



Village of Lake Bluff, Illinois

Comprehensive Annual Financial Report

For year ending April 30, 2011

VILLAGE OF LAKE BLUFF, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2011

Prepared by  
Finance Department

Susan Griffin  
Finance Director

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## **INTRODUCTORY SECTION**

# **VILLAGE OF LAKE BLUFF, ILLINOIS**

## **PRINCIPAL OFFICIALS**

### **VILLAGE BOARD OF TRUSTEES**

**Christine Letchinger, President**

**Marina Carney**

**Stephen Christensen**

**Mark Dewart**

**John Josephitis**

**Kathleen O'Hara**

**Brian Rener**

**William Meyer, Village Clerk**

### **ADMINISTRATION**

**R. Drew Irvin, Village Administrator**

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

**Marlene Scheibl, Assistant Finance Director**

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

**William Gallagher, Police Chief**

**N. David Graf, Fire Chief**

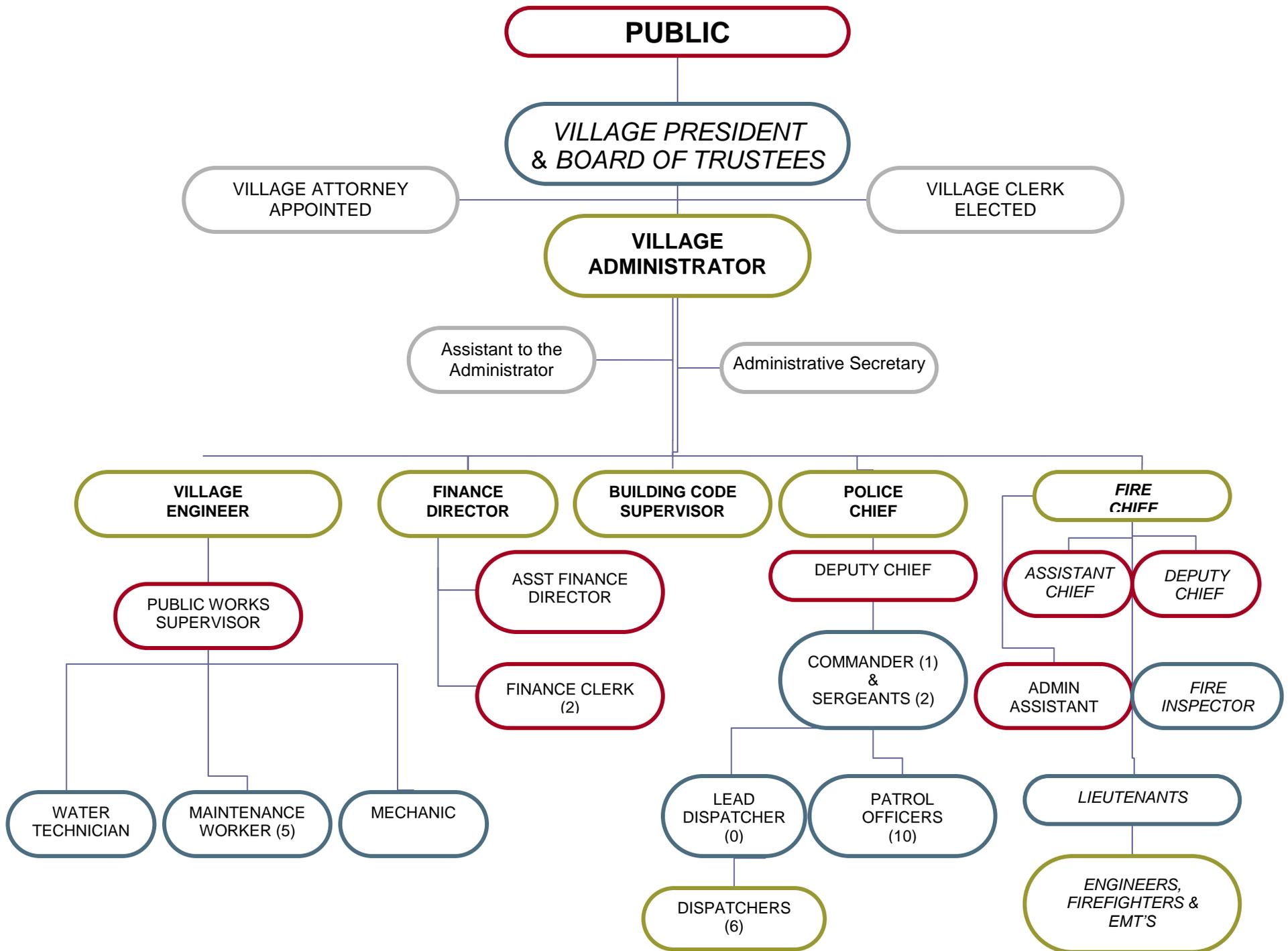
**Gerald Nellessen, Building Code Supervisor**

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

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

**Peter M. Friedman, Village Attorney**

**Holland & Knight, LLP**



All Fire Department Except the Administrative Assistant is volunteer.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Lake Bluff  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2010

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



President

Executive Director



September 9, 2011

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

The Comprehensive Annual Financial Report of the Village of Lake Bluff, Illinois (Village) for the fiscal year ended April 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

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

GAAP requires that management provide a "Management Discussion and Analysis" (MD&A) narrative providing an introduction, overview, and analysis to accompany the basic financial statements. This transmittal letter is designed to complement the MD&A which begins on page MD&A 1.

Under Governmental Accounting Standards Board (GASB) Statement 14, the financial reporting entity includes both the primary government and its component unit. The Lake Bluff Public Library is fiscally dependent upon the Village, but functions as a separate legal entity; therefore, it is reflected in the financial statements as a discretely presented component unit of the Village. The Village did not receive federal funds during fiscal year 2011 requiring it to undergo a single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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

**Village Profile**

The Village of Lake Bluff was incorporated in 1895 and operates under the Board/Administrator form of government. The Village is a small, predominately residential community located on the shores of Lake Michigan; Lake Bluff is 35 miles north of Chicago in Lake County and has a land area of 4.5 square miles. The Village is distinguished by its mature trees, natural ravines, open spaces, dramatic bluffs, and shoreline. The population, as certified by the 2010 census, is 5,722, which represents a 5.5% decrease from the 2000 census of 6,056. The 2010 Equalized Assessed Valuation (EAV) for the Village is \$585,899,834 or 7% less than the 2009 EAV of \$630,953,018. Based on available past EAV figures, this is the second time (the first being last year's decline of 2.6%) that the Village's EAV has decreased.

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; Shepard Chevrolet; Imperial Motors Jaguar; The Exchange Group Saab and the Lake Forest Sportscar Maserati and Ferrari dealership which recently began selling McLaren, Aston Martin and Lotus autos; the Carriage Way Shopping Center that includes a Dominick's Fresh Food store; and several businesses located in the ICCBD. In addition to the ICCBD, the Village has a historic Central Business District (CBD) in its downtown with retail shops and service businesses. Sales tax revenues, including home rule sales taxes, of \$2.752 million represents 36% of and was the largest revenue source for the General Fund. Automobile sales tax revenues represented from 73% in calendar year 2007 to 70% for the calendar year 2010 of the state-shared sales tax (not including the 1% home rule sales tax of which auto sales are exempt.)

**Major Initiatives**For the year ended April 30, 2011

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

Fiscal year 2010-11 was focused on development of a strategic plan, the restructuring of responsibilities due to significant personnel changes, and the use of technology to increase productivity, enhance service delivery.

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

1. Maintaining operational efficiency and current service levels.
  - a. Finalized "Vision for 2016" Strategic Plan document with participation of community stakeholders.
  - b. Resolved Sworn Police and Public Works union contract renegotiations.
  - c. Restructured the Public Works department subsequent to the retirement of the Public Works Director and a maintenance worker.
  - d. Obtained Tree City USA designation for the 15<sup>th</sup> consecutive year.
  - e. Police department maintained 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 a multi-year transition to a document management system to convert all permanent documents to electronic format.
  - h. Updated the Village's website to be more interactive and informative.
2. Continued sound financial management.
  - a. Levied a Village property tax within the Property Tax Limitation Act amount.
  - b. Received Government Finance Officers Association (GFOA) budget award and Certificate of Achievement for Excellence in Financial Reporting.
  - c. Awarded federal and state grant funds for public improvements and radio equipment in the total amount of \$1,995,440.
  - d. Received Aaa bond rating from Moody's credit rating agency.
3. Construction of infrastructure improvement projects.
  - a. Engaged an engineering firm to develop a reconfiguration study of the Route 176/Route 41 interchange which is funded by a federal grant. Facilitated the Public Advisory Group meetings with the engineering firm.
  - b. Continued reinvestment in infrastructure including the resurfacing and roadway improvements program.
4. Major developments and building and zoning projects.
  - a. Initiated a review of the 1997 Comprehensive Plan.
  - b. Amended the Stonebridge Planned Residential Development ordinance to remove the legal designation as "age restricted" while retaining the other characteristics which focus the Development toward the older demographic market.

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

For the Future

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

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

- ❖ Construct traffic signal installation and roadway improvements at the intersection of North Shore Drive and Waukegan Road partially funded by a \$1 million state grant.
- ❖ Continue Phase 1 study of the reconfiguration of Route 41/Route 176 interchange fully funded by state and federal grants.
- ❖ Begin ravine erosion mitigation in Ravine Park funded by \$789 thousand grant.
- ❖ 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.
- ❖ Evaluate Waukegan Road Business Park opportunities.
- ❖ Refinance the 2004 Alternate Revenue Bonds to achieve net interest cost savings.
- ❖ Complete the 1997 Comprehensive Plan and zoning maps update.
- ❖ Continue negotiations with police sergeants' collective bargaining unit.
- ❖ Complete scheduled water infrastructure improvement projects.
- ❖ Replace the obsolete telephone and voice mail system.
- ❖ Continue the annual street resurface and roadway improvements program.
- ❖ Continue multi-year phased replacement of portable radios to narrow band mandated for all municipal radios by 2013.

**Financial Information**

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

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

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

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

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

Police Pension Trust Fund. The Village maintains a Police Pension Trust Fund mandated by state law for sworn police officers. The net assets held in trust for the Police Pension Fund as of April 30, 2011 are \$7.111 million, up 9.3% from \$6.504 million as of April 30, 2010. Pursuant to the actuarial calculation of funding which was prepared as of May 1, 2010 for the year ended April 30, 2011, the Police Pension Fund is 55% funded, with an unfunded liability of \$5.317 million; down from a funded level of 65% with an unfunded liability of \$3.802 million from the prior year. Several factors influence the unfunded liability of pension plans, including the rate of return on investments, state law changes increasing benefits, the addition of officers to the plan, and disability benefits. The Police Pension Board of Trustees approved the reduction of the interest rate assumption from 7.50% to 7.25% which reflects the portfolio composition, investment philosophy and historical performance. While the Police Department consists of 15 members comprised of a Chief, a Deputy Chief, a Commander, 2 Sergeants, and 10 Patrol officers, Chief William Gallagher has elected not to participate in the plan. The Pension Fund currently pays benefits to 10 annuitants with a duty disability annuitant scheduled to begin receiving payments in September 2011. Total benefits and refunds increased by 7.3% to \$538,696 from \$501,954 in the prior fiscal year due to the addition of a duty disability pension effective February 2010.

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

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

The Village earned \$25,618 on all governmental and the Water Fund investments for the year ended April 30, 2011. This represents a 17.9% decrease from last year mostly due to the lower short-term interest rates, but also the decline in available cash in the Water fund.

The Police Pension Fund realized interest on investments before net appreciation in the fair value of the portfolio of \$128,150. The mutual funds' and government agencies' fair value appreciated by \$513,672. After investment expense the net investment income was \$619,718 or 52.9% of total additions to the net assets.

**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, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

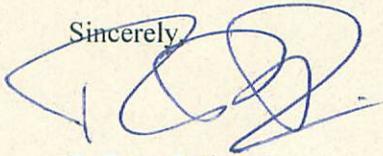
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

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

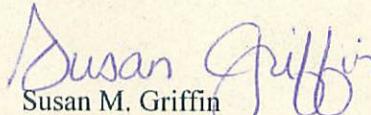
Acknowledgments. The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of Marlene Scheibl, Gail Ciolek, Christine Lee and Carol Weatherall. The entire Village staff has our sincere appreciation for their compliance with Village policies and procedures,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

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

Sincerely,



R. Drew Irvin  
Village Administrator



Susan M. Griffin  
Director of Finance

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**



998 Corporate Boulevard • Aurora, IL 60502

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Lake Bluff, Illinois, as of and for the year ended April 30, 2011, which collectively comprise the Village of Lake Bluff, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Lake Bluff, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Lake Bluff, Illinois, as of April 30, 2011, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

A handwritten signature in black ink, appearing to read "S. K. H. P.", is positioned to the right of the text.

Aurora, Illinois  
September 9, 2011

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended April 30, 2011

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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, 2011 with comparisons to the fiscal year ended April 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

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

### FINANCIAL HIGHLIGHTS

- The Village obtained an unqualified opinion from the independent audit firm, Sikich LLP.
- The Village's total net assets (governmental and business type) are \$27.55 million as of April 30, 2011 compared to \$28.23 million as of April 30, 2010. The Village reduced its liabilities by \$923 thousand with the use of \$238 thousand in assets resulting in a \$685 thousand decrease in total net assets, thus weakening the Village's overall financial position by 2.4%.
- The decrease in total net assets of \$685 thousand is attributed to the decline in capital grants of \$936 thousand, offset by an increase in other revenue sources of \$27 thousand, and an increase in expenses of \$224 thousand.
- The Village's investment in capital assets, net of related debt of \$20.83 million equals the capital assets net of accumulated depreciation of \$25.40 million minus \$4.57 million in outstanding related debt. This is \$310 thousand less than last year due to depreciation of assets exceeding investment in capital assets.
- The unrestricted net assets of the primary government decreased to \$5.22 million on April 30, 2011, from \$5.51 million as of April 30, 2010 as the Village reduced long term liabilities with the payment of compensated absences for three employees with several years of service who retired during the year.
- Primary government-wide expenses were \$10.8 million, funded with program revenues of \$3.03 million and \$7.11 million in property, sales, utility, income and other taxes, interest, and miscellaneous revenue, with the difference accounting for the decrease in net assets during the fiscal year of \$685 thousand.
- The General Fund (the Village's only major fund) had a fund balance of \$4.21 million which represents 64% 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 distress.

