498,690 this year from \$248,366 the prior year as residential and commercial remodeling has begun to recover. The impact of loosened capital markets appears to be fueling market demand. Operating grants increased by \$13,803 or 7.3% from the prior year. Capital grants decreased \$366,289 or 26.4% as the previous year's grants revenue was the highest amount received in more than 15 years.

#### *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 2012 tax levy increased by 5.5%, despite a decline of 2.5% in the equalized assessed value of taxable property, from the impact of the 3.0% 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 26.8%, increased by 10.3% or \$262,254 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 \$56,764 or 3.7%. Specifically, telecommunications, natural gas and electric utility taxes increased by less than 1% or \$6,012 from the prior fiscal year due to higher natural gas consumption attributed to the colder and protracted weather in winter 2013-2014. Income taxes increased by 8.1% or \$41,917 from a 36% jump in the May 2013 (from May 2012) 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/transfers declined slightly due to the unpredictability of some of these sources.

#### *Governmental Expenses*

Total governmental expenses decreased by \$1,207,444 or 12.4% due to the completion last year of the North Shore Drive traffic signal installation and related roadway improvements as most of these costs were not capitalized as the roadway is the property of the State. Direct personnel costs for salaries, benefits, insurance, and pension expenses represent 43% of the total governmental expenses; a decline from 46% 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 decreased 34.8% or \$608,475 from the one-time payouts last fiscal year of excess accrued vacation time as the Village changed its personnel policy to limit the amount of unused accrued vacation and from equipment replacements that were capitalized this fiscal year. Capitalized assets are not expenses in the *Statement of Changes in Net Position*.

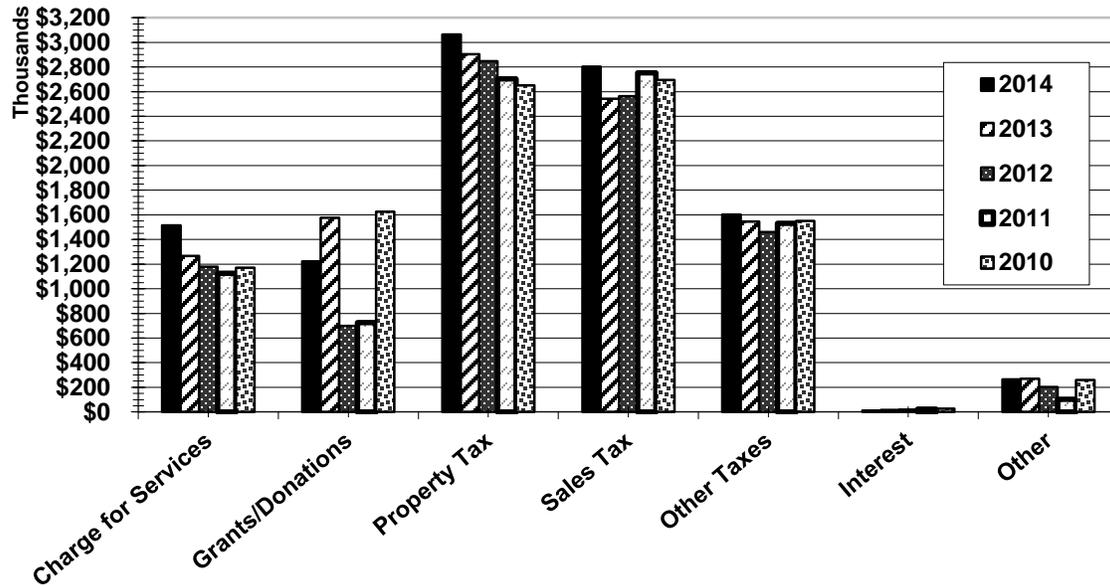
The public safety expenses are for the police sworn, dispatch, and fire departments. The Public Safety expenses increased 5.6% or \$237,184 predominately due to the full year of payroll expenses for two new police officers and the payout of accrued vacation time for the Police Chief and a long serving Officer who both retired this fiscal year. Further, the cost of ambulance service increased 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 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 decreased by 22.2% or \$818,561 due to completion of the North Shore Drive roadway improvements which were not capitalized because the roadway is owned by the State. Last fiscal year the Village capitalized the cost associated with the traffic signal as this will be maintained by the Village per agreement with the State.

Interest on long term debt decreased by \$17,592 or 40% due to the reduction in interest rates from the refunding of the 2006 issue in the prior fiscal year.

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 \$2.56 per 1,000 gallons down from \$2.65 last year. Water purchases expense was \$68,648 less than the prior year of which a decrease in water volume accounted for \$46,497 of the decline in purchases and \$22,151 was attributed to the wholesale water rate decrease.

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 \$6.60 per thousand gallons of water used, up from \$6.45 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 10% or \$147,531 from the prior fiscal year. The retail water rate change of \$0.15 accounted for \$27,643 of the increase in water sales revenue offset by the \$175,174 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 \$2.020 million at fiscal year-end.

The prior period adjustment of \$63,013 in the prior fiscal year is a result of the enactment of GASB Statements #63 and #65 which changes the accounting for unamortized bond issuance costs to an expense from an asset.

**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 \$6,953,618. The total fund balances grew by \$482,872 from 2013 to 2014 because of the increase in sales taxes, building permits, and fine revenue along with \$110,000 from the sale of Village right-of-way adjacent to Vincent Court and from reduced personnel costs as overall expenditures increased last year for one-time excess accrued vacation time. 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, 2014 compared to April 30, 2013 with the dollar and percentage change.

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

		Governmental Activities		Increase/Decrease from 2013	
		2014	2013	Percentage	Dollars
General	Major	\$ 5,045,371	\$ 4,659,810	8.3%	\$ 385,561
Redevelopment	Major	376,740	443,033	(15.0)	(66,293)
Motor Fuel Tax	Nonmajor	285,254	120,801	136.1	164,453
Vehicle Replacement	Nonmajor	379,149	361,581	4.9	17,568
IL Municipal Retirement	Nonmajor	250,954	269,008	(6.7)	(18,054)
Federal Social Security	Nonmajor	232,609	264,506	(12.1)	( 31,897)
E-911	Nonmajor	325,113	285,957	13.7	39,156
Fire Dept. Special	Nonmajor	30,523	37,901	(19.5)	(7,378)
SSA Bonds	Nonmajor	13,429	13,426	0.0	3
2006/2012 G.O. Bonds	Nonmajor	715	965	(25.9)	(250)
SSA Capital Projects	Nonmajor	13,761	13,758	0.0	3
Total		\$ 6,953,618	\$ 6,470,746	7.5%	\$ 482,872

Governmental Funds – Major and Nonmajor

**Major**

The General fund balance of \$5,045,371 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 30% of operating expenditures. The \$385,561 increase was the result of excess revenues over expenditures of \$647,794 plus \$125,617 from the sale of unused Village right-of-way land and a transfer from the E911 Fund but offset by total other financing uses (transfers to other funds) of \$387,850. Total revenues increased from the prior year by \$1,108,313 or 13.4% while expenditures (not including other financing uses) increased by \$1,413,766 or 19.4%. Transfers to other funds declined by \$306,736 or 44% as the Village expensed \$451,207 in the General Fund this fiscal year instead of supplementing the Motor Fuel Tax allotments with a transfer from the General Fund to finance the annual road paving. The Village expended \$681,429 for the Ravine Park ravine erosion mitigation project (funded by an EPA Great Lakes Initiative Grant). The Village invested in the maintenance of its buildings and spent \$185,000 of the previous year's assigned fund balance to finance the addition of the fire department area and internal remodeling and space reconfiguration to include a bunk room.

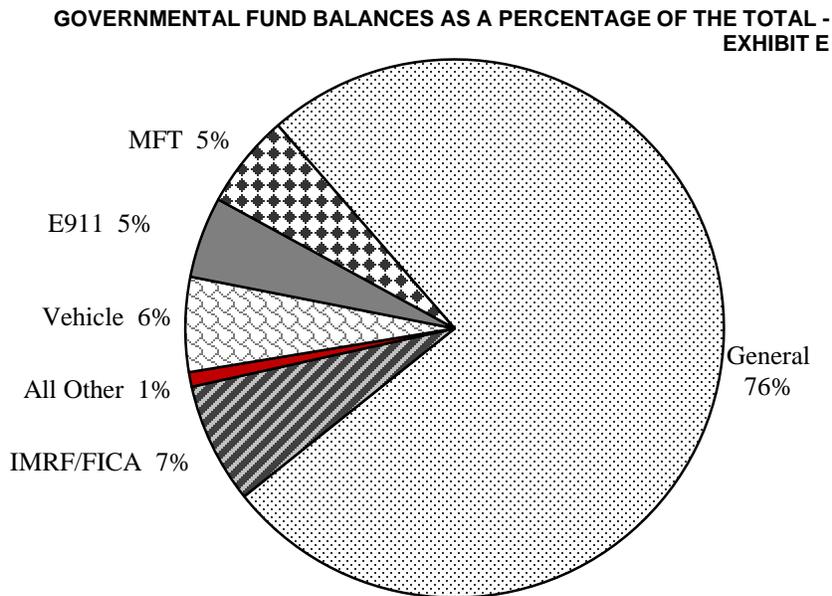
The other major fund is the Redevelopment Fund which was created to account for capital projects financed by bond proceeds and/or capital grants. Currently the major expenditure was for continuation of the Routes

41/176 interchange reconfiguration study which is funded by a federal grant. The fund balance declined \$66,293 as the cash was used to payout the retention amount due to the contractor for parkway restoration subsequent to the completion of the North Shore/Waukegan Road intersection traffic signal project.

**Non-Major**

The other governmental funds fund balances are required to be spent for their intended purpose. With the exception of increases in three of the governmental funds, the remaining 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 allowed the fund to accumulate resources. 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 38 full time employees. The E911 fund is for the maintenance of the Village's police telecommunications system and accumulated resources will be used to replace the system when necessary. 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. As predicted the recovery from the Great Recession has been slow and inconsistent. However, the stock market gains appear to have provided consumers with some spending power that is being used to make home improvements and upgrade aging vehicles. This has resulted in higher sales taxes and building fees than were predicted. Optimism can be fleeting so 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 \$990,117 to utilize excess fund balance reserves to maintain the Village's capital assets. Actual revenues and other financing sources for the fiscal year were \$1,309,949 or 16% greater than projected. The General Fund expenditures and other financing sources were \$65,729 less than budgeted due to conservative revenue projections and capital project costs exceeding estimates.

Water - Proprietary Fund

The Water Fund had operating income of \$56,593 compared to operating income of \$130,229 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 8.8% or \$127,925 and the decrease of 4% or \$54,289 in operating expenses correlates to the rise 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 \$19,813,789 in fiscal year 2014 up from \$18,440,678 in fiscal year 2013. This increase is attributable to the investment in capital assets during the year financed from grants and developer donations. The net realizable capital asset investment for the Water Fund declined this fiscal year to \$6,619,130 from \$6,807,057 in fiscal year 2013 because the depreciation exceeded the investment in capital assets during the year as resources were focused on Governmental capital assets. *Additional information regarding the Village's capital assets is presented in the footnotes on pages 31-32.*

*Long-Term Debt.* At April 30, 2014, 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 \$1.660 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 \$2.020 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 2013 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*

- 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.
- Slight growth in sales, income, and utility tax receipts are projected as certain sectors of the economy begin to recover.
- Building and development revenues are expected to be % greater next year due to the redevelopment of the vacant Shepard Chevrolet site, the remodeling of the vacant Dominick's grocery store by the Ohio family-owned Heinen's, and the modest start of new residential housing in the Lansdowne subdivision.
- The first contract with the Illinois Council of Police (ICOPs) for 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 \$0.04 per thousand gallons from \$2.56 to \$2.60.
- Retail water rate rise from \$6.60 to \$6.80 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 2013 property tax levy is 1.7% (down from 3% for 2012) 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 2014-15 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, 2014

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 6,708,010	\$ 1,021,920	\$ 7,729,930
Receivables, net of allowance for uncollectibles			
Property taxes	3,094,924	-	3,094,924
Other taxes	929,507	-	929,507
Other receivables	254,277	-	254,277
Accounts	10,618	281,071	291,689
Intergovernmental	346,345	-	346,345
Accrued interest	307	-	307
Prepaid items	12,900	-	12,900
Inventory	12,486	-	12,486
Due to/from other funds	(51,315)	51,315	-
Advance to/from other funds	(258,691)	258,691	-
Due from other governments	7,616	-	7,616
Capital assets			
Capital assets not being depreciated	2,914,062	-	2,914,062
Capital assets being depreciated, net	16,899,727	6,619,130	23,518,857
<b>Total assets</b>	<b>30,880,773</b>	<b>8,232,127</b>	<b>39,112,900</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized charge on refunding	90,847	107,775	198,622
<b>Total deferred outflows of resources</b>	<b>90,847</b>	<b>107,775</b>	<b>198,622</b>
<b>Total assets and deferred outflows of resources</b>	<b>30,971,620</b>	<b>8,339,902</b>	<b>39,311,522</b>
<b>LIABILITIES</b>			
Accounts payable	308,846	24,442	333,288
Accrued payroll	155,219	9,557	164,776
Interest payable	9,770	21,475	31,245
Other liabilities	23,025	-	23,025
Due to fiduciary fund	4	-	4
Other unearned revenue	121,935	-	121,935
Deposits payable	409,413	8,803	418,216
Noncurrent liabilities			
Due within one year	338,370	189,763	528,133
Due in more than one year	2,545,962	1,932,920	4,478,882
<b>Total liabilities</b>	<b>3,912,544</b>	<b>2,186,960</b>	<b>6,099,504</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned property taxes	3,094,924	-	3,094,924
<b>Total deferred inflows of resources</b>	<b>3,094,924</b>	<b>-</b>	<b>3,094,924</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>7,007,468</b>	<b>2,186,960</b>	<b>9,194,428</b>
<b>NET POSITION</b>			
Net investment in capital assets	18,244,636	4,654,897	22,899,533
Restricted for			
Employee benefits	483,563	-	483,563
Highways and streets	285,254	-	285,254
Public safety	355,636	-	355,636
Debt service	13,429	-	13,429
Capital outlay	376,740	-	376,740
Unrestricted	4,204,894	1,498,045	5,702,939
<b>TOTAL NET POSITION</b>	<b>\$ 23,964,152</b>	<b>\$ 6,152,942</b>	<b>\$ 30,117,094</b>

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2014

<b>FUNCTIONS/PROGRAMS</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,141,173	\$ 1,154,728	\$ -	\$ -
Public safety	4,445,493	178,582	34,202	-
Public works	2,875,330	180,512	167,563	1,020,690
Interest on long-term debt	43,904	-	-	-
Total governmental activities	8,505,900	1,513,822	201,765	1,020,690
Business-Type Activities				
Water	1,335,190	1,326,523	-	-
Total business-type activities	1,335,190	1,326,523	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 9,841,090</b>	<b>\$ 2,840,345</b>	<b>\$ 201,765</b>	<b>\$ 1,020,690</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>
	\$ 13,555	\$ -	\$ 13,555
	(4,232,709)	-	(4,232,709)
	(1,506,565)	-	(1,506,565)
	(43,904)	-	(43,904)
	<u>(5,769,623)</u>	-	<u>(5,769,623)</u>
	-	(8,667)	(8,667)
	-	(8,667)	(8,667)
	<u>(5,769,623)</u>	<u>(8,667)</u>	<u>(5,778,290)</u>
General Revenues			
Taxes			
Property tax	3,064,916	-	3,064,916
Utility tax	755,331	-	755,331
Replacement taxes	59,583	-	59,583
Sales tax	2,803,586	-	2,803,586
Wireless surcharge	53,209	-	53,209
Other taxes	175,474	-	175,474
Shared income tax	557,587	-	557,587
Miscellaneous	153,841	449	154,290
Gain on sale of capital assets	109,192	-	109,192
Investment income	11,149	2,443	13,592
	<u>7,743,868</u>	<u>2,892</u>	<u>7,746,760</u>
CHANGE IN NET POSITION	1,974,245	(5,775)	1,968,470
NET POSITION, MAY 1	<u>21,989,907</u>	<u>6,158,717</u>	<u>28,148,624</u>
<b>NET POSITION, APRIL 30</b>	<u>\$ 23,964,152</u>	<u>\$ 6,152,942</u>	<u>\$ 30,117,094</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2014

	General	Redevelopment Program	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 4,852,915	\$ 51,728	\$ 1,803,367	\$ 6,708,010
Receivables, net				
Property taxes	2,765,624	-	329,300	3,094,924
Other taxes	918,958	-	10,549	929,507
Other receivables	254,277	-	-	254,277
Accounts	3,291	-	7,327	10,618
Intergovernmental	-	346,345	-	346,345
Accrued interest	280	-	27	307
Prepaid items	12,900	-	-	12,900
Inventory	12,486	-	-	12,486
Due from other governments	7,616	-	-	7,616
<b>TOTAL ASSETS</b>	<b>\$ 8,828,347</b>	<b>\$ 398,073</b>	<b>\$ 2,150,570</b>	<b>\$ 11,376,990</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 256,441	\$ 21,333	\$ 31,072	\$ 308,846
Accrued payroll	155,219	-	-	155,219
Other liabilities	23,025	-	-	23,025
Other unearned revenue	121,935	-	-	121,935
Deposits payable	409,413	-	-	409,413
Due to other funds	51,315	-	-	51,315
Due to fiduciary fund	4	-	-	4
Advance from other funds	-	-	258,691	258,691
Total liabilities	1,017,352	21,333	289,763	1,328,448
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	2,765,624	-	329,300	3,094,924
Total deferred inflows of resources	2,765,624	-	329,300	3,094,924
Total liabilities and deferred inflows of resources	3,782,976	21,333	619,063	4,423,372
<b>FUND BALANCES</b>				
Nonspendable prepaid items	12,900	-	-	12,900
Nonspendable inventory	12,486	-	-	12,486
Restricted for employee benefits	-	-	483,563	483,563
Restricted for highways and streets	-	-	285,254	285,254
Restricted for public safety	-	-	355,636	355,636
Restricted for debt service	-	-	13,429	13,429
Restricted for capital outlay	-	376,740	-	376,740
Unrestricted				
Assigned for debt service	-	-	715	715
Assigned for capital outlay	300,000	-	392,910	692,910
Unassigned	4,719,985	-	-	4,719,985
Total fund balances	5,045,371	376,740	1,531,507	6,953,618
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,828,347</b>	<b>\$ 398,073</b>	<b>\$ 2,150,570</b>	<b>\$ 11,376,990</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, 2014

---

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 6,953,618
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	19,813,789
The charge on refunding bonds is capitalized and amortized over the life of the bonds on the statement of net position	90,847
Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(9,770)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(1,660,000)
Compensated absences payable	(382,617)
Net pension obligation	(157,215)
Net other postemployment benefit	<u>(684,500)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u><u>\$ 23,964,152</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, 2014

	<b>General</b>	<b>Redevelopment Program</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 2,689,026	\$ -	\$ 375,890	\$ 3,064,916
Other taxes	3,784,143	-	39,781	3,823,924
Licenses, permits and fees	1,003,721	-	-	1,003,721
Intergovernmental	1,241,742	346,345	245,164	1,833,251
Charges for services	358,476	-	-	358,476
Fines and forfeitures	121,676	-	-	121,676
Investment income	10,176	29	944	11,149
Miscellaneous	153,840	-	-	153,840
<b>Total revenues</b>	<b>9,362,800</b>	<b>346,374</b>	<b>661,779</b>	<b>10,370,953</b>
<b>EXPENDITURES</b>				
Current				
General government	1,617,507	-	136,793	1,754,300
Public safety	4,067,496	-	269,926	4,337,422
Public works	3,030,003	-	94,136	3,124,139
Capital outlay	-	412,667	123,254	535,921
Debt service				
Principal	-	-	220,000	220,000
Interest and fiscal charges	-	-	33,850	33,850
<b>Total expenditures</b>	<b>8,715,006</b>	<b>412,667</b>	<b>877,959</b>	<b>10,005,632</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>647,794</b>	<b>(66,293)</b>	<b>(216,180)</b>	<b>365,321</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	111,451	-	6,100	117,551
Transfers in	14,166	-	387,850	402,016
Transfers (out)	(387,850)	-	(14,166)	(402,016)
<b>Total other financing sources (uses)</b>	<b>(262,233)</b>	<b>-</b>	<b>379,784</b>	<b>117,551</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>385,561</b>	<b>(66,293)</b>	<b>163,604</b>	<b>482,872</b>
<b>FUND BALANCES, MAY 1</b>	<b>4,659,810</b>	<b>443,033</b>	<b>1,367,903</b>	<b>6,470,746</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 5,045,371</b>	<b>\$ 376,740</b>	<b>\$ 1,531,507</b>	<b>\$ 6,953,618</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, 2014

---

**NET CHANGE IN FUND BALANCES -  
TOTAL GOVERNMENTAL FUNDS** \$ 482,872

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	2,151,728
Depreciation expense	(770,258)

Proceeds from the disposal of capital assets is reported in governmental funds but the gain (loss) on the disposal is calculated and reported in the statement of activities

	(8,359)
--	---------

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	220,000
Amortization of charge on refunding	(12,978)
Change in compensated absences payable	(2,034)
Change in net pension obligation payable	54,713
Change in net other postemployment benefit payable	(144,363)

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

	<u>2,924</u>
--	--------------

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES** \$ 1,974,245

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET POSITION  
PROPRIETARY FUND

April 30, 2014

---

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,021,920
Receivables	
Accounts, net of allowance for uncollectible accounts	281,071
Due from other funds	<u>51,315</u>
Total current assets	<u>1,354,306</u>
<b>NONCURRENT ASSETS</b>	
Advance to other funds	258,691
Capital assets, net of accumulated depreciation	<u>6,619,130</u>
Total noncurrent assets	<u>6,877,821</u>
Total assets	<u>8,232,127</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Unamortized charge on refunding	<u>107,775</u>
Total deferred outflows of resources	<u>107,775</u>
Total assets and deferred outflows of resources	<u>8,339,902</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	24,442
Accrued payroll	9,557
Accrued interest payable	21,475
Deposits held	8,803
Compensated absences payable	24,763
General Obligation (Alternate Revenue Source) bonds payable	<u>165,000</u>
Total current liabilities	<u>254,040</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences payable	25,912
General Obligation (Alternate Revenue Source) bonds payable	<u>1,907,008</u>
Total noncurrent liabilities	<u>1,932,920</u>
Total liabilities	<u>2,186,960</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,654,897
Unrestricted	<u>1,498,045</u>
<b>TOTAL NET POSITION</b>	<u>\$ 6,152,942</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, 2014

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<b>OPERATING REVENUES</b>	
Water sales	\$ 1,279,798
Meter sales	7,375
Tap-on and connection fees	39,350
Miscellaneous	449
	<hr/>
Total operating revenues	1,326,972
	<hr/>
<b>OPERATING EXPENSES</b>	
Administrative and finance	384,593
Water purchases	630,069
Depreciation	255,717
	<hr/>
Total operating expenses	1,270,379
	<hr/>
OPERATING INCOME	56,593
	<hr/>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Investment income	2,443
Interest expense	(64,811)
	<hr/>
Total non-operating revenues (expenses)	(62,368)
	<hr/>
CHANGE IN NET POSITION	(5,775)
	<hr/>
NET POSITION, MAY 1	6,158,717
	<hr/>
<b>NET POSITION, APRIL 30</b>	<b>\$ 6,152,942</b>
	<hr/> <hr/>

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUND**

For the Year Ended April 30, 2014

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**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 1,322,246
Payments to suppliers	(731,624)
Payments to employees	<u>(299,875)</u>
Net cash from operating activities	<u>290,747</u>

**CASH FLOWS FROM NONCAPITAL  
FINANCING ACTIVITIES**

Interfund activity	129,487
Increase in advance to other funds	<u>(7,500)</u>
Net cash from noncapital financing activities	<u>121,987</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>2,443</u>
Net cash from investing activities	<u>2,443</u>

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

Purchase of capital assets	(67,790)
Payments of principal	(155,000)
Interest and fiscal charges paid on capital debt	<u>(59,944)</u>
Net cash from capital and related financing activities	<u>(282,734)</u>

**NET INCREASE IN CASH AND  
CASH EQUIVALENTS**

132,443

**CASH AND CASH EQUIVALENTS, MAY 1**

889,477

**CASH AND CASH EQUIVALENTS, APRIL 30**

\$ 1,021,920

(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

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Operating income	\$	56,593
Adjustments to reconcile operating income to net cash from operating activities		
Depreciation		255,717
(Increase) decrease in		
Receivables		(6,126)
Increase (decrease) in		
Accounts payable		(22,860)
Deposits payable		1,400
Accrued payroll		892
Compensated absences payable		5,131

**NET CASH FROM OPERATING ACTIVITIES**

\$ 290,747

See accompanying notes to financial statements.