### OVERVIEW OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The first government-wide statement is the **Statement of Net Assets** that presents information about all of the Village's assets and liabilities, with the differences reported as net assets. Over a multiyear period, an increase or decrease in net assets can detect an improvement or deterioration in the financial position of the Village. Additionally, one would need to evaluate non-financial factors, such as the condition of Village

infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

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

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

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

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

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Village's funds are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

The Village of Lake Bluff has 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund because it is the Village's only major fund. Major funds are defined as those governmental or enterprise funds' whose total assets, liabilities, revenues, and expenditures/expenses are at least 10% of the totals for all funds of that category (governmental or enterprise) and at least 5% of the combined governmental and enterprise funds. The remaining 12 funds' data is combined into a single column labeled "nonmajor" governmental funds. *Individual fund data for these nonmajor governmental funds is shown on pages 78-86 in this report.*

The Village has adopted an annual budget for all of its funds except: Special Service Area Bonds, Special Service Area Capital Project, and the Train Station Wreath Funds. Budgetary comparison statements have been provided to demonstrate compliance with the budget for all other funds. *The actual to budget comparison statements for the General Fund and all other governmental funds can be found on pages 54 and 78-86, respectively.*

*Proprietary funds.* The Water Fund is the Village's only proprietary fund. There are two categories of proprietary funds: enterprise funds and internal service funds. The Water Fund, as an enterprise fund, reports business-type activities in the government-wide financial statements. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. An internal service fund is an accounting method used to accumulate and allocate costs internally among various governmental functions for services that predominantly benefit the government. The Village does not have any internal service funds. *The Water Fund financial activity is shown in more detail than the government-wide financial statements and can be found on pages 10-13 of this report.*

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

*Notes to the financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. *The notes are preceded by an index which begins on page 16 of this report.*

*Other information*

In addition to the basic financial statements and accompanying notes, this report also encompasses certain required supplementary information concerning the Village's funding of pension benefit obligations to its employees, other post-employment benefit (OPEB) obligations, and budget information. *Required supplementary information can be found on pages 54-64 of this report.*

Major funds and component units are reported in the basic financial statements as discussed. *Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 72.*

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

The largest portion of the Village's net assets reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The Village uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. Further, the debt repayment is provided from other sources, since the capital assets cannot be used to liquidate the liabilities. At the fiscal year end April 30, 2011, the total unrestricted net assets for the **primary government** are \$5,219,112, which is 5.3% less than the unrestricted net assets of \$5,509,439 at the fiscal year ended April 30, 2010. **Governmental restricted** assets of \$1,497,653 are for street improvements, employee benefits and pensions, public safety E911 maintenance, fire service purposes, and debt repayment. These *restricted* assets decreased by \$90,179 due to the use of restricted monies to maintain public roadways. The **governmental activities** unrestricted net assets fell \$227,676 due to declining capital grant revenue and the use of cash to reduce liabilities. The **governmental activities** combined *restricted* and unrestricted net assets reveals a decline of 6%, or \$317,855. The **water activities** total net assets decreased by \$146,300 as a result of an operating loss of \$43,321 plus \$102,979 in net interest expense. However, this year's decline in net assets is 43.6% of the decrease in \$259,645 from the prior fiscal year.

The following schedule presents a summary of governmental and business-type **net assets** as of April 30, 2011 compared to April 30, 2010

**Village of Lake Bluff Net Assets**

	Governmental Activities		Water Activities		Total	
	2011	2010	2011	2010	2011	2010
Current & other assets	\$10,060,354	\$10,110,523	\$ 1,817,896	\$1,883,956	\$11,878,250	\$11,994,479
Capital assets	18,651,172	19,249,866	6,753,432	6,962,081	25,404,604	26,211,947
Total assets	28,711,526	29,360,389	8,571,328	8,846,037	37,282,854	38,206,426
Long term liabilities	2,982,208	3,073,102	2,262,617	2,399,004	5,244,825	5,472,106
Other liabilities	4,251,771	4,270,432	237,862	229,884	4,489,633	4,500,316
Total liabilities	7,233,979	7,343,534	2,500,479	2,628,888	9,734,458	9,972,422
Net assets:						
Invested in capital assets, net of related debt	\$16,433,199	\$16,654,652	\$ 4,398,432	\$4,482,081	\$20,831,631	\$21,136,733
Restricted	1,497,653	1,587,832	---	---	\$ 1,497,653	1,587,832
Unrestricted	3,546,695	3,774,371	1,672,417	1,735,068	5,219,112	5,509,439
Total net assets	\$21,477,547	\$22,016,855	\$ 6,070,849	\$6,217,149	\$27,548,396	\$28,234,004

The following table presents a summary of governmental **revenues, expenses, and changes in net assets** for the fiscal year ended April 30, 2011 compared to April 30, 2010.

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

	Governmental Activities		Water (Business-Type)		Total	
	2011	2010	2011	2010	2011	2010
<b>Revenues:</b>						
Program revenues						
Charge for services	1,126,196	1,171,779	1,177,545	1,071,074	2,303,741	2,242,853
Operating grants and contributions	232,581	194,079	----	----	232,581	195,079
Capital grants/donations	492,360	1,429,087			492,360	1,429,087
General revenues						
Property taxes	2,704,232	2,649,929	----	----	2,704,232	2,649,929
Sales taxes	2,752,483	2,695,117	----	----	2,752,483	2,695,117
Other taxes	1,529,893	1,551,491	----	----	1,529,893	1,551,491
Interest/Investment Inc	22,677	25,725	2,941	5,462	25,618	31,187
Miscellaneous	101,862	257,932	432	456	102,294	258,388
<i>Subtotal general revenue</i>	7,111,147	7,180,194	3,373	5,918	7,114,520	7,186,112
Total Revenues	8,962,284	9,976,139	1,180,918	1,076,992	10,143,202	11,053,131
<b>Expenses:</b>						
General government	2,062,487	1,946,291	----	----	2,062,487	1,946,291
Public safety	4,085,025	4,027,882	----	----	4,085,025	4,027,882
Public works	3,249,937	3,174,664	----	----	3,249,937	3,174,664
Debt service	104,143	119,692	----	----	104,143	119,692
Water	----	----	1,327,218	1,336,637	1,327,218	1,336,637
Total expenses	9,501,592	9,268,529	1,327,218	1,336,637	10,828,810	10,605,166
<b>Increase/(Decrease) in net assets</b>	<b>(539,308)</b>	<b>707,610</b>	<b>(146,300)</b>	<b>(259,645)</b>	<b>(685,608)</b>	<b>447,965</b>
Net assets – May 1, 2010	22,016,855	20,796,519	6,217,149	6,476,794	28,234,004	27,273,313
Prior period adjustment	----	512,726	----	----	----	512,726
N/a restated – May 1, 2010	22,016,855	21,309,245	6,217,149	6,476,794	28,234,004	27,786,039
Net assets – April 30, 2011	21,477,547	20,016,855	6,070,849	6,217,149	27,548,396	28,234,004

Governmental Activities

Total governmental revenues fell by \$1,013,855 or 10%, when excluding the change in capital grant monies the decline was \$77,128 or 0.9%, and total expenses increased by 2.5% or \$233,063.

*Program Revenues*

Charge for services in the governmental activities includes: building permits and related fees; fines and forfeitures; vehicle, business, and other licenses; sewer charge; and police and fire protection services provided to local unincorporated areas. This category of revenues decreased by 3.9% due to the continued impact of the depressed economy on user fees and licenses. Specifically, building permit and development-related activity fees continued to decline falling 22.4% over last fiscal year. Two residential re-development projects that began in 2008, Lansdowne and Stonebridge, remain idle as the developers wait for market demand to improve and capital markets to loosen. Fines and forfeitures revenues grew by 50% from the prior fiscal year mostly due to court and nuisance fines. The operating grants and donations include the receipt of funds from FEMA to reimburse the Village for costs associated with storm damage, state shared motor fuel tax allotments and foreign fire insurance tax. The Village received a supplemental motor fuel tax allotment of \$26,299 this fiscal year. The capital grant of \$492,360 is attributed to a federal grant for an analysis of the Routes 41/176 interchange reconfiguration.

*Governmental Revenues*

Village tax revenues are derived from a combination of the following sources: real estate, sales and local use, income, utility, personal property replacement, and motor fuel taxes. Property taxes continue to be a major part of the Village's revenue structure, accounting for 30.2% of the total governmental revenues. Property tax revenue, from the 2009 tax levy, increased by 2%; while the Consumer Price Index (CPI) factor was 2.7% the equalized assessed value of taxable property decreased by 7%. Sales taxes (including the home rule sales tax), which comprise the largest source of governmental revenues at 30.7%, exhibited moderate growth of 2.1% or \$57,366.

Other taxes category includes state shared income, personal property replacement, demolition, prepared food and beverage, telecommunications, and utility taxes. In the aggregate these revenues decreased by \$21,598 or 1.4%. Telecommunications, natural gas and electric utility taxes declined by 1.7% or \$14,083 from the prior fiscal year from a combination of stable utility rates and weather, and user conservation efforts. High State-wide unemployment resulting in reduced wages is evident in the decrease in income tax revenues of 1.8% or \$8,824 from the prior fiscal year. One tenth of the State's income tax receipts are distributed to local municipalities on a per capita basis. Interest/investment income dropped by 12% or \$3,048 because of the historically low short-term funds rates; while miscellaneous revenue plummeted by 60.5% or \$156,070 mostly due to the sale of sanitation trucks in the prior fiscal year.

*Governmental Expenses*

Total governmental expenses increased by \$233,063 or 2.5% due to intentional spending on road repaving and contractual costs. Personnel costs which comprise salaries, benefits, insurance, and pension expenses represent 46.3% of the total governmental expenses down from 55.6% in the prior fiscal year. The Village's staffing level declined by three positions due to the departure of the Assistant Village Administrator and retirement of the Public Works Director and a maintenance worker. There were also three vacant positions in the police department at the end of the current fiscal year. Contractual costs now represent 20.8% of total governmental expenses up from 13.2% in the prior fiscal year as the Village began a shift to privatization of some services beginning with solid waste collection in February 2010.

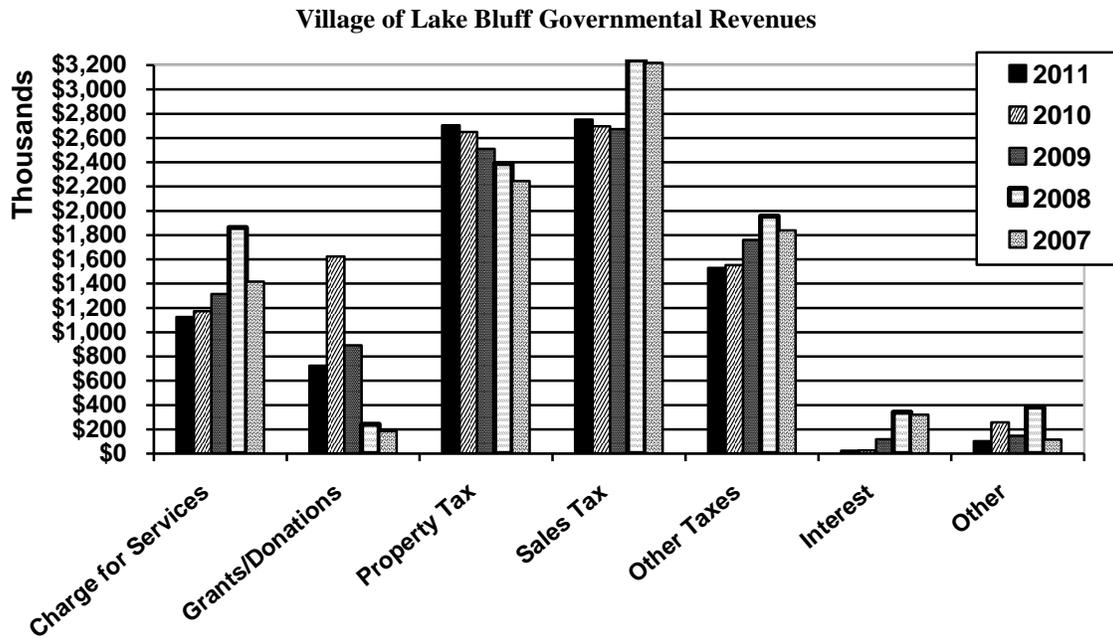
The general government expenses include the costs of personnel, commodities, contracts, and depreciation for the general administration including the Administrator's Office, Finance, Engineering/Community Development, and Boards and Commissions departments. This category of expenses grew 5.9% or \$116,196, due to an increase in contractual expenses specifically for development of the strategic plan, assistance with the comprehensive plan updates, and a shared study with other local communities on fire and ambulance services.

The public safety expenses are comprised of personnel, commodities, contracts, and capital expenditures for the police sworn, dispatch, and fire departments. The Public Safety expenses increased 14.2% or

\$57,143 predominately due a 109% increase in the costs of ambulance service contract with the City of Lake Forest and the cost of medical insurance, required to be paid in full by the Village under Illinois law, for a patrol officer injured on duty.

The public works expenses include the costs of personnel, commodities, contracts, and capital outlay for the maintenance of streets, bridges, sewers, street lights, forestry infrastructure, parkways, and the sanitation and recycling collection. This division's expenses rose by 2.4% or \$75,273 as the Village increased spending on storm sewer improvements and had additional costs associated with the severe snow storms experienced in the Midwest in February 2011.

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



Water - Proprietary Activities

The water activities include the costs of purchasing and distributing potable water to the Village's 2,000 residential and business customers; reading the meters; billing and collections; and maintaining the related infrastructure. The Village purchases water from the Central Lake County Joint Action Water Agency (CLCJAWA) at a rate of \$2.46 per 1,000 gallons up from \$2.32 last year. This rate change accounted for a 6.7% or \$31,143 increase in water purchase expenses with the rise in water volume accounting for \$2,516 of the increase.

The revenues reflect the sale of the water, connection fees, meter sales, and other miscellaneous fees. The Village charges its customers at a rate of \$5.85 per thousand gallons of water used, up from \$5.60 the prior fiscal year. This rate is calculated to sufficiently cover the wholesale rate, to adequately fund the annual water infrastructure maintenance costs, and to maintain required bond payment coverage. The charge for water usage revenue increased 9.9% or \$106,471 from the prior fiscal year of which \$46,111 is due to the increased rate, \$45,878 from an increase in water consumption, and \$14,482 from other operating revenues. Water consumption is impacted by the spring and summer weather. Water usage increases during months with warmer temperatures and/or less rainfall. The debt service is for the interest expense associated with the issuance, in 2004, of \$3.06 million in alternate revenue bonds to finance water infrastructure improvement projects to be completed over a 5-10 year period. The outstanding principal balance of this debt is \$2.355 million at fiscal year end.