**VILLAGE OF LAKE BLUFF, ILLINOIS**

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

April 30, 2014

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	<b>Police Pension Fund</b>
	<u>                    </u>
<b>ASSETS</b>	
Cash	\$ 38,051
Investments (at fair value)	
Commercial paper	1,747,679
State and local obligations	72,926
Equity securities	2,260,549
United States Government obligations	2,267,965
Mutual funds	2,151,159
Accrued interest receivable	27,294
Due from Village	4
	<u>                    </u>
Total assets	<u>8,565,627</u>
<b>LIABILITIES</b>	
Accounts payable	<u>7,314</u>
Total liabilities	<u>7,314</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u>8,558,313</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 8,558,313</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, 2014

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**ADDITIONS**

Contributions	
Employer	\$ 572,963
Plan members	<u>115,766</u>
Total contributions	<u>688,729</u>
Investment income	
Net appreciation in fair value of investments	821,951
Interest	<u>148,960</u>
Total investment income	970,911
Less investment expense	<u>(27,063)</u>
Net investment income	<u>943,848</u>
Total additions	<u>1,632,577</u>

**DEDUCTIONS**

Pension benefits and refunds	766,962
Administrative expenses	<u>4,793</u>
Total deductions	<u>771,755</u>

NET INCREASE 860,822

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

May 1	<u>7,697,491</u>
April 30	<u><u>\$ 8,558,313</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

INDEX FOR NOTES TO FINANCIAL STATEMENTS

April 30, 2014

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# VILLAGE OF LAKE BLUFF, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2014

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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 unavailable revenue on its financial statements. 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 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 Statements No. 25 and 31.

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

f. Receivables

The recognition of receivables associated with 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) 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, 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.

**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. 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. 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 30% 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 2013 attach as an enforceable lien on January 1, 2013 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, 2014. These 2013 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 2014 tax levy has not been recorded as a receivable at April 30, 2014, as the tax attached as a lien on property as of January 1, 2014; however, the tax will not be levied until December 2014 and, accordingly, is not measurable at April 30, 2014.

**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 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 - 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)**

**3. CASH AND INVESTMENTS (Continued)**

Police Pension Fund Investments

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

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2014:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
FHLB	\$ 52,495	\$ -	\$ 52,495	\$ -	\$ -
FHLMC	200,172	102,083	98,089	-	-
FNMA	358,599	153,102	205,497	-	-
U.S. Treasury notes	1,656,699	328,897	832,655	495,147	-
Municipal bonds	72,926	-	-	72,926	-
Corporate bonds	1,747,679	-	1,006,541	741,138	-
<b>TOTAL</b>	<b>\$ 4,088,570</b>	<b>\$ 584,082</b>	<b>\$ 2,195,277</b>	<b>\$ 1,309,211</b>	<b>\$ -</b>

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

In accordance with its investment policy the Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, 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 Aa2 and Aa3 by Moody's. The corporate bonds were rated between Baa3 and Aaa by Moody's. At April 30, 2014, the Police Pension Fund held several investments rated between Baa3 and Baa1, which is a violation of the investment policy.

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

**3. CASH AND INVESTMENTS (Continued)**

Police Pension Fund Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The investment policy is silent on limiting exposure to custodial credit risk. Illinois Funds, insurance contracts and money market mutual funds and mutual funds are not subject to custodial credit risk

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

Equities	20-45%
Corporate Bonds	50%
Fixed Income	35-78%
Cash or cash equivalents	2-20%

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2014 was as follows:

	Balances May 1	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,284,977	\$ 630,560	\$ 1,475	\$ 2,914,062
Total capital assets not being depreciated	2,284,977	630,560	1,475	2,914,062
Capital assets being depreciated				
Buildings and improvements	5,713,897	241,723	-	5,955,620
Equipment	5,383,438	254,897	124,488	5,513,847
Infrastructure	16,941,091	1,024,548	9,542	17,956,097
Total capital assets being depreciated	28,038,426	1,521,168	134,030	29,425,564
Less accumulated depreciation for				
Buildings and improvements	2,397,611	129,400	-	2,527,011
Equipment	3,209,896	372,771	123,232	3,459,435
Infrastructure	6,275,218	268,087	3,914	6,539,391
Total accumulated depreciation	11,882,725	770,258	127,146	12,525,837
Total capital assets being depreciated, net	16,155,701	750,910	6,884	16,899,727
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 18,440,678</b>	<b>\$ 1,381,470</b>	<b>\$ 8,359</b>	<b>\$ 19,813,789</b>

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

**4. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 39,718
Public safety	295,401
Public works	<u>435,139</u>
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 770,258</u></b>

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Water systems/lines	\$ 9,231,872	\$ 59,291	\$ 606	\$ 9,290,557
Water tower	1,817,314	-	-	1,817,314
Vehicles	101,345	8,500	-	109,845
Total capital assets being depreciated	<u>11,150,531</u>	<u>67,791</u>	<u>606</u>	<u>11,217,716</u>
Less accumulated depreciation for				
Water system/lines	3,393,962	199,555	606	3,592,911
Water tower	864,417	50,610	-	915,027
Vehicles	85,096	5,552	-	90,648
Total accumulated depreciation	<u>4,343,475</u>	<u>255,717</u>	<u>606</u>	<u>4,598,586</u>
Total capital assets being depreciated, net	<u>6,807,056</u>	<u>(187,926)</u>	<u>-</u>	<u>6,619,130</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b><u>\$ 6,807,056</u></b>	<b><u>\$ (187,926)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,619,130</u></b>

**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 (IRMA)**

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperation Statute to pool their risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

**5. RISK MANAGEMENT (Continued)**

Intergovernmental Risk Management Agency (IRMA) (Continued)

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the 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, 2014.

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.

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

**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, 2014 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						
\$2,100,000 General Obligation Bonds dated July 24, 2006, due in annual installments of \$130,000 to \$255,000 through December 15, 2020, interest payable each June 15 and December 15 at 3.90% to 4.25%	2006 General Obligation Bond	\$ 195,000	\$ -	\$ 195,000	\$ -	\$ -
\$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	1,685,000	-	25,000	1,660,000	230,000
Compensated absences	General	380,583	462,200	460,166	382,617	108,370
Net pension obligation	General	211,928	-	54,713	157,215	-
Net other postemployment benefit obligation	General	540,137	144,363	-	684,500	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 3,012,648</b>	<b>\$ 606,563</b>	<b>\$ 734,879</b>	<b>\$ 2,884,332</b>	<b>\$ 338,370</b>

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

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

A summary of changes in long-term debt reported in the business-type activities of the Village for the year ended April 30, 2014 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	\$ 2,175,000	\$ -	\$ 155,000	\$ 2,020,000	\$ 165,000
Compensated absences	Waterworks	45,544	27,901	22,770	50,675	24,763
Unamortized premium	Waterworks	57,482	-	5,474	52,008	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 2,278,026</b>	<b>\$ 27,901</b>	<b>\$ 183,244</b>	<b>\$ 2,122,683</b>	<b>\$ 189,763</b>

The unamortized loss on refunding was reclassified to a deferred outflow of resources during the fiscal year ended April 30, 2013.

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
2015	\$ 230,000	\$ 25,863	\$ 165,000	\$ 56,844
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>\$ 1,660,000</b>	<b>\$ 121,389</b>	<b>\$ 2,020,000</b>	<b>\$ 388,744</b>

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

**8. INDIVIDUAL FUND DISCLOSURES**

a. Interfund Transactions

Due from/to other funds at April 30, 2014 consist of the following:

Receivable Fund	Payable Fund	Amount
Water	General	\$ 51,315
Police Pension	General	\$ 4

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

- \$51,315 owed to the Water Fund from the General Fund is for interfund operations. Repayment is expected within one year.

b. Advances To/From Other Funds

Advances to/from other funds at April 30, 2014 consist of the following:

Receivable Fund	Payable Fund	Amount
Water	Vehicle/Equipment Replacement (Nonmajor governmental)	\$ 258,691
<b>TOTAL</b>		<b>\$ 258,691</b>

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

- \$258,691 owed to the Vehicle/Equipment Replacement Fund from the Water Fund is for future vehicle replacements. Repayment is not expected within one year.

c. Transfers

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers Out
General	\$ 14,166	\$ 387,850
Nonmajor governmental	387,850	14,166
<b>TOTAL ALL FUNDS</b>	<b>\$ 402,016</b>	<b>\$ 402,016</b>

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

c. Transfers (Continued)

The purposes of significant transfers are as follows:

- \$253,850 was transferred to the 2006 General Obligation Bond Fund from the General Fund for funding of nonproperty tax debt. \$134,000 was transferred to the Vehicle/Equipment Replacement Fund from the General Fund for the replacement of vehicles. \$14,166 was transferred to the General Fund from the E-911 Fund to reimburse for dispatcher salaries.

**9. COMMITMENTS AND CONTINGENCIES**

a. Litigation

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

b. Construction Contracts

The value of purchase commitments for capital assets at April 30, 2014 is \$418,279.

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 (CLCJAWA)

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

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

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**10. JOINT VENTURES (Continued)**

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

The members of CLCJAWA as of April 30, 2014 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 does exist a residual interest in CLCJAWA's assets upon dissolution of the joint venture. The Village has an ongoing financial responsibility for its share of CLCJAWA's liabilities. Each participant is liable for its share of any agency contracts entered into while bound by the intergovernmental agreement, until those contracts are paid off. Additionally, the Village has an ongoing financial responsibility to purchase water from CLCJAWA.

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

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

**10. JOINT VENTURES (Continued)**

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

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 2014, which is recorded in the Village's Water Fund.

b. Solid Waste Agency of Lake County (SWALCO)

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

The members of SWALCO and their percentage shares are based on the formula contained in the agency agreement. As of April 30, 2014, 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 (SWALCO) (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, 2014.

**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 plan does not issue a separate report. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

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 2013 and 2014 were 12.44% and 12.12%, 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

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At April 30, 2014, the Police Pension Plan membership consisted of:

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

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)

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.

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, 2014, the Village's contribution was 47.94% of covered payroll.

**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

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.

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, 2011	April 30, 2013
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	20 Years, Closed

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

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

d. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.25% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	2.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	1.12% to 4.86%

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)	2012	\$ 225,785	\$ 469,547
	2013	249,935	474,677
	2014	276,473	518,250
Actual contribution	2012	\$ 225,785	\$ 496,129
	2013	249,935	554,148
	2014	276,473	572,963
Percentage of APC contributed	2012	100.00%	105.66%
	2013	100.00%	116.74%
	2014	100.00%	110.56%
Net pension obligation (NPO)	2012	\$ -	\$ 291,399
	2013	-	211,928
	2014	-	157,215

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

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

d. Annual Pension Costs (Continued)

The APC and NPO for the Police Pension Fund as of and for the year ended April 30, 2014 was calculated as follows:

Annual required contribution	\$ 518,472
Interest on net pension obligation	15,365
Adjustment to annual required contribution	<u>(15,587)</u>
Annual pension cost	518,250
Contributions made	<u>572,963</u>
Increase (decrease) in net pension obligation (asset)	(54,713)
Net pension obligation, beginning of year	<u>211,928</u>
<b>NET PENSION OBLIGATION, END OF YEAR</b>	<b><u>\$ 157,215</u></b>

e. Funded Status

The funded status of the plans as of April 30, 2014 (December 31, 2013 for IMRF), based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11-d:

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 6,137,398	\$ 14,608,868
Actuarial value of plan assets	5,268,905	7,913,978
Unfunded actuarial accrued liability (UAAL)	868,493	6,694,890
Funded ratio (actuarial value of plan assets/AAL)	85.85%	54.17%
Covered payroll (active plan members)	\$ 2,078,240	\$ 1,168,815
UAAL as a percentage of covered payroll	41.79%	572.79%

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.