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

The focus of the Village's governmental funds is to provide information on current inflows, outflows, and balances of non-capital assets. Unreserved fund balance serves as a useful measure of the Village's net resources available for spending at the end of the year. The governmental activities' total fund balance is \$6,096,641. The total fund balances fell by \$197,518 from 2010 to 2011 based on an intentional use of funds restricted for specific purposes in order to maintain the Village's infrastructure.

**Village of Lake Bluff Governmental Fund Balances**

		Governmental Activities		Increase/Decrease from 2010	
		2011	2010	Percentage	Dollars
General	Major	\$ 4,209,741	\$ 4,284,997	(1.8)%	\$ (75,256)
Motor Fuel Tax	Nonmajor	0	200,181	(100.0)	(200,181)
Redevelopment	Nonmajor	771,620	788,089	(20.9)	(16,469)
Vehicle Replacement	Nonmajor	373,765	405,067	(7.7)	(31,302)
IL Municipal Retirement	Nonmajor	211,244	148,050	42.7	63,194
Federal Social Security	Nonmajor	185,655	116,071	59.9	69,584
E-911	Nonmajor	275,243	284,309	(3.2)	(9,066)
Fire Dept. Special	Nonmajor	37,176	34,176	8.8	3,000
Train Station Wreath	Nonmajor	3,310	3,570	(7.3)	(260)
SSA Bonds	Nonmajor	13,405	13,386	0.1	19
2001 G.O. Certificates	Nonmajor	(2,680)	(2,380)	(12.6)	(300)
2006 G.O. Bonds	Nonmajor	4,425	4,925	(10.1)	(500)
SSA Capital Projects	Nonmajor	13,737	13,718	0.1	19
Total		\$ 6,096,641	\$ 6,294,159	3.1%	\$ (197,518)

Governmental Funds – Major and Nonmajor

The General Fund balance of \$4,209,741 reflects the available resources to finance the main operations of the Village of Lake Bluff. The General Fund fund balance exceeds the Village's policy of maintaining an amount equal to at least 30% of operating expenditures (increased from 25% the prior year). The General Fund's \$75,256 decrease in the fund balance was the result of excess revenues over expenditures of \$478,326 but offset by total other financing uses (transfers to other funds) of \$553,582. After excluding \$181,132 the Village received last year for the sale of assets, other financing uses rose from the prior year by \$124,161 or 28.9% as the Village supplemented the motor fuel tax allotments to increase spending on road paving projects. Total revenues decreased from the prior year by \$22,104 or 0.3% while expenditures (not including other financing uses) decreased by \$144,132 or 2%.

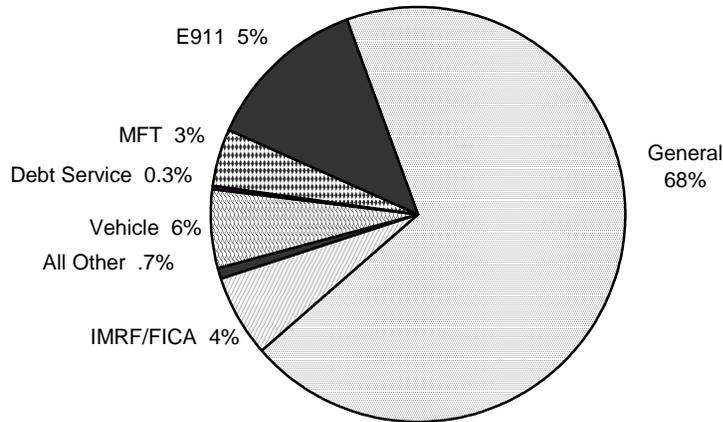
With the exclusion of the IMRF and Social Security Pension Funds, the other governmental funds fund balances declined as monies were spent for the intended purpose. Specifically, the Motor Fuel Tax Fund dollars are required to be utilized exclusively for maintenance of streets. The Redevelopment Fund monies are for the expenditure of the 2006 bond proceeds for the North Shore Drive/Waukegan Road traffic signal and roadway improvements and grant monies for the Routes 41/176 interchange reconfiguration study. 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 2001 debt matured in March 2011 and the deficit balance will be transferred to the 2006 bond fund. The principal and interest payments for both of these issues are transferred from the General Fund to the bond fund annually based on the debt repayment schedule. The property tax levy for both of these issues has been abated each year.

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

- ❖ Motor Fuel Tax Fund had accumulated resources of \$1.120 million at the end of fiscal year 2007. The Village commenced the street rehabilitation program in fiscal year 2008 and depleted the fund balance this fiscal year repaving streets pursuant to the annual condition assessment.

- ❖ Vehicle Replacement Fund fund balance declined due to the purchase of a squad car and as transfers-in from the General Fund remain at the prior fiscal year level which is significantly reduced from prior years' contributions.
- ❖ Illinois Municipal Retirement Fund fund balance grew in order to provide a reserve for anticipated rate increases due to heavy investment losses in 2008. Social Security/FICA Fund fund balance increased due to a reduction in expenditures from the decrease in personnel from 42 to 39 and the temporary vacancy of three positions in the Police department.

**GOVERNMENTAL FUND BALANCES AS A PERCENTAGE OF THE TOTAL**



General Fund Budgetary Highlights

The budget was not modified during the year and actual expenditures did not exceed the budget. As predicted, this recession has been pervasive with a mild and erratic recovery. With sales taxes, development fees, and interest earnings at levels not seen since before 2007, the Village continues to evaluate purchasing opportunities and assess processes for cost savings without sacrificing service and quality. The General Fund revenues were budgeted to exceed expenditures before interfund transfers to other funds. Specifically, the sales and many other taxes began to rebound slightly but building permits were 27% less than projections due to the housing market turmoil. However, actual revenues were \$154,622 or 2.1% greater than projected. The General Fund expenditures were less than budgeted by \$500,752, or 6.5% of the estimated due to these factors: personnel costs savings from human resource changes and the unused \$396,500 contingency budget.

Water - Proprietary Fund

The Water Fund had an operating loss of \$43,321 compared to an operating loss of \$151,087 the prior fiscal year. The Village sets a rate each year that is intended to cover the operating costs including depreciation; however, actual water consumption less than projected results in water sales less than the budget. Actual operating revenues increased 9.9% or \$106,447 and operating expenses increased 2.3% or \$27,789 due to capital infrastructure spending.

Capital Assets and Debt Administration

*Capital Assets.* The Village's investment in capital assets, net of accumulated depreciation, for governmental activities was \$18,651,172 in fiscal year 2011 down from \$19,249,866 in fiscal year 2010. This 3.1% decrease is mostly attributable to the depreciation exceeding the investment in capital assets during the year. The net realizable capital asset investment for the Water Fund declined this fiscal year to \$6,753,432 from \$6,962,081 in fiscal year 2010 because the Village did not invest in its water infrastructure in fiscal year 2011. *Additional information regarding the Village's capital assets is presented in the footnotes on pages 30-31.*

*Long-Term Debt.* At April 30, 2011, the Village had two outstanding bond issues and two unsecured notes with a total principal balance of \$4.583 million outstanding. In August 2006, the Village issued \$2.1 million in G.O. Bonds to finance the cost of roadway improvements and street amenities in the downtown; a stop light on Waukegan Road and North Shore Drive; and other roadway and pedestrian access improvements. This debt will be repaid over 15 years beginning in 2011 with general operating revenues. As the first 5 years are interest only payments, the outstanding principal balance is \$2.1 million. In June 2004, the Village issued \$3.06 million in alternate water revenue bonds to finance the cost of 10 years of water infrastructure improvements. These bonds mature in December 2024 and will be repaid over 20 years with water revenues. The outstanding principal balance is \$2.355 million. The 2001 G.O. Certificates of Participation (COPS) debt, issued on March 1, 2001 in the amount of \$1.93 million matured in March 2011. The outstanding principal balances on the two unsecured notes are \$90 thousand and \$38 thousand, which were used to purchase 611 Walnut Avenue and a fire engine, respectively.

The Village has continued to observe a very conservative debt policy, as evidenced by the fact that the Village first issued bonds in 1987, has never carried debt in excess of \$10 million, and has a direct debt burden of 1.2% versus the median of 2.1%. The Village's outstanding general obligation debt principal represents 0.8% of EAV. *Additional information regarding the Village's debt is presented in the footnotes on pages 33-35, detailed schedules are shown on pages 89-92, and additional information is included in the statistical section on pages 110-114.*

*Future Debt.* At this time, the Village has no plans to issue additional debt in the upcoming fiscal year, but subsequent to the assessment of refinancing opportunities, the Village accepted bids for the issuance of \$2.185 million in general obligation bonds. The proceeds from this debt will be used to advance refund the 2004 Alternate Revenue Bonds to take advantage of lower net interest costs.

*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.

#### *Economic Factors*

- Continued pressure on funding of pension obligations.
- Health insurance costs continue to rise.
- A minimal increase in sales taxes but continued decline in income and utility tax receipts is projected due to devastated consumer confidence, tightened credit markets, and increasing State-wide unemployment.
- Recession is anticipated to be protracted with an erratic recovery.
- Negotiating a first contract with the Illinois Council of Police (ICOPs) for the two Sergeant positions.
- Short-term interest rates below 2% resulting in less interest earnings.
- Building and demolition permit revenues, demolition taxes, and water connection fees to begin a modest recovery in 2013.
- Wholesale water rate increase from CLCJAWA of \$0.06 per thousand gallons from \$2.46 to \$2.52.
- Retail water rate rise from \$5.85 to \$6.20 per thousand gallons.
- Consumer Price Index-Urban (CPI-U) factor for the 2010 property tax levy is 2.7% with a decline in total equalized assessed value of 7%.
- 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 2011-12 annual budget.

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

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

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Public Library
<b>ASSETS</b>				
Cash and investments	\$ 5,925,529	\$ 1,364,086	\$ 7,289,615	\$ 678,832
Receivables, net of allowance for uncollectibles				
Property taxes	2,858,458	-	2,858,458	785,106
Other taxes	938,307	-	938,307	-
Other receivables	314,243	-	314,243	-
Accounts	70,108	260,138	330,246	-
Intergovernmental	118,119	-	118,119	-
Accrued interest	293	-	293	-
Prepaid items	10,181	-	10,181	2,510
Inventory	18,788	-	18,788	-
Due to/from other funds	42,519	(42,519)	-	-
Advance to/from other funds	(236,191)	236,191	-	-
Restricted assets - cash	-	-	-	3,023
Capital assets				
Capital assets not being depreciated	2,284,977	-	2,284,977	375,390
Capital assets being depreciated, net	16,366,195	6,753,432	23,119,627	1,494,705
<b>Total assets</b>	<b>28,711,526</b>	<b>8,571,328</b>	<b>37,282,854</b>	<b>3,339,566</b>
<b>LIABILITIES</b>				
Accounts payable	360,064	51,013	411,077	53,808
Accrued payroll	109,240	6,680	115,920	14,737
Interest payable	32,507	38,550	71,057	-
Other liabilities	123,045	-	123,045	-
Unearned property taxes	2,858,458	-	2,858,458	785,106
Other unearned revenue	198,326	-	198,326	-
Deposits payable	314,580	8,343	322,923	-
Noncurrent liabilities				
Due within one year	255,551	133,276	388,827	-
Due in more than one year	2,982,208	2,262,617	5,244,825	24,795
<b>Total liabilities</b>	<b>7,233,979</b>	<b>2,500,479</b>	<b>9,734,458</b>	<b>878,446</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	16,433,199	4,398,432	20,831,631	1,870,095
Restricted for				
Employee benefits	396,899	-	396,899	-
Specified purpose	3,310	-	3,310	-
Public safety	312,419	-	312,419	-
Debt service	13,405	-	13,405	-
Capital outlay	771,620	-	771,620	3,023
Unrestricted	3,546,695	1,672,417	5,219,112	588,002
<b>TOTAL NET ASSETS</b>	<b>\$ 21,477,547</b>	<b>\$ 6,070,849</b>	<b>\$ 27,548,396</b>	<b>\$ 2,461,120</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,062,487	\$ 794,571	\$ 24,954	\$ -
Public safety	4,085,025	144,034	25,049	-
Public works	3,249,937	187,591	182,578	492,360
Interest on long-term debt	104,143	-	-	-
Total governmental activities	9,501,592	1,126,196	232,581	492,360
Business-Type Activities				
Water	1,327,218	1,177,545	-	-
Total business-type activities	1,327,218	1,177,545	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 10,828,810</b>	<b>\$ 2,303,741</b>	<b>\$ 232,581</b>	<b>\$ 492,360</b>
<b>COMPONENT UNIT - LIBRARY</b>	<b>\$ 778,564</b>	<b>\$ 20,953</b>	<b>\$ 24,186</b>	<b>\$ -</b>

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Public Library
	\$ (1,242,962)	\$ -	\$ (1,242,962)	\$ -
	(3,915,942)	-	(3,915,942)	-
	(2,387,408)	-	(2,387,408)	-
	(104,143)	-	(104,143)	-
	(7,650,455)	-	(7,650,455)	-
	-	(149,673)	(149,673)	-
	-	(149,673)	(149,673)	-
	(7,650,455)	(149,673)	(7,800,128)	-
	-	-	-	(733,425)
General Revenues				
Property tax	2,704,232	-	2,704,232	779,602
Utility tax	811,851	-	811,851	-
Intergovernmental revenues				
Replacement taxes	58,213	-	58,213	-
Sales tax	2,752,483	-	2,752,483	-
Income tax	472,166	-	472,166	-
Wireless surcharge	45,313	-	45,313	-
Other taxes	142,350	-	142,350	-
Miscellaneous	101,862	432	102,294	10,608
Investment income	22,677	2,941	25,618	1,562
Total	7,111,147	3,373	7,114,520	791,772
CHANGE IN NET ASSETS	(539,308)	(146,300)	(685,608)	58,347
NET ASSETS, MAY 1	22,016,855	6,217,149	28,234,004	2,402,773
NET ASSETS, APRIL 30	\$ 21,477,547	\$ 6,070,849	\$ 27,548,396	\$ 2,461,120