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><u>35</u></u>
 Participating employers	 <u><u>1</u></u>

d. Funding Policy

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

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

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

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
April 30, 2012	\$ 177,908	\$ 26,921	15.13%	\$ 408,073
April 30, 2013	163,378	31,314	19.17%	540,137
April 30, 2014	168,743	24,380	14.45%	684,500

The net OPEB obligation as of April 30, 2014 was calculated as follows:

Annual required contribution	\$ 161,027
Interest on net OPEB obligation	27,007
Adjustment to annual required contribution	<u>(19,291)</u>
Annual OPEB cost	168,743
Contributions made	<u>24,380</u>
Increase in net OPEB obligation	144,363
Net OPEB obligation, beginning of year	<u>540,137</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u>\$ 684,500</u></b>

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%

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

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

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

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

In the April 30, 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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property taxes	\$ 2,647,880	\$ 2,689,026	\$ 41,146
Other taxes	3,311,005	3,784,143	473,138
Licenses, permits and fees	696,783	1,003,721	306,938
Intergovernmental grants and reimbursements	974,220	1,241,742	267,522
Charges for services	366,300	358,476	(7,824)
Fines and forfeitures	64,230	121,676	57,446
Investment income	11,600	10,176	(1,424)
Miscellaneous	86,950	153,840	66,890
<b>Total revenues</b>	<b>8,158,968</b>	<b>9,362,800</b>	<b>1,203,832</b>
<b>EXPENDITURES</b>			
Current			
General government	1,937,155	1,617,507	(319,648)
Public safety	3,733,640	4,067,496	333,856
Public works	3,109,940	3,030,003	(79,937)
<b>Total expenditures</b>	<b>8,780,735</b>	<b>8,715,006</b>	<b>(65,729)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(621,767)</b>	<b>647,794</b>	<b>1,269,561</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,500	111,451	109,951
Transfers in	18,000	14,166	(3,834)
Transfers (out)	(387,850)	(387,850)	-
<b>Total other financing sources (uses)</b>	<b>(368,350)</b>	<b>(262,233)</b>	<b>106,117</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (990,117)</b>	<b>385,561</b>	<b>\$ 1,375,678</b>
<b>FUND BALANCE, MAY 1</b>		<b>4,659,810</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 5,045,371</b>	

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2014

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>
2008	\$ 4,735,416	\$ 6,222,557	76.10%	\$ 1,487,141	\$ 2,614,434	56.88%
2009	4,948,560	6,241,956	79.28%	1,293,396	2,641,538	48.96%
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%

Schedule of Employer Contribution

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>
2009	\$ 242,493	\$ 242,493	100.00%
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%

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION  
POLICE PENSION FUND**

April 30, 2014

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>
2009	\$ 6,912,883	\$ 10,206,739	67.73%	\$ 3,293,856	\$ 1,200,412	274.39%
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%

Schedule of Employer Contribution

<b>Fiscal Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution (ARC)</b>	<b>Percentage Contributed</b>	<b>Net Pension Obligation/ (Asset)</b>
2009	\$ 381,977	\$ 388,516	98.32%	\$ 296,373
2010	423,637	454,809	93.15%	329,554
2011	440,214	431,049	102.13%	317,981
2012	496,129	462,791	107.20%	291,399
2013	554,148	474,353	116.82%	211,928
2014	572,963	518,472	110.51%	157,215

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2014

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

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

N/A - Information not available.

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

Information for prior years is not available.

(See independent auditor's report.)

# VILLAGE OF LAKE BLUFF, ILLINOIS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2014

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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 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, 2014. 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
Illinois Municipal Retirement	\$ 186,381	\$ 197,652
Fire Department Special	26,800	31,785
Federal Social Security	232,500	238,129
Motor Fuel Tax	-	3,146

**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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Taxes			
Property taxes			
General	\$ 615,630	\$ 617,900	\$ 2,270
Waste disposal	480,000	489,171	9,171
Police protection	375,325	386,188	10,863
Crossing guards	5,500	5,149	(351)
Fire protection	306,425	310,110	3,685
Audit	25,000	25,746	746
Unemployment	5,000	5,149	149
Police pension	555,000	566,409	11,409
Liability insurance	280,000	283,204	3,204
Total property taxes	<u>2,647,880</u>	<u>2,689,026</u>	<u>41,146</u>
Other taxes			
Home rule sales tax	508,590	525,425	16,835
Sales tax sharing - North Chicago	10,100	6,651	(3,449)
Prepared food and beverage tax	64,800	61,174	(3,626)
Utility tax - natural gas	136,590	218,129	81,539
Utility tax - electricity	310,020	319,456	9,436
Telecommunications tax	274,530	217,745	(56,785)
Demolition tax	10,000	40,000	30,000
Road and bridge	73,420	74,301	881
Personal property replacement tax	26,600	43,198	16,598
Replacement tax - police pension	4,280	6,554	2,274
Sales tax	1,883,650	2,261,585	377,935
Sales tax - auto rental	8,425	9,925	1,500
Total other taxes	<u>3,311,005</u>	<u>3,784,143</u>	<u>473,138</u>
Total taxes	<u>5,958,885</u>	<u>6,473,169</u>	<u>514,284</u>
Licenses, permits and fees			
Beverage licenses	15,000	15,460	460
Farmers' market permit	6,598	3,717	(2,881)
Vehicle license fees	133,120	135,228	2,108
Vehicle licenses - late fees	1,500	1,305	(195)
Village lot parking fees	9,170	7,546	(1,624)

(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, 2014

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>			
Licenses, permits and fees (Continued)			
Central business district (CBD) parking permits	\$ 3,925	\$ 5,138	\$ 1,213
Commuter lot parking fees	71,100	86,128	15,028
Bicycle licenses	10	23	13
Peddler permits	500	300	(200)
Contractor's business license	26,000	25,700	(300)
Business license	3,500	1,300	(2,200)
Building permits	255,000	489,690	234,690
Demolition permits	20,820	43,310	22,490
Electrical, plumbing, heating and air conditioning	7,000	8,707	1,707
Plan review fees - fire and building	250	-	(250)
Plan review fees - sprinkler	2,950	4,477	1,527
Occupancy permits	2,500	5,000	2,500
Business occupancy permits	500	200	(300)
Street opening permits	6,330	10,000	3,670
Sewer permits	900	8,750	7,850
Other permits	1,700	4,310	2,610
Alarm system license	9,250	9,400	150
Telecom franchise fees	8,000	7,309	(691)
PEG access fees	25,600	32,639	7,039
Cable franchise fees	85,560	98,084	12,524
	<u>696,783</u>	<u>1,003,721</u>	<u>306,938</u>
Intergovernmental			
State income taxes	505,680	557,587	51,907
Federal grants	468,140	683,755	215,615
State grants	400	400	-
	<u>974,220</u>	<u>1,241,742</u>	<u>267,522</u>
Charges for services			
Public works			
Sewer charge	206,680	178,187	(28,493)
Stormwater ordinance review	500	1,800	1,300
Public safety			
Fire protection district and police services	27,650	27,481	(169)

(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, 2014

	<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	\$ 400	\$ 476	\$ 76
Maps and publications	20	1,378	1,358
Other services	200	33	(167)
Zoning application fees	2,100	2,569	469
Rental income	128,750	146,552	17,802
Total charges for services	366,300	358,476	(7,824)
Fines and forfeitures			
Public safety			
Court fines	37,430	87,713	50,283
Alarm system fines	2,450	2,750	300
Parking fines	19,000	25,848	6,848
Vehicle sticker fines	2,000	3,425	1,425
Nuisances fines	1,240	780	(460)
Animal impoundment fee	610	635	25
General government			
Other fines/building code fines	1,500	525	(975)
Total fines and forfeitures	64,230	121,676	57,446
Investment income	11,600	10,176	(1,424)
Miscellaneous			
Police training refunds	4,000	464	(3,536)
Restitution/claims and judgments	-	3,376	3,376
Contributions/donations	-	14,525	14,525
Tree sharing program	500	56	(444)
Recycling rebates	16,500	10,085	(6,415)
Naperville contributions/impact fee	-	36,963	36,963
Tree permit and mitigation fee	35,700	46,946	11,246
Miscellaneous income	1,500	7,225	5,725
Police application fee	-	1,370	1,370
IRMA rebate	28,750	32,830	4,080
Total miscellaneous	86,950	153,840	66,890
<b>TOTAL REVENUES</b>	<b>\$ 8,158,968</b>	<b>\$ 9,362,800</b>	<b>\$ 1,203,832</b>

(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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>GENERAL GOVERNMENT</b>			
Administrator's office			
Personnel	\$ 376,645	\$ 381,674	\$ 5,029
Contractual services/commodities	502,980	375,471	(127,509)
Contingency	200,000	-	(200,000)
Capital outlay	-	-	-
Total administrator's office	<u>1,079,625</u>	<u>757,145</u>	<u>(322,480)</u>
Finance department			
Personnel	309,855	311,750	1,895
Contractual services/commodities	130,265	149,472	19,207
Total finance department	<u>440,120</u>	<u>461,222</u>	<u>21,102</u>
Boards and commissions			
Contractual services/commodities	59,430	44,976	(14,454)
Total boards and commissions	<u>59,430</u>	<u>44,976</u>	<u>(14,454)</u>
Engineering, community development			
Personnel	152,895	173,365	20,470
Contractual services/commodities	97,110	75,745	(21,365)
Total engineering, community development	<u>250,005</u>	<u>249,110</u>	<u>(895)</u>
Village hall			
Personnel	8,925	19,696	10,771
Contractual services/commodities	24,700	24,430	(270)
Capital outlay	70,900	56,920	(13,980)
Total village hall	<u>104,525</u>	<u>101,046</u>	<u>(3,479)</u>
Village properties			
Contractual services/commodities	3,450	4,008	558
Total village properties	<u>3,450</u>	<u>4,008</u>	<u>558</u>
Total general government	<u>1,937,155</u>	<u>1,617,507</u>	<u>(319,648)</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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC SAFETY</b>			
Police protection			
Personnel	\$ 1,848,260	\$ 1,843,790	\$ (4,470)
Police pension contribution	559,280	572,963	13,683
Contractual services/commodities	160,320	185,079	24,759
Capital outlay	32,500	13,602	(18,898)
Total police protection	<u>2,600,360</u>	<u>2,615,434</u>	<u>15,074</u>
Police dispatch and operations			
Personnel	389,760	438,888	49,128
Contractual services/commodities	63,000	62,977	(23)
Total police dispatch operations	<u>452,760</u>	<u>501,865</u>	<u>49,105</u>
Crossing guards			
Personnel	9,750	9,394	(356)
Commodities	100	-	(100)
Total crossing guards	<u>9,850</u>	<u>9,394</u>	<u>(456)</u>
Fire protection			
Personnel	185,045	169,323	(15,722)
Contractual services/commodities	377,200	455,772	78,572
Capital outlay	30,800	24,969	(5,831)
Total fire protection	<u>593,045</u>	<u>650,064</u>	<u>57,019</u>
Public safety buildings			
Personnel	8,925	20,212	11,287
Contractual services/commodities	55,200	51,325	(3,875)
Capital outlay	13,500	219,202	205,702
Total public safety buildings	<u>77,625</u>	<u>290,739</u>	<u>213,114</u>
Total public safety	<u>3,733,640</u>	<u>4,067,496</u>	<u>333,856</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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>PUBLIC WORKS</b>			
Streets and bridges			
Personnel	\$ 359,010	\$ 348,787	\$ (10,223)
Contractual services/commodities	187,800	193,292	5,492
Capital outlay	593,540	500,411	(93,129)
Total streets and bridges	<u>1,140,350</u>	<u>1,042,490</u>	<u>(97,860)</u>
Sanitation			
Personnel	14,815	10,514	(4,301)
Contractual services/commodities	595,950	572,887	(23,063)
Total sanitation	<u>610,765</u>	<u>583,401</u>	<u>(27,364)</u>
Forestry			
Personnel	92,205	86,425	(5,780)
Contractual services/commodities	48,800	24,304	(24,496)
Capital outlay	7,000	6,945	(55)
Total forestry	<u>148,005</u>	<u>117,674</u>	<u>(30,331)</u>
Parks and parkways			
Personnel	52,420	45,720	(6,700)
Contractual services/commodities	36,750	33,620	(3,130)
Capital outlay	420,000	681,429	261,429
Total parks and parkways	<u>509,170</u>	<u>760,769</u>	<u>251,599</u>
Street lighting			
Personnel	-	11,304	11,304
Contractual services/commodities	-	15,557	15,557
Total street lighting	<u>-</u>	<u>26,861</u>	<u>26,861</u>
Sewers			
Personnel	163,875	150,950	(12,925)
Contractual services/commodities	41,900	58,856	16,956
Capital outlay	355,000	141,654	(213,346)
Total sewers	<u>560,775</u>	<u>351,460</u>	<u>(209,315)</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, 2014

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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	\$ -	\$ 20,204	\$ 20,204
Contractual services/commodities	34,700	40,640	5,940
Capital outlay	33,000	15,998	(17,002)
Total public works facility	<u>67,700</u>	<u>76,842</u>	<u>9,142</u>
Commuter station building and lot			
Personnel	29,925	34,197	4,272
Contractual services/commodities	37,250	35,655	(1,595)
Capital outlay	6,000	654	(5,346)
Total commuter station building and lot	<u>73,175</u>	<u>70,506</u>	<u>(2,669)</u>
Total public works	<u>3,109,940</u>	<u>3,030,003</u>	<u>(79,937)</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 8,780,735</u>	<u>\$ 8,715,006</u>	<u>\$ (65,729)</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, 2014

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	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental	\$ -	\$ 346,345	\$ 346,345
Investment income	300	29	(271)
	<hr/>	<hr/>	<hr/>
Total revenues	300	346,374	346,074
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Capital outlay			
Infrastructure improvements	210,000	412,667	202,667
	<hr/>	<hr/>	<hr/>
Total expenditures	210,000	412,667	202,667
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (209,700)</u>	(66,293)	<u>\$ 143,407</u>
FUND BALANCE, MAY 1		<hr/> 443,033	
<b>FUND BALANCE, APRIL 30</b>		<hr/> <u>\$ 376,740</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.