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 3,816,362	\$ 2,109,167	\$ 5,925,529
Receivables, net			
Property taxes	2,366,302	492,156	2,858,458
Other taxes	925,808	12,499	938,307
Other receivables	314,243	-	314,243
Accounts	64,494	5,614	70,108
Intergovernmental	-	118,119	118,119
Accrued interest	161	132	293
Prepaid items	10,181	-	10,181
Inventory	18,788	-	18,788
Due from other funds	69,433	-	69,433
<b>TOTAL ASSETS</b>	<b>\$ 7,585,772</b>	<b>\$ 2,737,687</b>	<b>\$ 10,323,459</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 264,538	\$ 95,526	\$ 360,064
Accrued payroll	109,240	-	109,240
Other liabilities	123,045	-	123,045
Unearned property taxes	2,366,302	492,156	2,858,458
Other unearned revenue	198,326	-	198,326
Deposits payable	314,580	-	314,580
Due to other funds	-	26,914	26,914
Advance from other funds	-	236,191	236,191
<b>Total liabilities</b>	<b>3,376,031</b>	<b>850,787</b>	<b>4,226,818</b>
<b>FUND BALANCES</b>			
Reserved for prepaid items	10,181	-	10,181
Reserved for inventory	18,788	-	18,788
Reserved for employee benefits	-	396,899	396,899
Reserved for specified purpose	-	3,310	3,310
Reserved for public safety	-	312,419	312,419
Reserved for debt service	-	13,405	13,405
Reserved for capital outlay	-	771,620	771,620
Unreserved			
Designated for capital outlay			
General Fund	300,000	-	300,000
Undesignated			
General Fund	3,880,772	-	3,880,772
Debt service funds	-	1,745	1,745
Capital projects funds	-	387,502	387,502
<b>Total fund balances</b>	<b>4,209,741</b>	<b>1,886,900</b>	<b>6,096,641</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 7,585,772</b>	<b>\$ 2,737,687</b>	<b>\$ 10,323,459</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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

April 30, 2011

---

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,096,641
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	18,651,172
Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(32,507)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(2,089,950)
Notes payable	(128,023)
Compensated absences payable	(432,011)
Net pension obligation	(317,981)
Net other postemployment benefit	<u>(269,794)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 21,477,547</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, 2011

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Property taxes	\$ 2,163,540	\$ 540,692	\$ 2,704,232
Other taxes	4,227,456	44,904	4,272,360
Licenses, permits, and fees	631,367	-	631,367
Intergovernmental	51,251	719,004	770,255
Charges for services	375,830	-	375,830
Fines and forfeitures	83,700	-	83,700
Interest earned on investments	18,393	4,284	22,677
Miscellaneous	96,751	1,112	97,863
Total revenues	<u>7,648,288</u>	<u>1,309,996</u>	<u>8,958,284</u>
<b>EXPENDITURES</b>			
Current			
General government	1,879,799	134,696	2,014,495
Police and community service	3,459,775	261,295	3,721,070
Public works	1,780,994	626,397	2,407,391
Capital outlay	-	533,206	533,206
Debt service			
Principal	45,000	333,246	378,246
Interest	4,394	101,000	105,394
Total expenditures	<u>7,169,962</u>	<u>1,989,840</u>	<u>9,159,802</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>478,326</u>	<u>(679,844)</u>	<u>(201,518)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	4,000	4,000
Transfers in	14,740	568,322	583,062
Transfers (out)	(568,322)	(14,740)	(583,062)
Total other financing sources (uses)	<u>(553,582)</u>	<u>557,582</u>	<u>4,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>(75,256)</u>	<u>(122,262)</u>	<u>(197,518)</u>
<b>FUND BALANCES, MAY 1</b>	<u>4,284,997</u>	<u>2,009,162</u>	<u>6,294,159</u>
<b>FUND BALANCES, APRIL 30</b>	<u>\$ 4,209,741</u>	<u>\$ 1,886,900</u>	<u>\$ 6,096,641</u>

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, 2011

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (197,518)
---	--------------

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	107,341
Depreciation expense	(701,737)

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

(4,298)

The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities

General obligation debt	260,000
Notes payable	118,246

Amortization of bond issuance costs do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds

(1,005)

The change in compensated absences does not require a current financial resource

1,846

Interest costs are recognized when paid in governmental funds but when incurred on the statement of activities

2,256

The change in the net pension obligation is not a source or use of a financial resource

11,573

The change in the net other postemployment benefit is not a source or use of a financial resource

(136,012)

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (539,308)</u>
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See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS

April 30, 2011

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 1,364,086
Receivables	
Accounts, net of allowance for uncollectible accounts	<u>260,138</u>
Total current assets	<u>1,624,224</u>
<b>NONCURRENT ASSETS</b>	
Advance to other funds	236,191
Capital assets, net of accumulated depreciation	<u>6,753,432</u>
Total noncurrent assets	<u>6,989,623</u>
Total assets	<u>8,613,847</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	51,013
Accrued payroll	6,680
Accrued interest payable	38,550
Due to other funds	42,519
Deposits held	8,343
Compensated absences payable	3,276
General Obligation (Alternate Revenue Source) bonds payable	<u>130,000</u>
Total current liabilities	<u>280,381</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences payable	37,617
General Obligation (Alternate Revenue Source) bonds payable	<u>2,225,000</u>
Total noncurrent liabilities	<u>2,262,617</u>
Total liabilities	<u>2,542,998</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	4,398,432
Unrestricted	<u>1,672,417</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 6,070,849</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2011

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OPERATING REVENUES	
Water sales	\$ 1,160,420
Meter sales	3,000
Tap-on and connection fees	14,125
Miscellaneous	432
	<hr/>
Total operating revenues	1,177,977
	<hr/>
OPERATING EXPENSES	
Administrative and finance	436,308
Water purchases	547,233
Depreciation	237,757
	<hr/>
Total operating expenses	1,221,298
	<hr/>
OPERATING INCOME (LOSS)	(43,321)
	<hr/>
NONOPERATING REVENUES (EXPENSES)	
Interest earned on investments	2,941
Interest expense	(105,920)
	<hr/>
Total nonoperating revenues (expenses)	(102,979)
	<hr/>
CHANGE IN NET ASSETS	(146,300)
	<hr/>
NET ASSETS, MAY 1	6,217,149
	<hr/>
NET ASSETS, APRIL 30	\$ 6,070,849
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS

For the Year Ended April 30, 2011

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<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 1,162,923
Payments to suppliers	(622,883)
Payments to employees	<u>(363,939)</u>
Net cash from operating activities	<u>176,101</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Decrease in due to other funds	(9,996)
Decrease in advance from other funds	<u>(7,500)</u>
Net cash from noncapital financing activities	<u>(17,496)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received	<u>2,945</u>
Net cash from investing activities	<u>2,945</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(29,108)
Payments of capital debt	(125,000)
Interest paid on capital debt	<u>(107,795)</u>
Net cash from capital and related financing activities	<u>(261,903)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(100,353)
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,464,439</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 1,364,086</u></u>

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUNDS

For the Year Ended April 30, 2011

---

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (43,321)
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	237,757
(Increase) decrease in Receivables	(16,804)
Increase (decrease) in Accounts payable	5,887
Deposits payable	1,750
Accrued payroll	(2,029)
Compensated absences payable	(7,139)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 176,101</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUND

April 30, 2011

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	<u>Police Pension Fund</u>
<b>ASSETS</b>	
Cash	\$ 397,768
Investments (at fair value)	
Certificates of deposit	791,550
U.S. Government obligations	2,455,001
Mutual funds	3,446,251
Accrued interest receivable	<u>21,479</u>
 Total assets	 <u>7,112,049</u>
<b>LIABILITIES</b>	
Accounts payable	<u>728</u>
 Total liabilities	 <u>728</u>
<b>NET ASSETS</b>	
Held in trust for pension benefits	<u>7,111,321</u>
 TOTAL NET ASSETS	 <u><u>\$ 7,111,321</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
POLICE PENSION FUND

For the Year Ended April 30, 2011

ADDITIONS

Contributions	
Employer	\$ 440,214
Plan members	<u>111,857</u>
Total contributions	<u>552,071</u>
Miscellaneous	<u>50</u>
Investment income	
Net appreciation in fair value of investments	513,672
Interest	<u>128,150</u>
Total investment income	641,822
Less investment expense	<u>(22,104)</u>
Net investment income	<u>619,718</u>
Total additions	<u>1,171,839</u>

DEDUCTIONS

Pension benefits and refunds	538,696
Administrative expenses	<u>25,378</u>
Total deductions	<u>564,074</u>

NET INCREASE 607,765

NET ASSETS HELD IN TRUST  
FOR PENSION BENEFITS

May 1	<u>6,503,556</u>
April 30	<u><u>\$ 7,111,321</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

INDEX FOR NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2011

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

*Discretely Presented Component Unit*

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Reporting Entity (Continued)

*Joint Ventures*

Central Lake County Joint Action Water Agency (CLCJAWA)

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

Solid Waste Agency of Lake County (SWALCO)

SWALCO is a municipal corporation empowered to plan, finance, construct and operate a solid waste disposal system to serve its member municipalities. Management consists of a Board of Directors comprised of one appointed representative from each member. The Village does not exercise any control over the activities of SWALCO beyond its representation on the Board of Directors. SWALCO is reported as a proprietary joint venture.

b. Fund Accounting

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

c. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

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

The Village reports the following major and only proprietary fund:

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

The Village reports the following fiduciary fund:

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period (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 on its financial statements. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash and Cash Equivalents

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments (Continued)

Investments

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

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

f. Receivables

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

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

g. Inventory

Supplies inventory is valued at cost. Inventory of items held for resale is valued at the lower of cost (first-in, first-out) or market.

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.

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."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 is 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

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Compensated Absences (Continued)

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

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

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 issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balances/Net Assets

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

n. 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.

o. Accounting Estimates

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

2. DEFICIT FUND BALANCE

The 2001 General Obligation Tax Certificate Fund had a deficit fund balance of \$2,680 at April 30, 2011.

3. PROPERTY TAXES

Property taxes for 2010 attach as an enforceable lien on January 1, 2010 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are issued on or about May and August 1 and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Based upon collection histories, the Village has not provided an allowance for uncollectible property taxes at April 30, 2011. These 2010 taxes are intended to finance the 2012 fiscal year and are not considered available or earned for current operations and are, therefore, reported as deferred/unearned revenue. The 2011 tax levy has not been recorded as a receivable at April 30, 2011, as the tax attached as a lien on property as of January 1, 2011; however, the tax will not be levied until December 2011 and, accordingly, is not measurable at April 30, 2011.

4. CASH AND INVESTMENTS

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

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

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

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

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

4. CASH AND INVESTMENTS (Continued)

Village Deposits with Financial Institutions

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

Village Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2011:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 2,293,502	\$ 2,293,502	\$ -	\$ -	\$ -
IMET	971,929	971,929	-	-	-
Negotiable CDs	250,000	-	250,000	-	-
<b>TOTAL</b>	<b>\$ 3,515,431</b>	<b>\$ 3,265,431</b>	<b>\$ 250,000</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

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

4. CASH AND INVESTMENTS (Continued)

Village Investments (Continued)

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

Police Pension Fund Deposits with Financial Institutions

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

Police Pension Fund Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2011:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
FHLB	\$ 548,183	\$ -	\$ 548,183	\$ -	\$ -
FHLMC	383,858	203,988	179,870	-	-
FNMA	1,026,480	-	1,026,480	-	-
FFCB	496,480	-	496,480	-	-
Negotiable CDs	500,000	300,000	200,000	-	-
<b>TOTAL</b>	<b>\$ 2,955,001</b>	<b>\$ 503,988</b>	<b>\$ 2,451,013</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

4. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments (Continued)

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

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. The 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:

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

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2011 was as follows:

	Balances May 1	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,284,977	\$ -	\$ -	\$ 2,284,977
Total capital assets not being depreciated	2,284,977	-	-	2,284,977
Capital assets being depreciated				
Buildings and improvements	5,517,671	-	-	5,517,671
Equipment	5,068,701	46,897	20,575	5,095,023
Infrastructure	16,576,889	60,444	5,971	16,631,362
Total capital assets being depreciated	27,163,261	107,341	26,546	27,244,056

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

5. CAPITAL ASSETS (Continued)

	Balances May 1	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Less accumulated depreciation for				
Buildings and improvements	\$ 2,011,041	\$ 125,239	\$ -	\$ 2,136,280
Equipment	2,682,448	309,092	20,575	2,970,965
Infrastructure	5,504,883	267,406	1,673	5,770,616
Total accumulated depreciation	10,198,372	701,737	22,248	10,877,861
Total capital assets being depreciated, net	16,964,889	(594,396)	4,298	16,366,195
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 19,249,866</b>	<b>\$ (594,396)</b>	<b>\$ 4,298</b>	<b>\$ 18,651,172</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>		
General government		\$ 22,240
Public safety		230,955
Public works		448,542
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>		<b>\$ 701,737</b>

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets being depreciated				
Water systems/lines	\$ 8,861,455	\$ 29,108	\$ -	\$ 8,890,563
Water tower	1,609,375	-	-	1,609,375
Vehicles	101,345	-	-	101,345
Total capital assets being depreciated	10,572,175	29,108	-	10,601,283
Less accumulated depreciation for				
Water system/lines	2,819,741	189,512	-	3,009,253
Water tower	724,548	40,234	-	764,782
Vehicles	65,805	8,011	-	73,816
Total accumulated depreciation	3,610,094	237,757	-	3,847,851
Total capital assets being depreciated, net	6,962,081	(208,649)	-	6,753,432
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 6,962,081</b>	<b>\$ (208,649)</b>	<b>\$ -</b>	<b>\$ 6,753,432</b>

6. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health; natural disasters; and injuries to the Village's employees. Employees' health insurance is purchased through a broker and no risk of loss is retained by the Village.

Intergovernmental Risk Management Agency (IRMA)

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

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village is aware of no additional contributions due to IRMA as of April 30, 2011.

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.

7. LEASE AND MAINTENANCE OBLIGATIONS

Commuter Station

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

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

8. LONG-TERM DEBT

A summary of changes in long-term debt reported in the governmental activities of the Village for the year ended April 30, 2011 is as follows:

a. Governmental Activities

Issue	Fund Debt Retired by	Balances May 1, 2010	Issuances	Retirements	Balances April 30, 2011	Current Portion
Notes Payable						
\$315,000 Note Payable dated October 24, 2005, due in annual installments of \$45,000 through October 24, 2012, interest payable each April 23 and October 24 at 3.85%	General	\$ 135,000	\$ -	\$ 45,000	\$ 90,000	\$ 45,000
\$350,000 Note Payable dated February 13, 2007, due in semi-annual installments of \$31,733 to \$38,023 through September 15, 2011, interest payable each March 15 and September 15 at 4.35%	Vehicle/ Equipment Replacement	111,269	-	73,246	38,023	38,023
Total notes payable		246,269	-	118,246	128,023	83,023
General Obligation Tax Certificates						
\$1,930,000 General Obligation Limited Tax Certificates, Series 2001 dated February 12, 2001, due in annual installments of \$70,000 to \$260,000 through March 1, 2011, interest payable each March 1 and September 1 at 4.00% to 4.20%	2001 General Obligation Tax Certificate	260,000	-	260,000	-	-
General Obligation Bonds						
\$2,100,000 General Obligation Bonds dated July 24, 2006, due in annual installments of \$130,000 to \$255,000 through December 15, 2020, interest payable each June 15 and December 15 at 3.90% to 4.25%	2006 General Obligation Bond	2,100,000	-	-	2,100,000	130,000

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

8. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

Issue	Fund Debt Retired by	Balances May 1, 2010	Issuances	Retirements	Balances April 30, 2011	Current Portion
Less deferred amounts for issuance discounts		\$ (11,055)	\$ -	\$ (1,005)	\$ (10,050)	\$ -
Compensated absences	General	433,857	397,937	399,783	432,011	42,528
Net Pension obligation	General	329,554	-	11,573	317,981	-
Net other postemployment benefit obligation	General	133,782	136,012	-	269,794	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 3,492,407</b>	<b>\$ 533,949</b>	<b>\$ 788,597</b>	<b>\$ 3,237,759</b>	<b>\$ 255,551</b>

b. Business-Type Activities

Issue	Fund Debt Retired by	Balances May 1, 2009	Issuances	Retirements	Balances April 30, 2010	Current Portion
\$3,060,000 General Obligation Bonds (Alternate Revenue Source), due in annual installments of \$110,000 to \$220,000 through December 15, 2024 plus interest at 4.00% to 4.70%	Waterworks	\$ 2,480,000	\$ -	\$ 125,000	\$ 2,355,000	\$ 130,000
Compensated absences	Waterworks	48,032	29,046	36,185	40,893	4,189
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 2,528,032</b>	<b>\$ 29,046</b>	<b>\$ 161,185</b>	<b>\$ 2,395,893</b>	<b>\$ 134,189</b>

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

8. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2012	\$ 130,000	\$ 85,964	\$ 130,000	\$ 102,795
2013	185,000	80,894	130,000	97,595
2014	195,000	73,586	135,000	92,395
2015	200,000	65,786	145,000	86,995
2016	210,000	57,686	150,000	81,195
2017	220,000	49,181	155,000	74,895
2018	225,000	40,161	160,000	68,385
2019	235,000	30,880	170,000	61,665
2020	245,000	21,128	175,000	54,185
2021	255,000	12,836	185,000	46,485
2022	-	-	190,000	38,160
2023	-	-	200,000	29,610
2024	-	-	210,000	20,210
2025	-	-	220,000	10,340
TOTAL	\$ 2,100,000	\$ 518,102	\$ 2,355,000	\$ 864,910

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

Fiscal Year Ending April 30,	Governmental Activities	
	Principal	Interest
2012	\$ 83,023	\$ 3,300
2013	45,000	881
TOTAL	\$ 128,023	\$ 4,181

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

9. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transactions

Due from/to other funds at April 30, 2011 consist of the following:

Receivable Fund	Payable Fund	Amount
General	Water	\$ 42,519
General	Nonmajor Governmental	<u>26,914</u>
<b>TOTAL</b>		<u><u>\$ 69,433</u></u>

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

- \$42,519 owed to the General Fund from the Water Fund is for interfund operations. Repayment is expected within one year.
- \$26,914 owed to the General Fund from the Nonmajor Governmental Funds for interfund operations. Repayment is expected within one year.

b. Advances To/From Other Funds

Advances to/from other funds at April 30, 2011 consist of the following:

Receivable Fund	Payable Fund	Amount
Vehicle/Equipment Replacement (Nonmajor governmental)	Water	<u>\$ 236,191</u>
<b>TOTAL</b>		<u><u>\$ 236,191</u></u>

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

- \$236,191 owed to the Vehicle/Equipment Replacement Fund from the Water Fund is for future vehicle replacements. Repayment is not expected within one year.

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

9. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Transfers

Transfers between funds during the year were as follows:

Fund	Transfers In	Transfers Out
General	\$ 14,740	\$ 568,322
Nonmajor governmental	568,322	14,740
<b>TOTAL ALL FUNDS</b>	<b>\$ 583,062</b>	<b>\$ 583,062</b>

The purpose of significant transfers are as follows:

- \$14,740 was transferred to the General Fund from the Nonmajor Governmental Funds (E-911 Fund) for salary reimbursements. This transfer will not be repaid.
- \$568,322 was transferred to the Nonmajor Governmental Funds from the General Fund. \$85,000 was transferred to the Vehicle/Equipment Replacement Fund for the replacement of vehicles. \$270,920 was transferred to the 2001 General Obligation Tax Certificate Fund for funding of nonproperty tax debt. \$85,964 was transferred to the 2006 General Obligation Bond Fund for funding of nonproperty tax debt and \$126,438 was transferred to the Motor Fuel Tax Fund to provide supplemental funding for the street repaving project.

10. COMMITMENTS AND CONTINGENCIES

a. Litigation

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

b. Construction Contracts

The value of construction contracts signed where the work has not yet been performed at April 30, 2011 is \$1,551,876.

The value of purchase commitments for capital assets at April 30, 2011 is \$276,537.

10. COMMITMENTS AND CONTINGENCIES (Continued)

c. Grants

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

11. JOINT VENTURES

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

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

The members of CLCJAWA as of April 30, 2011 are:

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

11. JOINT VENTURES (Continued)

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

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

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

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

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

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

In accordance with the joint venture agreement, the Village remitted \$547,233 to CLCJAWA for 2011, which is recorded in the Village's Water Fund.

11. JOINT VENTURES (Continued)

b. Solid Waste Agency of Lake County (SWALCO)

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

The members of SWALCO and their percentage shares are based on the formula contained in the Agency Agreement. As of April 30, 2011, the Village's share is 1.61%.

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

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

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

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

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

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

11. JOINT VENTURES (Continued)

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

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

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

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

The Village remitted no payments to SWALCO for the year ended April 30, 2011.

12. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan (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.

12. DEFINED BENEFIT PENSION PLANS (Continued)

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 2010 and 2011 were 11.38% and 10.98%, respectively.

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.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

At April 30, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	12
Current employees	
Vested	10
Nonvested	4
	<hr/>
TOTAL	<u>26</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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

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 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 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 3.00% or ½ of the change in the Consumer Price Index for the preceding calendar year.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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, 2011, the Village's contribution was 38.63% of covered payroll.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Administrative Costs

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

c. Significant Investments

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

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

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12. DEFINED BENEFIT PENSION PLANS (Continued)

d. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2008	April 30, 2010
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	30 Years, Open	23 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	Not Available

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

d. Annual Pension Costs (Continued)

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

		Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2009	\$ 242,493	\$ 388,242
	2010	260,491	463,084
	2011	257,778	426,900
Actual contribution	2009	\$ 242,493	\$ 381,976
	2010	260,491	423,637
	2011	257,778	440,214
Percentage of APC contributed	2009	100.00%	98.39%
	2010	100.00%	91.48%
	2011	100.00%	103.12%
Net pension obligation (NPO)	2009	\$ -	\$ 296,373
	2010	-	329,554
	2011	-	317,981

The APC and NPO for the Police Pension Fund has been calculated as of April 30, 2011:

Annual required contribution	\$ 431,049
Interest on net pension obligation	24,019
Adjustment to annual required contribution	<u>(26,427)</u>
Annual pension cost	428,641
Contributions made	<u>440,214</u>
Increase (decrease) in net pension obligation (asset)	(11,573)
Net pension obligation (asset) beginning of year	<u>329,554</u>
<b>NET PENSION OBLIGATION (ASSET) END OF YEAR</b>	<b><u>\$ 317,981</u></b>

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

e. Funded Status

The funded status of the plans as of April 30, 2011 (December 31, 2010 for IMRF), based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 12-d:

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 5,354,595	\$ 11,825,962
Actuarial value of plan assets	3,929,456	6,508,534
Unfunded actuarial accrued liability (UAAL)	1,425,139	5,317,428
Funded ratio (actuarial value of plan assets/AAL)	73.38%	55.04%
Covered payroll (active plan members)	\$ 2,485,761	\$ 1,139,711
UAAL as a percentage of covered payroll	57.33%	466.56%

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

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2010 (most recent available), membership consisted of:

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

d. Funding Policy

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

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and 2011 was as follows (information for the preceding year is not available as an actuarial valuation was performed for the first time as of April 30, 2010):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation*
April 30, 2010	\$ 172,998	\$ 26,921	15.56%	\$ 146,077
April 30, 2011	175,433	26,921	15.35%	294,589

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

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The net OPEB obligation as of April 30, 2011 was calculated as follows:

Annual required contribution	\$ 172,998
Interest on net OPEB obligation	7,304
Adjustment to annual required contribution	<u>(4,869)</u>
Annual OPEB cost	175,433
Contributions made	<u>26,921</u>
Increase in net OPEB obligation	148,512
Net OPEB obligation beginning of year	<u>146,077</u>
<b>NET OPEB OBLIGATION END OF YEAR</b>	<b><u>\$ 294,589</u></b>

\*Includes Library portion of the Net OPEB Obligation.

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

Actuarial accrued liability (AAL)	\$ 484,668
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	484,668
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 7,487,170
UAAL as a percentage of covered payroll	6.47%

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.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

14. SUBSEQUENT EVENT

On September 19, 2011, the Village approved the issuance of \$2,245,000 General Obligation Refunding Bonds, Series 2011, to refund all of the outstanding Series 2004 General Obligation (Alternate Revenue Source) Bonds.

15. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY

a. Financial Information

Financial statements for the Lake Bluff Public Library, including government-wide and fund financial statements, are available in the Library's separately audited financial statements as of April 30, 2011, which can be obtained from the Library located at 123 East Scranton Avenue, Lake Bluff, Illinois 60044.

b. Cash and Investments

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

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

b. Cash and Investments (Continued)

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

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

1) Deposits with Financial Institutions

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

2) Investments

As of April 30, 2011, the Library had the following investments and maturities:

	<u>Fair Value</u>	<u>Maturity</u>
Illinois Funds	\$ 300,839	On Demand
<b>TOTAL INVESTMENTS</b>	<u>\$ 300,839</u>	

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

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

b. Cash and Investments (Continued)

2) Investments (Continued)

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

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

c. Receivables - Taxes

Property taxes for 2010 attach as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1 and August 1 and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Based upon collection histories, library management does not consider an allowance for uncollectible property taxes at April 30, 2011 to be necessary.

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

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

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

d. Capital Assets

Capital asset activity for the year ended April 30, 2011 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 347,445	\$ -	\$ -	\$ 347,445
Construction in progress	-	27,945	-	27,945
Total capital assets not being depreciated	347,445	27,945	-	375,390
Capital assets being depreciated				
Buildings	1,618,089	-	-	1,618,089
Equipment	105,357	-	-	105,357
Books	817,595	86,427	124,619	779,403
Total capital assets being depreciated	2,541,041	86,427	124,619	2,502,849
Less accumulated depreciation for				
Buildings	573,149	40,375	-	613,524
Equipment	38,115	8,663	-	46,778
Books	373,605	73,559	99,322	347,842
Total accumulated depreciation	984,869	122,597	99,322	1,008,144
Total capital assets being depreciated, net	1,556,172	(36,170)	25,297	1,494,705
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<b>\$ 1,903,617</b>	<b>\$ (8,225)</b>	<b>\$ 25,297</b>	<b>\$ 1,870,095</b>

e. Long-Term Obligations

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

	Balances May 1	Additions	Retirements	Balances April 30	Due Within One Year
Net other postemployment benefits obligation	\$ 12,295	\$ 12,500	\$ -	\$ 24,795	\$ -

**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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 2,146,686	\$ 2,163,540	\$ 16,854
Other taxes	4,064,144	4,227,456	163,312
Licenses, permits, and fees	823,304	631,367	(191,937)
Intergovernmental grants and reimbursements	-	51,251	51,251
Charges for services	375,050	375,830	780
Fines and forfeitures	55,732	83,700	27,968
Interest earned on investments	25,250	18,393	(6,857)
Miscellaneous	3,500	96,751	93,251
<b>Total revenues</b>	<b>7,493,666</b>	<b>7,648,288</b>	<b>154,622</b>
<b>EXPENDITURES</b>			
Current			
General government	2,152,010	1,879,799	(272,211)
Public safety	3,591,580	3,459,775	(131,805)
Public works	1,877,730	1,780,994	(96,736)
Debt service			
Principal	45,000	45,000	-
Interest	4,394	4,394	-
<b>Total expenditures</b>	<b>7,670,714</b>	<b>7,169,962</b>	<b>(500,752)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(177,048)</b>	<b>478,326</b>	<b>655,374</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,500	-	(1,500)
Transfers in	18,500	14,740	(3,760)
Transfers (out)	(566,884)	(568,322)	(1,438)
<b>Total other financing sources (uses)</b>	<b>(546,884)</b>	<b>(553,582)</b>	<b>(6,698)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (723,932)</b>	<b>(75,256)</b>	<b>\$ 648,676</b>
<b>FUND BALANCE, MAY 1</b>		<b>4,284,997</b>	
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 4,209,741</b>	

(See independent auditor's report.)

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

April 30, 2011

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2005	\$ 3,839,501	\$ 4,416,242	86.94%	\$ 576,741	\$ 2,228,003	25.89%
2006	4,509,585	4,914,202	91.77%	404,617	2,284,848	17.71%
2007	5,310,415	5,642,255	94.12%	331,840	2,573,934	12.89%
2008	4,735,416	6,222,557	76.10%	1,487,141	2,614,434	56.88%
2009	4,948,560	6,241,956	79.28%	1,293,396	2,641,538	48.96%
2010	3,929,456	5,354,595	73.38%	1,425,139	2,485,761	57.33%

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (OAAL) (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2006	\$ 5,885,255	\$ 9,048,636	65.04%	\$ 3,163,381	\$ 1,014,132	311.93%
2007	6,167,438	9,704,057	63.56%	3,536,619	1,009,132	350.46%
2008	6,526,131	9,656,803	67.58%	3,130,672	1,068,313	293.05%
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%

(See independent auditor's report.)