### **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.

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

### **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

April 30, 2014

	<u>Special Revenue</u>			
	<u>Illinois Municipal Retirement</u>	<u>Fire Department Special</u>	<u>Federal Social Security</u>	<u>Motor Fuel Tax</u>
<b>ASSETS</b>				
Cash and investments	\$ 266,553	\$ 30,523	\$ 232,609	\$ 277,851
Receivables, net				
Property taxes	150,122	-	179,178	-
Other taxes	-	-	-	10,549
Accrued interest	-	-	-	-
Accounts	614	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 417,289</b>	<b>\$ 30,523</b>	<b>\$ 411,787</b>	<b>\$ 288,400</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 16,213	\$ -	\$ -	\$ 3,146
Advance from other funds	-	-	-	-
<b>Total liabilities</b>	<b>16,213</b>	<b>-</b>	<b>-</b>	<b>3,146</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	150,122	-	179,178	-
<b>Total deferred inflows of resources</b>	<b>150,122</b>	<b>-</b>	<b>179,178</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>166,335</b>	<b>-</b>	<b>179,178</b>	<b>3,146</b>
<b>FUND BALANCES</b>				
Restricted for employee benefits	250,954	-	232,609	-
Restricted for public safety	-	30,523	-	-
Restricted for highways and streets	-	-	-	285,254
Restricted for debt service	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	-
Assigned for capital outlay	-	-	-	-
<b>Total fund balances</b>	<b>250,954</b>	<b>30,523</b>	<b>232,609</b>	<b>285,254</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 417,289</b>	<b>\$ 30,523</b>	<b>\$ 411,787</b>	<b>\$ 288,400</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>
\$ 318,400	\$ 1,125,936	\$ 13,429	\$ 715	\$ 14,144
-	329,300	-	-	-
-	10,549	-	-	-
-	-	-	-	-
6,713	7,327	-	-	-
<b>\$ 325,113</b>	<b>\$ 1,473,112</b>	<b>\$ 13,429</b>	<b>\$ 715</b>	<b>\$ 14,144</b>
\$ -	\$ 19,359	\$ -	\$ -	\$ -
-	-	-	-	-
-	19,359	-	-	-
-	329,300	-	-	-
-	329,300	-	-	-
-	348,659	-	-	-
-	483,563	-	-	-
325,113	355,636	-	-	-
-	285,254	-	-	-
-	-	13,429	-	13,429
-	-	-	715	715
-	-	-	-	-
<b>325,113</b>	<b>1,124,453</b>	<b>13,429</b>	<b>715</b>	<b>14,144</b>
<b>\$ 325,113</b>	<b>\$ 1,473,112</b>	<b>\$ 13,429</b>	<b>\$ 715</b>	<b>\$ 14,144</b>

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2014

	Capital Projects			Total
	Special Service Area Capital Improvement	Vehicle/Equipment Replacement	Total Nonmajor Capital Projects Funds	
<b>ASSETS</b>				
Cash and investments	\$ 13,761	\$ 649,526	\$ 663,287	\$ 1,803,367
Receivables, net				
Property taxes	-	-	-	329,300
Other taxes	-	-	-	10,549
Accrued interest	-	27	27	27
Accounts	-	-	-	7,327
<b>TOTAL ASSETS</b>	<b>\$ 13,761</b>	<b>\$ 649,553</b>	<b>\$ 663,314</b>	<b>\$ 2,150,570</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 11,713	\$ 11,713	\$ 31,072
Advance from other funds	-	258,691	258,691	258,691
Total liabilities	-	270,404	270,404	289,763
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	-	-	-	329,300
Total deferred inflows of resources	-	-	-	329,300
Total liabilities and deferred inflows of resources	-	270,404	270,404	619,063
<b>FUND BALANCES</b>				
Restricted for employee benefits	-	-	-	483,563
Restricted for public safety	-	-	-	355,636
Restricted for highways and streets	-	-	-	285,254
Restricted for debt service	-	-	-	13,429
Unrestricted				
Assigned for debt service	-	-	-	715
Assigned for capital outlay	13,761	379,149	392,910	392,910
Total fund balances	13,761	379,149	392,910	1,531,507
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,761</b>	<b>\$ 649,553</b>	<b>\$ 663,314</b>	<b>\$ 2,150,570</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, 2014

	<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	\$ 175,072	\$ -	\$ 200,818	\$ -
Other taxes	4,469	-	5,363	-
Intergovernmental	-	24,392	-	167,563
Investment income	57	15	51	36
<b>Total revenues</b>	<b>179,598</b>	<b>24,407</b>	<b>206,232</b>	<b>167,599</b>
<b>EXPENDITURES</b>				
Current				
General government	91,481	-	45,062	-
Public safety	47,678	31,785	160,570	-
Public works	58,493	-	32,497	3,146
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>197,652</b>	<b>31,785</b>	<b>238,129</b>	<b>3,146</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(18,054)</b>	<b>(7,378)</b>	<b>(31,897)</b>	<b>164,453</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(18,054)</b>	<b>(7,378)</b>	<b>(31,897)</b>	<b>164,453</b>
<b>FUND BALANCES, MAY 1</b>	<b>269,008</b>	<b>37,901</b>	<b>264,506</b>	<b>120,801</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 250,954</b>	<b>\$ 30,523</b>	<b>\$ 232,609</b>	<b>\$ 285,254</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>
\$ -	\$ 375,890	\$ -	\$ -	\$ -
29,949	39,781	-	-	-
53,209	245,164	-	-	-
57	216	3	-	3
83,215	661,051	3	-	3
-	136,543	-	250	250
29,893	269,926	-	-	-
-	94,136	-	-	-
-	-	-	220,000	220,000
-	-	-	33,850	33,850
-	-	-	-	-
29,893	500,605	-	254,100	254,100
53,322	160,446	3	(254,100)	(254,097)
-	-	-	-	-
-	-	-	253,850	253,850
(14,166)	(14,166)	-	-	-
(14,166)	(14,166)	-	253,850	253,850
39,156	146,280	3	(250)	(247)
285,957	978,173	13,426	965	14,391
\$ 325,113	\$ 1,124,453	\$ 13,429	\$ 715	\$ 14,144

(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, 2014

	<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	\$ -	\$ -	\$ -	\$ 375,890
Other taxes	-	-	-	39,781
Intergovernmental	-	-	-	245,164
Investment income	3	722	725	944
<b>Total revenues</b>	<b>3</b>	<b>722</b>	<b>725</b>	<b>661,779</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	136,793
Public safety	-	-	-	269,926
Public works	-	-	-	94,136
Debt service				
Principal	-	-	-	220,000
Interest	-	-	-	33,850
Capital outlay	-	123,254	123,254	123,254
<b>Total expenditures</b>	<b>-</b>	<b>123,254</b>	<b>123,254</b>	<b>877,959</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>3</b>	<b>(122,532)</b>	<b>(122,529)</b>	<b>(216,180)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	6,100	6,100	6,100
Transfers in	-	134,000	134,000	387,850
Transfers (out)	-	-	-	(14,166)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>140,100</b>	<b>140,100</b>	<b>379,784</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>3</b>	<b>17,568</b>	<b>17,571</b>	<b>163,604</b>
<b>FUND BALANCES, MAY 1</b>	<b>13,758</b>	<b>361,581</b>	<b>375,339</b>	<b>1,367,903</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 13,761</b>	<b>\$ 379,149</b>	<b>\$ 392,910</b>	<b>\$ 1,531,507</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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property taxes	\$ 175,000	\$ 175,072	\$ 72
Other taxes			
Replacement taxes	3,500	4,469	969
Investment income	300	57	(243)
Total revenues	178,800	179,598	798
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	88,081	91,481	3,400
Public safety			
Employer contributions	44,616	47,678	3,062
Public works			
Employer contributions	53,684	58,493	4,809
Total expenditures	186,381	197,652	11,271
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ (7,581)</u>	(18,054)	<u>\$ (10,473)</u>
<b>FUND BALANCE, MAY 1</b>			
		<u>269,008</u>	
<b>FUND BALANCE, APRIL 30</b>			
		<u>\$ 250,954</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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Foreign fire insurance tax	\$ 25,000	\$ 24,392	\$ (608)
Investment income	10	15	5
Miscellaneous	800	-	(800)
Total revenues	25,810	24,407	(1,403)
<b>EXPENDITURES</b>			
Public safety			
Volunteer recognition	7,000	8,056	1,056
Professional services	-	894	894
Training and meetings	6,000	4,571	(1,429)
Uniforms	7,000	7,048	48
Cable television	-	95	95
Postage	300	-	(300)
Community awareness	1,500	661	(839)
Donations	1,000	-	(1,000)
Smoke detector program	500	-	(500)
Minor equipment	3,000	680	(2,320)
Furniture and equipment	-	9,780	9,780
Miscellaneous	500	-	(500)
Total expenditures	26,800	31,785	4,985
NET CHANGE IN FUND BALANCE	\$ (990)	(7,378)	\$ (6,388)
FUND BALANCE, MAY 1		37,901	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 30,523</b>	

(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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Property taxes	\$ 200,000	\$ 200,818	\$ 818
Other taxes			
Replacement taxes	4,000	5,363	1,363
Investment income	300	51	(249)
Total revenues	204,300	206,232	1,932
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	50,000	45,062	(4,938)
Public safety			
Employer contributions	142,500	160,570	18,070
Public works			
Employer contributions	40,000	32,497	(7,503)
Total expenditures	232,500	238,129	5,629
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ (28,200)</u>	(31,897)	<u>\$ (3,697)</u>
<b>FUND BALANCE, MAY 1</b>		<u>264,506</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 232,609</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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 160,000	\$ 167,563	\$ 7,563
Investment income	50	36	(14)
	<hr/>	<hr/>	<hr/>
Total revenues	160,050	167,599	7,549
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Public works			
Capital outlay	-	3,146	3,146
	<hr/>	<hr/>	<hr/>
Total expenditures	-	3,146	3,146
	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 160,050</u>	164,453	<u>\$ 4,403</u>
<b>FUND BALANCE, MAY 1</b>		<hr/>	
		120,801	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 285,254</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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Other taxes			
Telephone surcharge	\$ 27,600	\$ 29,949	\$ 2,349
Intergovernmental			
Wireless surcharge	42,000	53,209	11,209
Investment income	300	57	(243)
Total revenues	69,900	83,215	13,315
<b>EXPENDITURES</b>			
Current			
Public safety			
Miscellaneous	59,700	29,893	(29,807)
Capital outlay	14,000	-	(14,000)
Total expenditures	73,700	29,893	(43,807)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(3,800)	53,322	57,122
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out) to General Fund	(18,000)	(14,166)	3,834
<b>NET CHANGE IN FUND BALANCE</b>			
	<u>\$ (21,800)</u>	39,156	<u>\$ 60,956</u>
<b>FUND BALANCE, MAY 1</b>		<u>285,957</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 325,113</u>	

(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 the Year Ended April 30, 2014

	<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	250	(250)
Debt service			
Principal	220,000	220,000	-
Interest	33,850	33,850	-
Total expenditures	254,350	254,100	(250)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(254,350)	(254,100)	250
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	253,850	253,850	-
Total other financing sources (uses)	253,850	253,850	-
<b>NET CHANGE IN FUND BALANCE</b>	\$ (500)	(250)	\$ 250
<b>FUND BALANCE, MAY 1</b>		965	
<b>FUND BALANCE, APRIL 30</b>		\$ 715	

(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, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>REVENUES</b>			
Investment income	\$ 700	\$ 722	\$ 22
Total revenues	<u>700</u>	<u>722</u>	<u>22</u>
<b>EXPENDITURES</b>			
Capital outlay			
General government equipment	25,000	24,505	(495)
Public safety equipment	4,000	-	(4,000)
Public safety vehicles	57,200	56,675	(525)
Public works equipment	25,000	1,198	(23,802)
Public works vehicles	18,000	40,876	22,876
Total expenditures	<u>129,200</u>	<u>123,254</u>	<u>(5,946)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(128,500)</u>	<u>(122,532)</u>	<u>5,968</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	10,500	6,100	(4,400)
Transfers in from			
General Fund	134,000	134,000	-
Water Fund	7,500	-	(7,500)
Total other financing sources (uses)	<u>152,000</u>	<u>140,100</u>	<u>(11,900)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 23,500</u>	17,568	<u>\$ (5,932)</u>
FUND BALANCE, MAY 1		<u>361,581</u>	
FUND BALANCE, APRIL 30		<u>\$ 379,149</u>	