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

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (OAAL) (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 1,508,932	0.00%	\$ 1,508,932	\$ 2,745,912	54.95%
2011	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

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

(See independent auditor's report.)

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

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (OAAL) (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 158,482	0.00%	\$ 158,482	\$ 248,373	63.81%
2011	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available

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

Information for prior years is not available.

(See independent auditor's report.)

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

April 30, 2011

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2006	\$ 228,485	\$ 228,485	100.00%
2007	254,562	254,562	100.00%
2008	242,881	242,881	100.00%
2009	242,493	242,493	100.00%
2010	260,491	260,491	100.00%
2011	257,778	257,778	100.00%

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

April 30, 2011

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation/ (Asset)</u>
2006	\$ 253,971	\$ 325,922	77.92%	\$ 207,010
2007	286,515	361,565	79.24%	283,340
2008	344,413	350,383	98.30%	290,107
2009	381,977	388,516	98.32%	296,373
2010	423,637	454,809	93.15%	329,554
2011	440,214	431,049	102.13%	317,981

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2011

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Other Postemployment Benefit Plan Obligation</u>
2010	\$ 19,576	\$ 153,358	12.76%	\$ 133,782
2011	19,576	153,358	12.76%	269,794

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

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

April 30, 2011

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Other Postemployment Benefit Plan Obligation</u>
2010	\$ 7,345	\$ 19,640	37.40%	\$ 12,295
2011	7,345	19,640	37.40%	24,795

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

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2011

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1. BUDGETS

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

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

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

Special Revenue Fund - Train Station Wreath Fund

Debt Service Fund - Special Service Area Bond

Capital Projects Fund - Special Service Area Capital Improvements Fund

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

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2. INDIVIDUAL FUND DISCLOSURES

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

Fund	Excess
Motor Fuel Tax	\$ 34,539
E-911 Fund	24,155
Police Pension	13,774

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

## **MAJOR GOVERNMENTAL FUNDS**

### **General Fund**

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

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED REVENUES -  
BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Taxes			
Property taxes			
General	\$ 472,516	\$ 471,546	\$ (970)
Waste disposal	383,850	383,514	(336)
Police protection	312,280	314,356	2,076
Crossing guards	3,240	6,287	3,047
Fire protection	274,500	277,394	2,894
Audit	24,290	25,148	858
Unemployment	13,010	18,861	5,851
Police pension	432,000	433,811	1,811
Liability insurance	231,000	232,623	1,623
Total property taxes	2,146,686	2,163,540	16,854
Other taxes			
Home rule sales tax	581,882	618,201	36,319
Sales tax sharing - North Chicago	24,055	17,167	(6,888)
Prepared food and beverage tax	52,800	68,587	15,787
Utility tax - natural gas	203,425	171,776	(31,649)
Utility tax - electricity	336,000	342,938	6,938
Telecommunications tax	296,915	297,137	222
Demolition tax	10,000	10,000	-
Road and bridge	63,235	63,762	527
Personal property replacement tax	39,940	42,204	2,264
Replacement tax - police pension	6,530	6,403	(127)
Sales tax	1,939,608	2,109,455	169,847
Sales tax - auto rental	8,000	7,660	(340)
State income taxes	501,754	472,166	(29,588)
Total other taxes	4,064,144	4,227,456	163,312
Total taxes	6,210,830	6,390,996	180,166
Licenses, permits and fees			
Beverage licenses	15,000	15,695	695
Farmers' market permit	5,325	4,922	(403)
Vehicle license fees	139,000	139,440	440
Vehicle licenses - late fees	1,500	2,468	968
Village lot parking fees	11,000	7,050	(3,950)

(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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>			
<b>Licenses, permits and fees (Continued)</b>			
Central business district (CBD) parking permits	\$ 3,600	\$ 305	\$ (3,295)
Commuter lot parking fees	63,600	54,897	(8,703)
Bicycle licenses	-	1	1
Peddler permits	100	-	(100)
Contractor's business license	27,850	27,400	(450)
Business license	2,000	3,400	1,400
Building permits	406,000	221,487	(184,513)
Demolition permits	22,623	21,496	(1,127)
Electrical, plumbing, heating and air conditioning	3,000	6,860	3,860
Plan review fees - fire and building	500	-	(500)
Plan review fees - sprinkler	450	1,600	1,150
Plan review fees - elevator	500	-	(500)
Occupancy permits	3,000	8,000	5,000
Business occupancy permits	500	100	(400)
Street opening permits	4,000	4,900	900
Sewer permits	1,500	-	(1,500)
Tree permits	1,500	-	(1,500)
Other permits	200	3,680	3,480
Alarm system license	8,000	8,560	560
Ameritech franchise fees	17,000	11,441	(5,559)
Cable franchise fees	85,556	87,665	2,109
<b>Total licenses, permits and fees</b>	<b>823,304</b>	<b>631,367</b>	<b>(191,937)</b>
<b>Intergovernmental grants and reimbursements</b>			
Federal grants	-	24,954	24,954
State grants	-	26,297	26,297
<b>Total intergovernmental grants and reimbursements</b>	<b>-</b>	<b>51,251</b>	<b>51,251</b>
<b>Charges for services</b>			
<b>Public works</b>			
Sewer charge	183,600	183,741	141
Stormwater ordinance review	1,000	900	(100)
Yardwaste tipping fees	6,500	-	(6,500)
<b>Public safety</b>			
Fire protection district and police services	26,500	27,984	1,484
Police duty reimbursements	2,500	-	(2,500)

(This schedule is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>			
Charges for services (Continued)			
General government			
Photo copy sales	\$ 950	\$ 657	\$ (293)
Maps and publications	500	20	(480)
Other services	2,500	-	(2,500)
Zoning application fees	19,000	3,100	(15,900)
PEG access fees	9,000	18,885	9,885
Rental income	123,000	140,543	17,543
	<hr/>		
Total charges for services	375,050	375,830	780
<hr/>			
Fines and forfeitures			
Public safety			
Court fines	32,232	56,644	24,412
Alarm system fines	2,500	1,275	(1,225)
Parking fines	15,000	16,236	1,236
Vehicle sticker fines	500	900	400
Miscellaneous penalties	1,000	-	(1,000)
Nuisances fines	500	4,695	4,195
Animal impoundment fee	500	1,000	500
General government			
Other fines/building code fines	3,500	2,950	(550)
	<hr/>		
Total fines and forfeitures	55,732	83,700	27,968
<hr/>			
Interest earned on investments	25,250	18,393	(6,857)
<hr/>			
Miscellaneous			
Police training refunds	1,000	2,697	1,697
Contributions/donations	-	23,712	23,712
Tree sharing program	1,000	-	(1,000)
Recycling rebates	-	11,338	11,338
Tree permit and mitigation fee	-	3,453	3,453
Miscellaneous income	1,500	5,022	3,522
Police application fee	-	500	500
IRMA rebate	-	50,029	50,029
	<hr/>		
Total miscellaneous	3,500	96,751	93,251
<hr/>			
TOTAL REVENUES	\$ 7,493,666	\$ 7,648,288	\$ 154,622

(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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT</b>			
Administrator's office			
Personnel	\$ 371,330	\$ 367,864	\$ (3,466)
Contractual services/commodities	485,850	598,194	112,344
Contingency	396,500	-	(396,500)
Capital outlay	25,000	8,924	(16,076)
Total administrator's office	<u>1,278,680</u>	<u>974,982</u>	<u>(303,698)</u>
Finance department			
Personnel	287,625	281,929	(5,696)
Contractual services/commodities	89,445	77,897	(11,548)
Total finance department	<u>377,070</u>	<u>359,826</u>	<u>(17,244)</u>
Boards and commissions			
Contractual services/commodities	50,540	37,502	(13,038)
Total boards and commissions	<u>50,540</u>	<u>37,502</u>	<u>(13,038)</u>
Engineering, zoning and building			
Personnel	272,280	241,226	(31,054)
Contractual services/commodities	135,535	225,115	89,580
Total engineering, zoning and building	<u>407,815</u>	<u>466,341</u>	<u>58,526</u>
Village hall			
Personnel	23,640	23,830	190
Contractual services/commodities	10,265	14,326	4,061
Capital outlay	500	-	(500)
Total village hall	<u>34,405</u>	<u>38,156</u>	<u>3,751</u>
Village properties			
Contractual services/commodities	3,500	2,992	(508)
Total village properties	<u>3,500</u>	<u>2,992</u>	<u>(508)</u>
Total general government	<u>2,152,010</u>	<u>1,879,799</u>	<u>(272,211)</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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC SAFETY</b>			
Police protection			
Personnel	\$ 1,762,600	\$ 1,655,348	\$ (107,252)
Police pension contribution	438,530	440,214	1,684
Contractual services/commodities	191,220	158,278	(32,942)
Total police protection	2,392,350	2,253,840	(138,510)
Police dispatch and operations			
Personnel	467,750	382,954	(84,796)
Contractual services/commodities	30,350	62,756	32,406
Total police dispatch operations	498,100	445,710	(52,390)
Crossing guards			
Personnel	9,000	9,080	80
Total crossing guards	9,000	9,080	80
Fire protection			
Personnel	180,010	173,873	(6,137)
Contractual services/commodities	436,130	491,445	55,315
Capital outlay	16,700	15,736	(964)
Total fire protection	632,840	681,054	48,214
Public safety buildings			
Personnel	22,490	25,810	3,320
Contractual services/commodities	31,000	44,281	13,281
Capital outlay	5,800	-	(5,800)
Total public safety buildings	59,290	70,091	10,801
Total public safety	3,591,580	3,459,775	(131,805)

(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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC WORKS</b>			
Streets and bridges			
Personnel	\$ 428,275	\$ 413,042	\$ (15,233)
Contractual services/commodities	92,100	106,859	14,759
Capital outlay	7,000	23,130	16,130
Total streets and bridges	527,375	543,031	15,656
Sanitation			
Personnel	35,725	20,993	(14,732)
Contractual services/commodities	557,950	543,534	(14,416)
Total sanitation	593,675	564,527	(29,148)
Forestry			
Personnel	91,915	90,151	(1,764)
Contractual services/commodities	29,400	21,216	(8,184)
Capital outlay	7,000	4,569	(2,431)
Total forestry	128,315	115,936	(12,379)
Parks and parkways			
Personnel	37,385	39,020	1,635
Contractual services/commodities	27,800	21,802	(5,998)
Capital outlay	20,000	39,423	19,423
Total parks and parkways	85,185	100,245	15,060
Street lighting			
Personnel	19,850	21,086	1,236
Contractual services/commodities	71,600	66,018	(5,582)
Total street lighting	91,450	87,104	(4,346)
Sewers			
Personnel	174,640	182,548	7,908
Contractual services/commodities	31,900	24,714	(7,186)
Capital outlay	130,000	49,506	(80,494)
Total sewers	336,540	256,768	(79,772)

(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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC WORKS (Continued)</b>			
Public works facility			
Personnel	\$ 23,000	\$ 24,265	\$ 1,265
Contractual services/commodities	27,900	28,843	943
Capital outlay	-	3,950	3,950
Total public works facility	<u>50,900</u>	<u>57,058</u>	<u>6,158</u>
Commuter station building and lot			
Personnel	29,830	28,253	(1,577)
Contractual services/commodities	34,460	28,072	(6,388)
Total commuter station building and lot	<u>64,290</u>	<u>56,325</u>	<u>(7,965)</u>
Total public works	<u>1,877,730</u>	<u>1,780,994</u>	<u>(96,736)</u>
<b>DEBT SERVICE</b>			
Principal	45,000	45,000	-
Interest	4,394	4,394	-
Total debt service	<u>49,394</u>	<u>49,394</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 7,670,714</u>	<u>\$ 7,169,962</u>	<u>\$ (500,752)</u>

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

**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 require 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 monthly surcharge being assessed against telephone lines usage.

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

### DEBT SERVICE FUNDS

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

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

**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.

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

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

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

### **CAPITAL PROJECTS FUNDS**

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

**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.

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

**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, 2011

	Special Revenue			
	Illinois Municipal Retirement Fund	Fire Department Special Fund	Federal Social Security Fund	Motor Fuel Tax Fund
<b>ASSETS</b>				
Cash and investments	\$ 224,151	\$ 37,176	\$ 185,655	\$ 25,602
Receivables, net				
Property taxes	216,783	-	275,373	-
Other taxes	-	-	-	12,499
Accounts	614	-	-	-
Intergovernmental	-	-	-	-
Accrued interest	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 441,548</b>	<b>\$ 37,176</b>	<b>\$ 461,028</b>	<b>\$ 38,101</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 13,521	\$ -	\$ -	\$ 13,867
Unearned property taxes	216,783	-	275,373	-
Due to other funds	-	-	-	24,234
Advance from other funds	-	-	-	-
<b>Total liabilities</b>	<b>230,304</b>	<b>-</b>	<b>275,373</b>	<b>38,101</b>
<b>FUND BALANCES</b>				
Reserved for employee benefits	211,244	-	185,655	-
Reserved for specified purpose	-	-	-	-
Reserved for public safety	-	37,176	-	-
Reserved for debt service	-	-	-	-
Reserved for capital outlay	-	-	-	-
Unreserved	-	-	-	-
<b>Total fund balances (deficit)</b>	<b>211,244</b>	<b>37,176</b>	<b>185,655</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 441,548</b>	<b>\$ 37,176</b>	<b>\$ 461,028</b>	<b>\$ 38,101</b>

Special Revenue			Debt Service			
E-911 Fund	Train Station Wreath Fund	Total Nonmajor Special Revenue Funds	2001 General Obligation Tax Certificate Fund	Special Service Area Bond Fund	2006 General Obligation Bond Fund	Total Nonmajor Debt Service Funds
\$ 270,243	\$ 3,310	\$ 746,137	\$ -	\$ 13,405	\$ 4,425	\$ 17,830
-	-	492,156	-	-	-	-
-	-	12,499	-	-	-	-
5,000	-	5,614	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 275,243</u>	<u>\$ 3,310</u>	<u>\$ 1,256,406</u>	<u>\$ -</u>	<u>\$ 13,405</u>	<u>\$ 4,425</u>	<u>\$ 17,830</u>
\$ -	\$ -	\$ 27,388	\$ -	\$ -	\$ -	\$ -
-	-	492,156	-	-	-	-
-	-	24,234	2,680	-	-	2,680
-	-	-	-	-	-	-
-	-	543,778	2,680	-	-	2,680
-	-	396,899	-	-	-	-
-	3,310	3,310	-	-	-	-
275,243	-	312,419	-	-	-	-
-	-	-	-	13,405	-	13,405
-	-	-	-	-	-	-
-	-	-	(2,680)	-	4,425	1,745
<u>275,243</u>	<u>3,310</u>	<u>712,628</u>	<u>(2,680)</u>	<u>13,405</u>	<u>4,425</u>	<u>15,150</u>
<u>\$ 275,243</u>	<u>\$ 3,310</u>	<u>\$ 1,256,406</u>	<u>\$ -</u>	<u>\$ 13,405</u>	<u>\$ 4,425</u>	<u>\$ 17,830</u>

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2011

	Capital Projects			Total Nonmajor Capital Projects Funds	Total
	Special Service Area Capital Improvement Fund	Redevelopment Program Fund	Vehicle/ Equipment Replacement Fund		
<b>ASSETS</b>					
Cash and investments	\$ 13,737	\$ 720,948	\$ 610,515	\$ 1,345,200	\$ 2,109,167
Receivables, net					
Property taxes	-	-	-	-	492,156
Other taxes	-	-	-	-	12,499
Accounts	-	-	-	-	5,614
Intergovernmental	-	118,119	-	118,119	118,119
Accrued interest	-	71	61	132	132
<b>TOTAL ASSETS</b>	<b>\$ 13,737</b>	<b>\$ 839,138</b>	<b>\$ 610,576</b>	<b>\$ 1,463,451</b>	<b>\$ 2,737,687</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 67,518	\$ 620	\$ 68,138	\$ 95,526
Unearned property taxes	-	-	-	-	492,156
Due to other funds	-	-	-	-	26,914
Advance from other funds	-	-	236,191	236,191	236,191
<b>Total liabilities</b>	<b>-</b>	<b>67,518</b>	<b>236,811</b>	<b>304,329</b>	<b>850,787</b>
<b>FUND BALANCES</b>					
Reserved for employee benefits	-	-	-	-	396,899
Reserved for specified purpose	-	-	-	-	3,310
Reserved for public safety	-	-	-	-	312,419
Reserved for debt service	-	-	-	-	13,405
Reserved for capital outlay	-	771,620	-	771,620	771,620
Unreserved	13,737	-	373,765	387,502	389,247
<b>Total fund balances (deficit)</b>	<b>13,737</b>	<b>771,620</b>	<b>373,765</b>	<b>1,159,122</b>	<b>1,886,900</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 13,737</b>	<b>\$ 839,138</b>	<b>\$ 610,576</b>	<b>\$ 1,463,451</b>	<b>\$ 2,737,687</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, 2011

	Special Revenue			
	Illinois Municipal Retirement Fund	Fire Department Special Fund	Federal Social Security Fund	Motor Fuel Tax Fund
REVENUES				
Property taxes	\$ 251,485	\$ -	\$ 289,207	\$ -
Other taxes	4,366	-	5,239	-
Intergovernmental	-	25,049	-	182,578
Interest earned on investments	336	79	286	342
Miscellaneous	-	1,112	-	-
Total revenues	256,187	26,240	294,732	182,920
EXPENDITURES				
Current				
General government	81,045	-	52,586	-
Public safety	41,213	23,240	126,439	-
Public works	70,735	-	46,123	509,539
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	192,993	23,240	225,148	509,539
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	63,194	3,000	69,584	(326,619)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	126,438
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	126,438
NET CHANGE IN FUND BALANCES	63,194	3,000	69,584	(200,181)
FUND BALANCES (DEFICIT), MAY 1	148,050	34,176	116,071	200,181
FUND BALANCES (DEFICIT), APRIL 30	\$ 211,244	\$ 37,176	\$ 185,655	\$ -

Special Revenue			Debt Service			
E-911 Fund	Train Station Wreath Fund	Total Nonmajor Special Revenue Funds	2001 General Obligation Tax Certificate Fund	Special Service Area Bond Fund	2006 General Obligation Bond Fund	Total Nonmajor Debt Service Funds
\$ -	\$ -	\$ 540,692	\$ -	\$ -	\$ -	\$ -
35,299	-	44,904	-	-	-	-
45,313	-	252,940	-	-	-	-
417	5	1,465	-	19	-	19
-	-	1,112	-	-	-	-
81,029	5	841,113	-	19	-	19
-	265	133,896	300	-	500	800
70,403	-	261,295	-	-	-	-
-	-	626,397	-	-	-	-
-	-	-	260,000	-	-	260,000
-	-	-	10,920	-	85,964	96,884
4,952	-	4,952	-	-	-	-
75,355	265	1,026,540	271,220	-	86,464	357,684
5,674	(260)	(185,427)	(271,220)	19	(86,464)	(357,665)
-	-	-	-	-	-	-
-	-	126,438	270,920	-	85,964	356,884
(14,740)	-	(14,740)	-	-	-	-
(14,740)	-	111,698	270,920	-	85,964	356,884
(9,066)	(260)	(73,729)	(300)	19	(500)	(781)
284,309	3,570	786,357	(2,380)	13,386	4,925	15,931
\$ 275,243	\$ 3,310	\$ 712,628	\$ (2,680)	\$ 13,405	\$ 4,425	\$ 15,150

(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, 2011

	Capital Projects			Total Nonmajor Capital Projects Funds	Total
	Special Service Area Capital Improvement Fund	Redevelopment Program Fund	Vehicle/ Equipment Replacement Fund		
REVENUES					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 540,692
Other taxes	-	-	-	-	44,904
Intergovernmental	-	466,064	-	466,064	719,004
Interest earned on investments	19	1,342	1,439	2,800	4,284
Miscellaneous	-	-	-	-	1,112
Total revenues	19	467,406	1,439	468,864	1,309,996
EXPENDITURES					
Current					
General government	-	-	-	-	134,696
Public safety	-	-	-	-	261,295
Public works	-	-	-	-	626,397
Debt service					
Principal	-	-	73,246	73,246	333,246
Interest	-	-	4,116	4,116	101,000
Capital outlay	-	483,875	44,379	528,254	533,206
Total expenditures	-	483,875	121,741	605,616	1,989,840
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	19	(16,469)	(120,302)	(136,752)	(679,844)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	4,000	4,000	4,000
Transfers in	-	-	85,000	85,000	568,322
Transfers (out)	-	-	-	-	(14,740)
Total other financing sources (uses)	-	-	89,000	89,000	557,582
NET CHANGE IN FUND BALANCES	19	(16,469)	(31,302)	(47,752)	(122,262)
FUND BALANCES (DEFICIT), MAY 1	13,718	788,089	405,067	1,206,874	2,009,162
FUND BALANCES (DEFICIT), APRIL 30	\$ 13,737	\$ 771,620	\$ 373,765	\$ 1,159,122	\$ 1,886,900

(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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 250,000	\$ 251,485	\$ 1,485
Other taxes			
Replacement taxes	3,500	4,366	866
Interest earned on investments	500	336	(164)
	<hr/>		
Total revenues	254,000	256,187	2,187
	<hr/>		
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	85,600	81,045	(4,555)
Public safety			
Employer contributions	49,585	41,213	(8,372)
Public works			
Employer contributions	69,480	70,735	1,255
	<hr/>		
Total expenditures	204,665	192,993	(11,672)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 49,335</u>	63,194	<u>\$ 13,859</u>
FUND BALANCE, MAY 1		<u>148,050</u>	
FUND BALANCE, APRIL 30		<u>\$ 211,244</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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental			
Foreign fire insurance tax	\$ 22,000	\$ 25,049	\$ 3,049
Interest earned on investments	100	79	(21)
Miscellaneous	-	1,112	1,112
Total revenues	<u>22,100</u>	<u>26,240</u>	<u>4,140</u>
<b>EXPENDITURES</b>			
Public safety			
Volunteer recognition	10,000	6,619	(3,381)
Training and meetings	4,000	5,075	1,075
Uniforms	5,000	5,531	531
Postage	500	-	(500)
Community awareness	1,500	993	(507)
Donations	500	910	410
Smoke detector program	500	-	(500)
Minor equipment	3,000	4,112	1,112
Miscellaneous	1,000	-	(1,000)
Total expenditures	<u>26,000</u>	<u>23,240</u>	<u>(2,760)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,900)</u>	3,000	<u>\$ 6,900</u>
FUND BALANCE, MAY 1		<u>34,176</u>	
FUND BALANCE, APRIL 30		<u>\$ 37,176</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 285,000	\$ 289,207	\$ 4,207
Other taxes			
Replacement taxes	5,500	5,239	(261)
Interest earned on investments	300	286	(14)
	<hr/>		
Total revenues	290,800	294,732	3,932
<hr/>			
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	54,005	52,586	(1,419)
Public safety			
Employer contributions	157,210	126,439	(30,771)
Public works			
Employer contributions	78,430	46,123	(32,307)
	<hr/>		
Total expenditures	289,645	225,148	(64,497)
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ 1,155</u>	69,584	<u>\$ 68,429</u>
FUND BALANCE, MAY 1		<u>116,071</u>	
FUND BALANCE, APRIL 30		<u>\$ 185,655</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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 160,000	\$ 182,578	\$ 22,578
Interest earned on investments	500	342	(158)
Total revenues	<u>160,500</u>	<u>182,920</u>	<u>22,420</u>
<b>EXPENDITURES</b>			
Capital outlay	<u>475,000</u>	<u>509,539</u>	<u>34,539</u>
Total expenditures	<u>475,000</u>	<u>509,539</u>	<u>34,539</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(314,500)</u>	<u>(326,619)</u>	<u>(12,119)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out to General Fund	<u>125,000</u>	<u>126,438</u>	<u>1,438</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ (189,500)</u></u>	<u>(200,181)</u>	<u><u>\$ 1,438</u></u>
FUND BALANCE, MAY 1		<u>200,181</u>	
FUND BALANCE, APRIL 30		<u><u>\$ -</u></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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Other taxes			
Telephone surcharge	\$ 35,000	\$ 35,299	\$ 299
Intergovernmental			
Wireless surcharge	45,000	45,313	313
Interest earned on investments	500	417	(83)
	<hr/>		
Total revenues	80,500	81,029	529
	<hr/>		
<b>EXPENDITURES</b>			
Current			
Public safety			
Miscellaneous	37,200	70,403	33,203
Capital outlay	14,000	4,952	(9,048)
	<hr/>		
Total expenditures	51,200	75,355	24,155
	<hr/>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	29,300	5,674	(23,626)
	<hr/>		
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out to General Fund	(18,500)	(14,740)	3,760
	<hr/>		
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 10,800</u>	(9,066)	<u>\$ (19,866)</u>
<b>FUND BALANCE, MAY 1</b>		<u>284,309</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 275,243</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
EXPENDITURES			
General government - financing costs	600	300	(300)
Debt service			
Principal	260,000	260,000	-
Interest	10,920	10,920	-
Total expenditures	271,520	271,220	(300)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(271,520)	(271,220)	300
OTHER FINANCING SOURCES (USES)			
Transfers in from General Fund	270,920	270,920	-
NET CHANGE IN FUND BALANCE	<u>\$ (600)</u>	(300)	<u>\$ 300</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(2,380)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (2,680)</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
General government - financing costs	500	500	-
Debt service			
Interest	85,964	85,964	-
Total expenditures	86,464	86,464	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(86,464)	(86,464)	-
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in from General Fund	85,964	85,964	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (500)</u>	<u>(500)</u>	<u>\$ -</u>
FUND BALANCE, MAY 1		<u>4,925</u>	
FUND BALANCE, APRIL 30		<u>\$ 4,425</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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental	\$ 1,000,000	\$ 466,064	\$ (1,466,064)
Interest earned on investments	5,000	1,342	(3,658)
<b>Total revenues</b>	<b>1,005,000</b>	<b>467,406</b>	<b>(1,469,722)</b>
<b>EXPENDITURES</b>			
Capital outlay			
Infrastructure improvements	1,400,000	483,875	(916,125)
<b>Total expenditures</b>	<b>1,400,000</b>	<b>483,875</b>	<b>(916,125)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b><u>\$ (395,000)</u></b>	<b>(16,469)</b>	<b><u>\$ (553,597)</u></b>
FUND BALANCE, MAY 1		<u>788,089</u>	
FUND BALANCE, APRIL 30		<u>\$ 771,620</u>	

(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, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Interest earned on investments	\$ 4,000	\$ 1,439	\$ (2,561)
Total revenues	<u>4,000</u>	<u>1,439</u>	<u>(2,561)</u>
<b>EXPENDITURES</b>			
Capital outlay			
Police equipment	12,000	-	(12,000)
Computer equipment	40,000	6,551	(33,449)
Vehicles			
Public safety	26,500	37,828	11,328
Debt service			
Principal	73,246	73,246	-
Interest	4,116	4,116	-
Total expenditures	<u>155,862</u>	<u>121,741</u>	<u>(34,121)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(151,862)</u>	<u>(120,302)</u>	<u>31,560</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	10,000	4,000	(6,000)
Note proceeds	10,000	-	(10,000)
Transfers in from			
General Fund	85,000	85,000	-
Water Fund	7,500	-	(7,500)
Total other financing sources (uses)	<u>112,500</u>	<u>89,000</u>	<u>(23,500)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (39,362)</u>	<u>(31,302)</u>	<u>\$ 8,060</u>
FUND BALANCE, MAY 1		<u>405,067</u>	
FUND BALANCE, APRIL 30		<u>\$ 373,765</u>	