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUND**

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

**VILLAGE OF LAKE BLUFF, ILLINOIS**

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

For the Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance Over (Under)
<b>OPERATING REVENUES</b>			
Water sales	\$ 1,466,500	\$ 1,279,798	\$ (186,702)
Meter sales	4,000	7,375	3,375
Tap-on fees	100	150	50
Water connection fees	14,000	39,200	25,200
Miscellaneous	550	449	(101)
Total operating revenues	1,485,150	1,326,972	(158,178)
<b>OPERATING EXPENSES</b>			
Administration and finance			
Personnel services	301,395	305,898	4,503
Contractual services/commodities	99,500	78,695	(20,805)
Contingency	50,000	-	(50,000)
Water purchases	683,700	630,069	(53,631)
Water infrastructure	445,000	-	(445,000)
Total operating expenses	1,579,595	1,014,662	(564,933)
OPERATING INCOME (LOSS)	(94,445)	312,310	406,755
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	3,000	2,443	(557)
Interest expense	(59,944)	(64,811)	(4,867)
Principal expense	(155,000)	(155,000)	-
Total non-operating revenues (expenses)	(211,944)	(217,368)	(5,424)
INCOME (LOSS) BEFORE TRANSFERS	(306,389)	94,942	401,331
<b>TRANSFERS</b>			
Transfers (out)	(7,500)	-	7,500
Total transfers	(7,500)	-	7,500
CHANGE IN NET POSITION (BUDGETARY BASIS)	<u>\$ (313,889)</u>	<u>94,942</u>	<u>\$ 408,831</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Depreciation		(255,717)	
Principal expense		<u>155,000</u>	
TOTAL ADJUSTMENTS TO GAAP BASIS		<u>(100,717)</u>	
CHANGE IN NET POSITION GAAP BASIS		(5,775)	
NET POSITION, MAY 1		<u>6,158,717</u>	
<b>NET POSITION, APRIL 30</b>		<u><u>\$ 6,152,942</u></u>	

(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 the Year Ended April 30, 2014

	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 559,280	\$ 572,963	\$ 13,683
Plan members contributions	121,000	115,766	(5,234)
Total contributions	<u>680,280</u>	<u>688,729</u>	<u>8,449</u>
Investment income			
Net appreciation in fair value of investments	-	821,951	821,951
Investment income	130,000	148,960	18,960
Total investment income	<u>130,000</u>	<u>970,911</u>	<u>840,911</u>
Less investment expense	<u>(24,000)</u>	<u>(27,063)</u>	<u>(3,063)</u>
Net investment income	<u>106,000</u>	<u>943,848</u>	<u>837,848</u>
Total additions	<u>786,280</u>	<u>1,632,577</u>	<u>846,297</u>
<b>DEDUCTIONS</b>			
Pension benefits and refunds	754,150	766,962	12,812
Administration			
Fees	15,550	4,682	(10,868)
Miscellaneous	4,250	111	(4,139)
Total deductions	<u>773,950</u>	<u>771,755</u>	<u>(2,195)</u>
NET INCREASE	<u>\$ 12,330</u>	860,822	<u>\$ 848,492</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1		<u>7,697,491</u>	
April 30		<u>\$ 8,558,313</u>	

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

**VILLAGE OF LAKE BLUFF, ILLINOIS**

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

April 30, 2014

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%
Total payments made		165,000	128,608	293,608		
Current outstanding:						
2013	2014-15	165,000	56,844	221,844	12/15/14	2.000%
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	210,000	7,350	217,350	12/15/24	3.500%
Total current outstanding		2,020,000	388,744	2,408,744		
Original Issue		\$ 2,185,000	\$ 517,352	\$ 2,702,352		

(See independent auditor's report.)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

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

April 30, 2014

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%
Total payments made		25,000	26,050	51,050		
Current outstanding:						
2013	2014-15	230,000	25,863	255,863	12/15/14	0.90%
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		1,660,000	121,389	1,781,389		
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's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information displays about the Village's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	80-91
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	92-99
<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.	100-104
<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.	105-106
<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.	107-110

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>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 15,467,624	\$ 16,311,231	\$ 14,636,441	\$ 15,098,822
Restricted	2,566,599	2,231,129	3,675,276	4,337,303
Unrestricted	1,907,507	2,244,238	2,490,696	1,982,938
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>				
	<u>\$ 19,941,730</u>	<u>\$ 20,786,598</u>	<u>\$ 20,802,413</u>	<u>\$ 21,419,063</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 3,294,752	\$ 3,937,709	\$ 4,812,471	\$ 4,689,723
Unrestricted	2,824,049	2,393,782	1,629,307	1,834,495
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>				
	<u>\$ 6,118,801</u>	<u>\$ 6,331,491</u>	<u>\$ 6,441,778</u>	<u>\$ 6,524,218</u>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 18,762,376	\$ 20,248,940	\$ 19,448,912	\$ 19,788,545
Restricted	2,566,599	2,231,129	3,675,276	4,337,303
Unrestricted	4,731,556	4,638,020	4,120,003	3,817,433
<b>TOTAL PRIMARY GOVERNMENT</b>				
	<u>\$ 26,060,531</u>	<u>\$ 27,118,089</u>	<u>\$ 27,244,191</u>	<u>\$ 27,943,281</u>

Data Source

The Village's Comprehensive Annual Financial Report

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$	15,359,265	\$ 16,654,652	\$ 16,433,199	\$ 16,449,622	\$ 16,664,503	\$ 18,244,636
	2,037,230	1,587,832	1,497,653	1,580,539	1,437,679	1,514,622
	3,400,024	3,774,371	3,546,695	3,557,045	3,887,725	4,204,894
\$	20,796,519	\$ 22,016,855	\$ 21,477,547	\$ 21,587,206	\$ 21,989,907	\$ 23,964,152
\$	4,574,606	\$ 4,482,081	\$ 4,398,432	\$ 4,737,154	\$ 4,693,695	\$ 4,654,897
	1,902,188	1,735,068	1,672,417	1,348,074	1,465,022	1,498,045
\$	6,476,794	\$ 6,217,149	\$ 6,070,849	\$ 6,085,228	\$ 6,158,717	\$ 6,152,942
\$	19,933,871	\$ 21,136,733	\$ 20,831,631	\$ 21,186,776	\$ 21,358,198	\$ 22,899,533
	2,037,230	1,587,832	1,497,653	1,580,539	1,437,679	1,514,622
	5,302,212	5,509,439	5,219,112	4,905,119	5,352,747	5,702,939
\$	27,273,313	\$ 28,234,004	\$ 27,548,396	\$ 27,672,434	\$ 28,148,624	\$ 30,117,094

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 2,429,940	\$ 2,356,150	\$ 2,814,923	\$ 2,708,645
Public safety	2,986,276	3,024,058	3,229,925	3,589,680
Public works	2,562,975	2,416,710	3,214,011	2,116,890
Interest on long-term debt	67,075	66,506	88,851	150,799
Total governmental activities expenses	8,046,266	7,863,424	9,347,710	8,566,014
Business-type activities				
Water	1,291,039	1,371,289	1,160,630	1,266,233
Total business-type activities expenses	1,291,039	1,371,289	1,160,630	1,266,233
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 9,337,305</b>	<b>\$ 9,234,713</b>	<b>\$ 10,508,340</b>	<b>\$ 9,832,247</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
General government	\$ 1,162,232	\$ 1,004,652	\$ 1,007,518	\$ 262,970
Police and fire	108,208	124,571	196,406	122,457
Public works	216,492	235,237	212,161	220,874
Operating grants and contributions	301,527	241,541	185,442	240,528
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	1,788,459	1,606,001	1,601,527	846,829
Business-type activities				
Charges for services				
Water	1,331,893	1,523,294	1,227,045	1,326,282
Operating grants and contributions	-	-	-	-
Total business-type activities program revenues	1,331,893	1,523,294	1,227,045	1,326,282
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 3,120,352</b>	<b>\$ 3,129,295</b>	<b>\$ 2,828,572</b>	<b>\$ 2,173,111</b>
<b>NET (EXPENSE) REVENUE</b>				
Governmental activities	\$ (6,257,807)	\$ (6,257,423)	\$ (7,746,183)	\$ (7,719,185)
Business-type activities	40,854	152,005	66,415	60,049
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (6,216,953)</b>	<b>\$ (6,105,418)</b>	<b>\$ (7,679,768)</b>	<b>\$ (7,659,136)</b>

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$	2,423,284	\$ 1,946,291	\$ 2,062,487	\$ 1,677,840	\$ 1,749,648	\$ 1,141,173
	3,856,962	4,027,882	4,085,025	4,105,315	4,208,309	4,445,493
	3,449,586	3,174,664	3,249,937	2,985,744	3,693,891	2,875,330
	173,693	119,692	104,143	88,316	61,496	43,904
	9,903,525	9,268,529	9,501,592	8,857,215	9,713,344	8,505,900
	1,172,971	1,336,637	1,327,218	1,218,425	1,388,909	1,335,190
	1,172,971	1,336,637	1,327,218	1,218,425	1,388,909	1,335,190
\$	11,076,496	\$ 10,605,166	\$ 10,828,810	\$ 10,075,640	\$ 11,102,253	\$ 9,841,090
\$	968,602	\$ 859,253	\$ 794,571	\$ 849,175	\$ 931,338	\$ 1,154,728
	150,057	122,978	144,034	143,296	139,005	178,582
	196,148	189,548	187,591	184,767	195,079	180,512
	205,604	195,079	232,581	198,900	187,962	201,765
	685,500	1,429,087	492,360	499,915	1,386,979	1,020,690
	2,205,911	2,795,945	1,851,137	1,876,053	2,840,363	2,736,277
	1,133,555	1,071,074	1,177,545	1,229,799	1,447,150	1,326,523
	-	-	-	-	1,326,523	-
	1,133,555	1,071,074	1,177,545	1,229,799	2,773,673	1,326,523
\$	3,339,466	\$ 3,867,019	\$ 3,028,682	\$ 3,105,852	\$ 5,614,036	\$ 4,062,800
\$	(7,697,614)	\$ (6,472,584)	\$ (7,650,455)	\$ (6,981,162)	\$ (6,872,981)	\$ (5,769,623)
	(39,416)	(265,563)	(149,673)	11,374	1,384,764	(8,667)
\$	(7,737,030)	\$ (6,738,147)	\$ (7,800,128)	\$ (6,969,788)	\$ (5,488,217)	\$ (5,778,290)

**VILLAGE OF LAKE BLUFF, ILLINOIS**

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>				
Governmental activities				
Taxes				
Property	\$ 2,147,483	\$ 2,208,571	\$ 2,244,225	\$ 2,389,677
Intergovernmental	556,345	608,005	668,708	726,705
Utility tax	544,142	610,065	599,742	591,601
Telecommunications tax	462,820	409,802	406,537	398,650
Hotel occupancy tax (1)	71,464	93,756	72,036	-
Sales	2,191,314	2,601,830	3,218,327	3,242,281
Other taxes	26,954	60,532	90,593	157,061
Gain (loss) on sale of capital assets	79,738	-	5,127	384,231
Shared income tax (2)	-	-	-	-
Investment income	90,000	188,497	319,950	339,738
Miscellaneous	194,254	291,228	110,102	84,580
Transfers	223,635	27,704	26,651	21,311
<b>Total governmental activities</b>	<b>6,588,149</b>	<b>7,099,990</b>	<b>7,761,998</b>	<b>8,335,835</b>
Business-type activities				
Investment income	55,896	80,071	70,523	55,149
Transfers	(22,618)	(27,704)	(26,651)	(32,758)
Miscellaneous	-	8,318	-	-
<b>Total business-type activities</b>	<b>33,278</b>	<b>60,685</b>	<b>43,872</b>	<b>22,391</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,621,427</b>	<b>\$ 7,160,675</b>	<b>\$ 7,805,870</b>	<b>\$ 8,358,226</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ 330,342	\$ 842,567	\$ 15,815	\$ 616,650
Business-type activities	74,132	212,690	110,287	82,440
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 404,474</b>	<b>\$ 1,055,257</b>	<b>\$ 126,102</b>	<b>\$ 699,090</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 the ended April 30, 2012.

Data Source

The Village's Comprehensive Annual Financial Report

	2009	2010	2011	2012	2013	2014
\$	2,510,766	\$ 2,649,929	\$ 2,704,232	\$ 2,847,986	\$ 2,903,873	\$ 3,064,916
	666,049	582,343	575,692	99,449	109,665	112,792
	599,663	481,233	467,150	415,787	404,618	410,630
	344,701	344,701	344,701	344,701	344,701	344,701
	-	-	-	-	-	-
	2,673,399	2,695,117	2,752,483	2,562,532	2,541,332	2,803,586
	108,982	143,214	142,350	131,294	169,766	175,474
	-	-	-	-	-	109,192
	-	-	-	469,244	515,670	557,587
	117,844	25,725	22,677	18,023	15,768	11,149
	146,681	257,932	101,862	201,805	337,983	153,841
	26,828	-	-	-	(67,694)	-
	7,194,913	7,180,194	7,111,147	7,090,821	7,275,682	7,743,868
	19,639	5,462	2,941	2,572	2,820	2,443
	(26,828)	-	-	-	67,694	-
	2,197	456	432	433	7,747	449
	(4,992)	5,918	3,373	3,005	78,261	2,892
\$	7,189,921	\$ 7,186,112	\$ 7,114,520	\$ 7,093,826	\$ 7,353,943	\$ 7,746,760
\$	(502,701)	\$ 707,610	\$ (539,308)	\$ 109,659	\$ 402,701	\$ 1,974,245
	(44,408)	(259,645)	(146,300)	14,379	1,463,025	(5,775)
\$	(547,109)	\$ 447,965	\$ (685,608)	\$ 124,038	\$ 1,865,726	\$ 1,968,470

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**PROGRAM REVENUES BY FUNCTION/PROGRAM**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
General government	\$ 1,283,074	\$ 1,068,130	\$ 1,008,618	\$ 308,622
Police and fire	108,208	124,571	201,674	145,026
Public works	397,177	413,300	391,235	393,181
Total governmental activities program revenues	<u>1,788,459</u>	<u>1,606,001</u>	<u>1,601,527</u>	<u>846,829</u>
Business-type activities				
Water and sewer	<u>1,331,893</u>	<u>1,523,294</u>	<u>1,227,045</u>	<u>1,326,282</u>
Total business-type activities program revenues	<u>1,331,893</u>	<u>1,523,294</u>	<u>1,227,045</u>	<u>1,326,282</u>
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<u><u>\$ 3,120,352</u></u>	<u><u>\$ 3,129,295</u></u>	<u><u>\$ 2,828,572</u></u>	<u><u>\$ 2,173,111</u></u>

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

Data Source

The Village's Comprehensive Annual Financial Report

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 990,091	\$ 859,253	\$ 819,525	\$ 849,175	\$ 931,338	\$ 1,154,728
172,938	162,147	169,083	172,238	333,005	212,784
1,042,882	1,774,545	862,529	854,640	1,576,020	1,368,765
2,205,911	2,795,945	1,851,137	1,876,053	2,840,363	2,736,277
1,133,555	1,071,074	1,177,545	1,229,799	1,447,150	1,326,523
1,133,555	1,071,074	1,177,545	1,229,799	1,447,150	1,326,523
\$ 3,339,466	\$ 3,867,019	\$ 3,028,682	\$ 3,105,852	\$ 4,287,513	\$ 4,062,800

VILLAGE OF LAKE BLUFF, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GENERAL FUND</b>				
Reserved	\$ 12,912	\$ 8,496	\$ 7,950	\$ 24,022
Unreserved	2,090,882	2,713,249	3,412,538	4,772,198
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>TOTAL GENERAL FUND</b>	<b>\$ 2,103,794</b>	<b>\$ 2,721,745</b>	<b>\$ 3,420,488</b>	<b>\$ 4,796,220</b>
<b>ALL OTHER GOVERNMENT FUNDS</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	1,364,654	1,666,081	3,024,337	1,615,653
Capital project funds	1,410,409	553,791	241,763	1,088,943
Debt service funds	11,035	11,257	18,790	18,213
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	-
Assigned for capital outlay	-	-	-	-
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 2,786,098</b>	<b>\$ 2,231,129</b>	<b>\$ 3,284,890</b>	<b>\$ 2,722,809</b>

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

Data Source

The Village's Comprehensive Annual Financial Report

2009	2010	2011	2012	2013	2014
\$ 1,599	\$ 19,944	\$ 28,969	\$ -	\$ -	\$ -
4,175,389	4,265,053	4,180,772	-	-	-
-	-	-	60,487	24,500	25,386
-	-	-	3,047	3,047	-
-	-	-	300,000	485,000	300,000
-	-	-	4,021,571	4,147,263	4,719,985
<u>\$ 4,176,988</u>	<u>\$ 4,284,997</u>	<u>\$ 4,209,741</u>	<u>\$ 4,385,105</u>	<u>\$ 4,659,810</u>	<u>\$ 5,045,371</u>
\$ 18,795	\$ 1,587,832	\$ 1,497,653	\$ -	\$ -	\$ -
991,204	-	-	-	-	-
1,027,231	418,785	387,502	-	-	-
(1,780)	2,545	1,745	-	-	-
-	-	-	-	-	-
-	-	-	1,577,492	1,434,632	1,514,622
-	-	-	1,245	965	715
-	-	-	376,029	375,339	392,910
<u>\$ 2,035,450</u>	<u>\$ 2,009,162</u>	<u>\$ 1,886,900</u>	<u>\$ 1,954,766</u>	<u>\$ 1,810,936</u>	<u>\$ 1,908,247</u>

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>REVENUES</b>				
Property taxes	\$ 2,147,483	\$ 2,208,571	\$ 2,244,225	\$ 2,389,677
Other taxes	3,826,085	4,383,990	5,032,731	5,116,298
Licenses, fees and permits	1,162,232	1,004,652	864,760	1,378,688
Fines and penalties	93,112	101,137	182,500	96,598
Intergovernmental	207,639	201,497	208,654	240,528
Sewer and other charge for service	208,994	237,329	368,825	386,087
Interest earnings	90,000	190,798	319,950	339,738
Grants, donations	-	63,478	-	-
Proceeds from sale of capital assets	79,351	-	59,285	-
Miscellaneous	374,429	289,136	50,817	84,580
<b>Total revenues</b>	<b>8,189,325</b>	<b>8,680,588</b>	<b>9,331,747</b>	<b>10,032,194</b>
<b>EXPENDITURES</b>				
General government	1,793,133	1,925,081	2,593,866	2,645,317
Public safety	2,601,782	2,773,384	3,524,775	3,318,973
Public works	2,122,450	2,049,407	2,249,691	2,376,196
Capital outlay	957,821	1,930,932	1,293,364	1,255,072
Debt service				
Principal	175,000	215,000	317,497	358,989
Interest	67,075	66,506	88,851	150,799
<b>Total expenditures</b>	<b>7,717,261</b>	<b>8,960,310</b>	<b>10,068,044</b>	<b>10,105,346</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>472,064</b>	<b>(279,722)</b>	<b>(736,297)</b>	<b>(73,152)</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
Transfers in	657,907	663,908	754,769	909,997
Transfers (out)	(434,272)	(636,204)	(728,118)	(888,686)
<b>Total other financing sources (uses)</b>	<b>223,635</b>	<b>342,704</b>	<b>2,488,801</b>	<b>886,803</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 695,699</b>	<b>\$ 62,982</b>	<b>\$ 1,752,504</b>	<b>\$ 813,651</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>3.20%</b>	<b>3.80%</b>	<b>4.50%</b>	<b>5.40%</b>

Data Source

The Village's Comprehensive Annual Financial Report

	2009	2010	2011	2012	2013	2014
\$	2,510,766	\$ 2,649,929	\$ 2,704,232	\$ 2,847,986	\$ 2,903,873	\$ 3,064,916
	4,378,506	4,234,619	4,272,360	3,542,130	3,543,334	3,823,924
	840,006	709,643	631,367	695,370	734,119	1,003,721
	92,910	64,596	83,700	82,945	79,573	121,676
	260,695	578,658	770,255	1,214,994	2,148,209	1,833,251
	341,089	360,549	375,830	363,625	420,880	358,476
	117,844	25,725	22,677	18,023	15,768	11,149
	-	-	-	-	-	-
	-	-	-	-	-	-
	36,717	72,566	97,863	197,195	321,822	153,840
	8,578,533	8,696,285	8,958,284	8,962,268	10,167,578	10,370,953
	2,454,769	1,879,896	2,014,495	1,726,514	1,717,319	1,754,300
	3,454,094	3,666,142	3,721,070	3,853,691	4,149,454	4,337,422
	2,160,920	2,742,566	2,407,391	2,397,227	2,249,906	3,124,139
	1,351,899	20,474	533,206	443,737	1,627,237	535,921
	372,126	370,119	378,246	213,023	230,000	220,000
	135,881	120,731	105,394	89,452	79,168	33,850
	9,929,689	8,799,928	9,159,802	8,723,644	10,053,084	10,005,632
	(1,351,156)	(103,643)	(201,518)	238,624	114,494	365,321
	-	-	-	-	-	-
	-	-	-	-	1,685,000	-
	-	-	-	-	(1,684,780)	-
	109,963	185,364	4,000	4,606	16,161	117,551
	772,067	465,257	583,062	669,083	710,630	402,016
	(745,239)	(465,257)	(583,062)	(669,083)	(710,630)	(402,016)
	136,791	185,364	4,000	4,606	16,381	117,551
\$	(1,214,365)	\$ 81,721	\$ (197,518)	\$ 243,230	\$ 130,875	\$ 482,872
	5.90%	5.73%	5.34%	3.68%	3.34%	3.23%

**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>
2005	\$ 2,147,483	\$ 2,191,314	\$ -	\$ 544,142	\$ 462,820	\$ 421,987	\$ 205,822	\$ 5,973,568
2006	2,208,571	2,432,006	169,824	610,065	409,802	468,441	293,852	6,592,561
2007	2,244,225	2,462,463	679,808	599,742	406,537	522,333	361,848	7,276,956
2008	2,389,677	2,538,470	703,811	591,601	398,650	557,596	313,192	7,492,997
2009	2,510,766	2,066,394	607,006	599,663	344,701	551,791	264,133	6,944,454
2010	2,649,929	2,027,980	639,316	501,370	324,565	480,990	260,398	6,884,548
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	217,745	-	288,266	6,912,098

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

The Village's Comprehensive Annual Financial Report and records

**VILLAGE OF LAKE BLUFF, ILLINOIS**

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

Last Ten Levy Years

<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>
2004	\$ 426,238,157	\$ 22,616,770	\$ 29,531,198	\$ 1,618,719	\$ 349,150	\$ 480,353,994	0.4540	\$ 1,442,504,486
2005	463,425,285	23,536,180	30,084,621	1,894,814	328,991	519,269,891	0.4350	1,559,369,042
2006	512,941,384	26,093,053	30,311,216	2,014,942	333,595	571,694,190	0.4200	1,716,799,369
2007	564,290,558	38,558,393	22,604,764	1,951,156	360,889	627,765,760	0.4030	1,883,485,629
2008	585,618,467	36,608,937	23,113,146	2,004,961	395,474	647,740,985	0.4140	1,943,417,297
2009	571,790,938	34,339,275	22,400,394	1,947,012	475,399	630,953,018	0.4320	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

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
2005-06 2004	0.454	0.403	0.100	2.009	1.003	0.200	0.465	0.219	0.139	0.070	0.353	0.014	0.054	0.371
2006-07 2005	0.435	0.386	0.128	2.096	0.965	0.197	0.454	0.210	0.132	0.069	0.344	0.013	0.049	0.340
2007-08 2006	0.420	0.375	0.122	2.059	0.961	0.195	0.450	0.204	0.125	0.070	0.336	0.012	0.046	0.326
2008-09 2007	0.403	0.360	0.117	2.041	0.959	0.192	0.444	0.201	0.120	0.066	0.295	0.011	0.042	0.310
2009-10 2008	0.414	0.370	0.120	2.070	1.001	0.196	0.453	0.199	0.121	0.069	0.319	0.010	0.042	0.298
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	0.465	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

**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>
2005-06												
2004	0.005	0.094	0.002	0.051	0.070	0.034	0.053	0.055	0.057	0.032	0.001	0.454
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

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	2014(1)			2005		
	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	\$ 5,365,512	1	1.11%	\$ 5,736,339	1	1.19%
Cantera Investors LLC	3,091,786	2	0.64%			
Profile Plastics	2,629,733	3	0.54%	1,613,173	10	0.34%
The Taxman Corp/Carriage Way	2,514,495	4	0.52%	2,740,079	5	
Bluff 7, LLC	2,235,351	5	0.46%			0.57%
Carriage Point	1,973,065	6	0.41%	2,415,564	6	0.50%
Buehler, Inc	1,928,543	7	0.40%	1,838,349	8	
Individual Taxpayer/Trust	1,893,365	8	0.39%			0.36%
Individual Taxpayer/Sandner	1,854,286	9	0.38%	1,741,895	9	0.38%
LFSC Leasing	1,509,298	10	0.31%			
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>\$ 24,995,434</u>		<u>5.16%</u>	<u>\$ 27,672,343</u>		<u>5.76%</u>

(1) The taxable assessed value is for 2013 (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>2004</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(1)</b>
General corporate	\$ 450,440	\$ 445,933	\$ 451,608	\$ 451,946	\$ 462,878	\$ 471,546	\$ 531,227	\$ 542,937	\$ 607,800	\$ 619,857
School crossing guard	9,584	10,370	11,433	12,382	6,429	6,287	5,838	5,484	5,065	4,843
Police protection	263,555	269,634	274,395	297,170	308,585	314,356	326,902	340,021	379,875	392,253
Fire protection	233,543	242,712	245,601	255,201	271,250	277,394	291,146	298,872	305,041	310,408
Sanitation	335,434	352,598	360,143	365,271	379,303	383,514	396,952	411,316	481,175	518,162
Auditing	23,960	25,926	28,583	30,955	32,144	25,148	23,350	27,421	25,325	29,056
Liability insurance	153,341	150,373	154,347	173,349	199,295	232,623	286,039	290,663	278,575	280,873
Illinois municipal retirement	162,925	191,855	234,379	241,451	270,012	251,485	215,989	191,947	172,210	150,122
Police pension	253,971	280,004	337,277	371,463	417,876	433,811	490,352	548,421	557,150	605,329
Public library	479,191	663,714	697,420	724,352	771,464	779,602	782,229	800,695	835,725	852,304
Social security	273,139	264,448	280,112	272,406	289,299	289,207	274,364	241,305	197,535	179,177
Unemployment insurance	4,792	10,371	11,433	12,382	12,858	18,861	5,838	5,484	5,065	4,843
<b>LEVY AS EXTENDED</b>	<b>\$ 2,643,875</b>	<b>\$ 2,907,938</b>	<b>\$ 3,086,731</b>	<b>\$ 3,208,328</b>	<b>\$ 3,421,393</b>	<b>\$ 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>TOTAL COLLECTED</b>	<b>\$ 2,650,290</b>	<b>\$ 2,912,108</b>	<b>\$ 3,086,938</b>	<b>\$ 3,253,214</b>	<b>\$ 3,447,229</b>	<b>\$ 3,496,243</b>	<b>\$ 3,643,564</b>	<b>\$ 3,723,710</b>	<b>\$ 3,914,502</b>	<b>\$ -</b>
<b>PERCENT COLLECTED</b>	<b>99.76%</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>	

(1) The 2013 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>Calendar Year</b>	<b>2004</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>
General merchandise	\$ 392	\$ 249	\$ 182	\$ 925	\$ 321	\$ 265	\$ 265	\$ -	\$ -	\$ -
Food	158,553	155,743	161,941	159,180	167,320	177,211	177,372	169,825	166,119	173,693
Drink, eat, rooms	15,692	28,679	34,138	33,842	36,965	46,341	69,693	62,630	65,408	65,478
Apparel	-	-	-	-	-	-	-	522	132	828
Furniture	6,424	6,196	9,883	5,396	6,831	4,336	7,862	8,932	11,142	9,090
Lumber, hardware	23,345	26,251	34,742	121,171	108,020	93,353	91,856	110,558	116,235	97,869
Auto, filling stations	1,695,614	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
Drugs, retail	92,425	102,498	100,124	127,718	133,329	130,460	127,314	53,000	56,018	49,974
Agriculture and all others	130,978	176,280	174,440	158,573	137,590	90,796	109,603	105,018	103,118	118,311
Manufacturing	31,972	35,790	40,019	43,895	31,982	20,578	32,920	15,747	(5,276)	5,177
<b>TOTAL</b>	<b>\$ 2,155,395</b>	<b>\$ 2,091,109</b>	<b>\$ 2,274,320</b>	<b>\$ 2,423,087</b>	<b>\$ 2,169,017</b>	<b>\$ 1,942,928</b>	<b>\$ 2,028,174</b>	<b>\$ 1,928,096</b>	<b>\$ 1,844,701</b>	<b>\$ 2,149,816</b>

**VILLAGE DIRECT SALES  
TAX RATE**

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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 &amp; RTA Rate</b>	<b>State Rate</b>	<b>Total</b>
2004	1.00%	0.00%	0.50%	5.00%	6.50%
2005	1.00%	0.00%	0.50%	5.00%	6.50%
2006	1.00%	1.00%	0.50%	5.00%	7.50%
2007	1.00%	1.00%	0.50%	5.00%	7.50%
2008	1.00%	1.00%	1.00%	5.00%	8.00%
2009	1.00%	1.00%	1.00%	5.00%	8.00%
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%

(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			
2005	\$ 1,475,000	\$ -	\$ 3,060,000	\$ 4,535,000	1.1%	\$ 749
2006	1,260,000	315,000	2,950,000	4,525,000	1.0%	747
2007	3,125,000	582,503	2,835,000	6,542,503	1.4%	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

\* 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			
2005	\$ 1,475,000		0.31%	\$ 243.56
2006	1,260,000		0.24%	208.06
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

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	\$ 1,665	100.00%	\$ 1,665
Overlapping debt (1)			
Lake Bluff Park District	3,225	87.40%	2,819
Lake Bluff School District 65	20,490	85.78%	17,576
Lake Forest-Lake Bluff High School District 115	44,100	17.70%	7,804
Central Lake County Joint Action Water Agency (CLCJAWA)	14,005	7.93%	1,111
North Shore Sanitary District	-	0.00%	-
Lake County Community College District 532	77,990	2.22%	1,734
Lake County	111,055	2.11%	2,342
Lake County Forest Preserve	298,335	2.11%	6,290
Other debt			
Lake County capital leases	-	0.00%	-
Lake County - other debt	-	0.00%	-
Subtotal	<u>569,200</u>		<u>39,676</u>
<b>TOTAL</b>	<u>\$ 570,865</u>		<u>\$ 41,341</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>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>
Assessed Value	\$ 480,354	\$ 519,270	\$ 571,694	N/A						
Debt limit	41,431	44,787	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	1,475	1,260	-	-	-	-	-	-	-	-
<b>LEGAL DEBT MARGIN</b>	<b>\$ 39,956</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>	3.56%	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	Actual Coverage		
		Principal	Interest				
2005	\$ 1,096,081	\$ -	\$ 60,350	\$ 296,744	\$ 3.69		
2006	1,331,893	110,000	130,995	296,744	4.49		
2007	1,523,294	115,000	126,595	296,744	5.13		
2008	1,326,282	115,000	121,995	296,744	4.47		
2009	1,135,752	120,000	115,595	296,744	3.83		
2010	1,071,530	120,000	114,020	296,744	3.61		
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	-	-	-	-		

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>
2005	6,056	\$ 423,743	\$ 69,971	1.90%
2006	6,056	444,931	73,469	2.80%
2007	6,056	467,177	77,143	3.30%
2008	6,222	490,536	78,839	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%

### Data Source

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

**VILLAGE OF LAKE BLUFF, ILLINOIS**

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	Business/Service	2014		2005	
		Employees	Rank	Employees	Rank
Knautz Motors, Inc	BMW, Mercedes, Land Rover, Hyundai Mini & SmartCar auto dealerships	260	1	235	1
Liquid Controls Corp	Manufacture - Liquid flow meters	170	2	175	2
Lake Bluff School District 65	Elementary school district	136	3	119	6
Buehler, Inc	Scientific instruments supplier	132	4	100	7
Mariani Landscaping	Landscaping architect	105	5		
Profile Plastics	Manufacturer - plastic parts	60	6	80	10
Village of Lake Bluff	Municipal government	38	7		
Chelsea & Scott, LTD	Catalog sales - children's products			145	3
Clarin/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>901</u>		<u>1,282</u>	

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

For 2014, the Village was unable to ascertain additional employers with more than 20 employees.

Data Source

Telephone poll of businesses.

VILLAGE OF LAKE BLUFF, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GENERAL GOVERNMENT</b>										
Administrator's Office	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	3.00
Finance	3.50	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	3.00	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	16.00	17.00	17.00	17.00	17.00	15.00	15.00	14.00	15.00	15.00
Telecommunications Dispatchers	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00	5.00
<b>PUBLIC WORKS</b>										
Administration, Street, Sewer	10.00	10.00	10.00	10.00	10.00	8.00	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	3.50	4.00	4.00	4.00	4.00	-	-	-	-	-
Vehicle maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>TOTAL</b>	<b>49.00</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>

Data Source

Village budget

**VILLAGE OF LAKE BLUFF, ILLINOIS**

**OPERATING INDICATORS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>GENERAL GOVERNMENT</b>				
Administration				
Village board meetings	21	22	22	23
Other Board and commission meetings	46	46	46	49
Village newsletter mailings	2	5	5	5
Lake Bluff list serve subscribers	92	214	293	438
Finance				
Accounts payable (in thousands)	\$ 4,800	\$ 5,790	\$ 7,650	\$ 8,000
Water and sewer invoices prepared	8,175	8,232	8,225	8,185
Engineering, Building and Zoning				
Residential building permits issued	491	523	464	447
Commercial building permits issued	17	25	23	14
Zoning petitions	8	22	7	9
<b>PUBLIC SAFETY</b>				
Police				
Number of calls	9,286	10,078	11,703	10,282
Felony offenses	71	77	49	52
Misdemeanor offenses	304	406	311	336
Auto Accident investigations	183	203	203	177
Fire				
Fire calls	35	52	48	37
Rescue/medical transported	208	174	217	211
Rescue/medical not transported	56	70	50	61
<b>PUBLIC WORKS</b>				
General				
Streets patching (in tons)	61	57	71	118
Street cleaned - miles	1,360	975	1,134	1,562
Compacted household refuse collected	2,704	2,620	2,678	2,223
Curbside recycling collections (tons)	790	715	758	1,148
Cubic yards of				
leaves/yard waste collected	2,498	2,500	2,512	2,658
Parkway trees planted	81	76	67	52
Parkway grass trimmed (in acres)	387	276	301	401
Sanitary sewers cleaned (in linear feet)	17,679	16,679	44,178	65,925
Storm sewers cleaned (in linear feet)	4,257	4,158	2,358	2,111
Water				
Main break repairs	12	18	9	16
JULIE utility locates	1,273	1,227	1,368	1,210

Data Source

Various village departments

	2009	2010	2011	2012	2013	2014
	18	23	23	23	20	21
	24	30	38	48	33	37
	4	5	5	5	5	5
	487	550	663	700	700	700
\$	7,013	\$ 5,622	\$ 6,273	\$ 6,965	\$ 7,000	\$ 7,324
	8,179	8,256	8,247	8,240	8,235	8,295
	418	323	378	455	430	474
	18	14	60	9	36	74
	7	8	5	8	8	5
	10,322	11,208	11,457	11,744	12,042	12,019
	88	66	82	101	116	79
	390	406	588	643	702	1,211
	195	210	173	193	140	147
	34	41	44	43	43	35
	227	250	250	205	210	206
	73	76	84	80	67	75
	64	38	20	42	10	10
	813	813	614	1,114	504	612
	1,911	1,850	1,850	1,500	1,978	1,500
	1,124	1,084	1,084	1,004	1,006	1,100
	3,560	3,432	3,432	n/a	1,106	4,500
	50	42	22	20	23	25
	329	305	300	300	300	300
	80,000	79,821	48,853	1,975	45,350	18,101
	3,837	3,474	n/a	2,450	4,500	1,065
	9	5	7	13	8	10
	1,345	1,354	900	775	800	775

**VILLAGE OF LAKE BLUFF, ILLINOIS**

CAPITAL ASSET STATISTICS

Last Ten Fiscal 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>
<b>PUBLIC SAFETY</b>										
Police										
Patrol units	6	6	7	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	5.5	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	27.0	27.8	27.8	27.8	27.8	27.8
Sidewalks (miles)	20.3	20.3	20.3	20.3	20.6	25.9	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	435	460	476	488	490	490	492	492	493	493
Storage capacity (thousands of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Watermains (miles)	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5

Note:

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

Data Source

Village budgets