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUND**

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

VILLAGE OF LAKE BLUFF, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
 WATER FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>OPERATING REVENUES</b>			
Water sales	\$ 1,185,440	\$ 1,160,420	\$ (25,020)
Meter sales	5,000	3,000	(2,000)
Tap-on fees	100	125	25
Water connection fees	10,000	14,000	4,000
Miscellaneous	500	432	(68)
Total operating revenues	<u>1,201,040</u>	<u>1,177,977</u>	<u>(23,063)</u>
<b>OPERATING EXPENSES</b>			
Administration and finance			
Personnel services	346,675	354,771	8,096
Contractual services/commodities	83,300	81,537	(1,763)
Contingency	50,000	-	(50,000)
Water purchases	534,545	547,233	12,688
Capital outlay			
Water infrastructure	795,000	29,108	(765,892)
Depreciation	-	237,757	237,757
Total operating expenses	<u>1,809,520</u>	<u>1,250,406</u>	<u>(559,114)</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(608,480)</u>	<u>(72,429)</u>	<u>536,051</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	5,000	2,941	(2,059)
Interest expense	(107,795)	(105,920)	1,875
Principal expense	(125,000)	(125,000)	-
Total nonoperating revenues (expenses)	<u>(227,795)</u>	<u>(227,979)</u>	<u>(184)</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(836,275)</u>	<u>(300,408)</u>	<u>535,867</u>
<b>TRANSFERS</b>			
Transfers (out)	(7,500)	-	7,500
Total transfers	<u>(7,500)</u>	<u>-</u>	<u>7,500</u>
<b>CHANGE IN NET ASSETS (BUDGETARY BASIS)</b>	<u>\$ (843,775)</u>	<u>(300,408)</u>	<u>\$ 543,367</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Fixed assets capitalized		29,108	
Principal expense		<u>125,000</u>	
<b>TOTAL ADJUSTMENTS TO GAAP BASIS</b>		<u>154,108</u>	
<b>CHANGE IN NET ASSETS GAAP BASIS</b>		(146,300)	
<b>NET ASSETS, MAY 1</b>		<u>6,217,149</u>	
<b>NET ASSETS, APRIL 30</b>		<u>\$ 6,070,849</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 ASSETS -  
BUDGET AND ACTUAL  
POLICE PENSION FUND

For the Year Ended April 30, 2011

	Original and Final Budget	Actual	Variance Over (Under)
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 438,530	\$ 440,214	\$ 1,684
Plan members contributions	118,600	111,857	(6,743)
Total contributions	557,130	552,071	(5,059)
Miscellaneous	-	50	50
Investment income			
Net depreciation in fair value of investments	-	513,672	513,672
Interest earned on investments	122,000	128,150	6,150
Total investment income	122,000	641,822	519,822
Less investment expense	(20,000)	(22,104)	(2,104)
Net investment income	102,000	619,718	517,718
Total additions	659,130	1,171,839	512,709
<b>DEDUCTIONS</b>			
Administration			
Fees	9,100	20,274	11,174
Miscellaneous	2,500	5,104	2,604
Disability and benefit payments	538,700	538,696	(4)
Total deductions	550,300	564,074	13,774
<b>NET INCREASE</b>	<b>\$ 108,830</b>	<b>607,765</b>	<b>\$ 498,935</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1, 2010		<u>6,503,556</u>	
April 30, 2011		<u>\$ 7,111,321</u>	

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2004 GENERAL OBLIGATION (ALTERNATE REVENUE SOURCE) BONDS

April 30, 2011

Paying Agent: JP Morgan Chase

Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:					
2004-05	\$ -	\$ 59,676	\$ 59,676	12/15/04	4.00%
2005-06	-	65,498	65,498	6/15/05	
2005-06	110,000	65,497	175,497	12/15/05	4.00%
2006-07	-	63,298	63,298	6/15/06	
2006-07	115,000	63,297	178,297	12/15/06	4.00%
2007-08	-	60,998	60,998	6/15/07	
2007-08	115,000	60,997	175,997	12/15/07	4.00%
2008-09	-	58,698	58,698	6/15/08	
2008-09	120,000	58,697	178,697	12/15/08	4.00%
2009-10	-	56,298	56,298	6/15/09	
2009-10	120,000	56,297	176,297	12/15/09	4.00%
2010-11	-	53,898	53,898	6/15/10	
2010-11	125,000	53,897	178,897	12/15/10	4.00%
Total payments made	705,000	777,046	1,482,046		
Current outstanding:					
2011-12	-	51,398	51,398	6/15/11	
2011-12	130,000	51,397	181,397	12/15/11	4.00%
2012-13	-	48,798	48,798	6/15/12	
2012-13	130,000	48,797	178,797	12/15/12	4.00%
2013-14	-	46,198	46,198	6/15/13	
2013-14	135,000	46,197	181,197	12/15/13	4.00%
2015-2019	780,000	373,135	1,153,135	Various	4.00% - 4.20%
2020-2024	960,000	188,650	1,148,650	Various	4.40% - 4.50%
2025	220,000	10,340	230,340	12/15/24	4.70%
Total current outstanding	2,355,000	864,910	3,219,910		
Original Issue	\$ 3,060,000	\$ 1,641,956	\$ 4,701,956		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2006 GENERAL OBLIGATION BONDS

April 30, 2011

Paying Agent: JP Morgan Chase

Tax Year	Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:						
2005	2006-07	\$ -	\$ 31,998	\$ 31,998	12/15/06	3.90%
2006	2007-08	-	85,964	85,964	12/15/07	3.90%
2007	2008-09	-	85,964	85,964	12/15/08	3.90%
2008	2009-10	-	85,964	85,964	12/15/09	3.90%
2009	2010-11	-	85,964	85,964	12/15/10	3.90%
Total payments made		-	375,854	375,854		
Current outstanding:						
2010	2011-12	130,000	85,964	215,964	12/15/11	3.90%
2011	2012-13	185,000	80,894	265,894	12/15/12	3.95%
2012	2013-14	195,000	73,586	268,586	12/15/13	4.00%
2013-17	2014-2019	1,090,000	243,694	1,333,694	Various	4.05% - 4.15%
2018-19	2019-2021	500,000	33,964	533,964	Various	4.15% - 4.25%
Total current outstanding		2,100,000	518,102	2,618,102		
Original Issue		\$ 2,100,000	\$ 893,956	\$ 2,993,956		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

April 30, 2011

Paying Agent: The Northern Trust Company

Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:					
2006-07	\$ -	\$ 6,131	\$ 6,131	4/24/07	3.85%
2006-07	45,000	6,165	51,165	10/24/07	
2007-08	-	5,255	5,255	4/24/08	
2007-08	45,000	5,284	50,284	10/24/08	3.85%
2008-09	-	4,403	4,403	4/24/09	
2008-09	45,000	4,403	49,403	10/24/09	3.85%
2009-10	-	3,503	3,503	4/24/10	
2009-10	45,000	3,523	48,523	10/24/10	3.85%
2010-11	-	2,627	2,627	4/24/11	
2010-11	45,000	2,642	47,642	10/24/11	3.85%
Total payments made	225,000	43,936	268,936		
Current outstanding:					
2011-12	-	1,761	1,761	4/24/12	
2011-12	45,000	881	45,881	10/24/12	3.85%
2012-12	-	881	881		
2012-13	45,000	-	45,000	10/24/13	3.85%
Total current outstanding	90,000	3,523	93,523		
Original Issue	\$ 315,000	\$ 47,459	\$ 362,459		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

April 30, 2011

Paying Agent: The Northern Trust Company

Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:					
2006-07	\$ 37,496	\$ 1,184	\$ 38,680	3/15/07	4.35%
2007-08	31,733	6,948	38,681	9/15/07	
2007-08	32,257	6,175	38,432	3/15/08	4.35%
2008-09	33,161	5,520	38,681	9/15/08	
2008-09	33,965	4,704	38,669	3/15/09	4.35%
2009-10	34,654	4,027	38,681	9/15/09	
2009-10	35,465	3,204	38,669	3/15/10	4.35%
2010-11	36,213	2,468	38,681	9/15/10	
2010-11	37,033	1,635	38,668	3/15/11	4.35%
Total payments made	<u>311,977</u>	<u>35,865</u>	<u>347,842</u>		
Current outstanding:					
2011-12	<u>38,023</u>	<u>658</u>	<u>38,681</u>	9/15/11	4.35%
Total current outstanding	<u>38,023</u>	<u>658</u>	<u>38,681</u>		
Original Issue	<u>\$ 350,000</u>	<u>\$ 36,523</u>	<u>\$ 386,523</u>		

(See independent auditor's report.)

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	93-102
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	103-109
<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.	110-114
<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.	115-116
<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.	117-119

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

VILLAGE OF LAKE BLUFF, ILLINOIS

NET ASSETS BY COMPONENT

Last Eight Fiscal Years

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

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

Data Source

The Village's Comprehensive Annual Financial Report

2007	2008	2009	2010	2011
\$ 14,636,441	\$ 15,098,822	\$ 15,359,265	\$ 16,654,652	\$ 16,433,199
3,675,276	4,337,303	2,037,230	1,587,832	1,497,653
2,490,696	1,982,938	3,400,024	3,774,371	3,546,695
<u>\$ 20,802,413</u>	<u>\$ 21,419,063</u>	<u>\$ 20,796,519</u>	<u>\$ 22,016,855</u>	<u>\$ 21,477,547</u>
\$ 4,812,471	\$ 4,689,723	\$ 4,574,606	\$ 4,482,081	\$ 4,398,432
1,629,307	1,834,495	1,902,188	1,735,068	1,672,417
<u>\$ 6,441,778</u>	<u>\$ 6,524,218</u>	<u>\$ 6,476,794</u>	<u>\$ 6,217,149</u>	<u>\$ 6,070,849</u>
\$ 19,448,912	\$ 19,788,545	\$ 19,933,871	\$ 21,136,733	\$ 20,831,631
3,675,276	4,337,303	2,037,230	1,587,832	1,497,653
4,120,003	3,817,433	5,302,212	5,509,439	5,219,112
<u>\$ 27,244,191</u>	<u>\$ 27,943,281</u>	<u>\$ 27,273,313</u>	<u>\$ 28,234,004</u>	<u>\$ 27,548,396</u>

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET ASSETS

Last Eight Fiscal Years

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

	2007	2008	2009	2010	2011
\$	2,814,923	\$ 2,708,645	\$ 2,423,284	\$ 1,946,291	\$ 2,062,487
	3,229,925	3,589,680	3,856,962	4,027,882	4,085,025
	3,214,011	2,116,890	3,449,586	3,174,664	3,249,937
	88,851	150,799	173,693	119,692	104,143
	9,347,710	8,566,014	9,903,525	9,268,529	9,501,592
	1,160,630	1,266,233	1,172,971	1,336,637	1,327,218
	1,160,630	1,266,233	1,172,971	1,336,637	1,327,218
\$	10,508,340	\$ 9,832,247	\$ 11,076,496	\$ 10,605,166	\$ 10,828,810
\$	1,007,518	\$ 262,970	\$ 968,602	\$ 859,253	\$ 794,571
	196,406	122,457	150,057	122,978	144,034
	212,161	220,874	196,148	189,548	187,591
	185,442	240,528	205,604	195,079	232,581
	-	-	685,500	1,429,087	492,360
	1,601,527	846,829	2,205,911	2,795,945	1,851,137
	1,227,045	1,326,282	1,133,555	1,071,074	1,177,545
	-	-	-	-	-
	-	-	-	-	-
	1,227,045	1,326,282	1,133,555	1,071,074	1,177,545
\$	2,828,572	\$ 2,173,111	\$ 3,339,466	\$ 3,867,019	\$ 3,028,682
\$	(7,746,183)	\$ (7,719,185)	\$ (7,697,614)	\$ (6,472,584)	\$ (7,650,455)
	66,415	60,049	(39,416)	(265,563)	(149,673)
\$	(7,679,768)	\$ (7,659,136)	\$ (7,737,030)	\$ (6,738,147)	\$ (7,800,128)

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Eight Fiscal Years

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

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

Note:

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

Data Source

The Village's Comprehensive Annual Financial Report

	2007	2008	2009	2010	2011
\$	2,244,225	\$ 2,389,677	\$ 2,510,766	\$ 2,649,929	\$ 2,704,232
	668,708	726,705	666,049	582,343	575,692
	599,742	591,601	599,663	481,233	467,150
	406,537	398,650	344,701	344,701	344,701
	72,036	-	-	-	-
	3,218,327	3,242,281	2,673,399	2,695,117	2,752,483
	90,593	157,061	108,982	143,214	142,350
	5,127	384,231	-	-	-
	319,950	339,738	117,844	25,725	22,677
	110,102	84,580	146,681	257,932	101,862
	26,651	21,311	26,828	-	-
	<u>7,761,998</u>	<u>8,335,835</u>	<u>7,194,913</u>	<u>7,180,194</u>	<u>7,111,147</u>
	70,523	55,149	19,639	5,462	2,941
	(26,651)	(32,758)	(26,828)	-	-
	-	-	2,197	456	432
	<u>43,872</u>	<u>22,391</u>	<u>(4,992)</u>	<u>5,918</u>	<u>3,373</u>
\$	<u>7,805,870</u>	<u>8,358,226</u>	<u>7,189,921</u>	<u>7,186,112</u>	<u>7,114,520</u>
\$	15,815	\$ 616,650	\$ (502,701)	\$ 707,610	\$ (539,308)
	110,287	82,440	(44,408)	(259,645)	(146,300)
\$	<u>126,102</u>	<u>699,090</u>	<u>(547,109)</u>	<u>447,965</u>	<u>(685,608)</u>

VILLAGE OF LAKE BLUFF, ILLINOIS  
PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Eight Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011
<b>PROGRAM REVENUES</b>								
Governmental activities								
General government	\$ 1,032,801	\$ 1,283,074	\$ 1,068,130	\$ 1,008,618	\$ 308,622	\$ 990,091	\$ 859,253	\$ 819,525
Police and fire	90,724	108,208	124,571	201,674	145,026	172,938	162,147	169,083
Public works	358,846	397,177	413,300	391,235	393,181	1,042,882	1,774,545	862,529
Total governmental activities program revenues	1,482,371	1,788,459	1,606,001	1,601,527	846,829	2,205,911	2,795,945	1,851,137
Business-type activities								
Water and sewer	1,096,081	1,331,893	1,523,294	1,227,045	1,326,282	1,133,555	1,071,074	1,177,545
Total business-type activities program revenues	1,096,081	1,331,893	1,523,294	1,227,045	1,326,282	1,133,555	1,071,074	1,177,545
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 2,578,452</b>	<b>\$ 3,120,352</b>	<b>\$ 3,129,295</b>	<b>\$ 2,828,572</b>	<b>\$ 2,173,111</b>	<b>\$ 3,339,466</b>	<b>\$ 3,867,019</b>	<b>\$ 3,028,682</b>

Note:

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

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS  
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL FUND</b>										
Reserved	\$ 8,862	\$ 9,730	\$ 6,439	\$ 12,912	\$ 8,496	\$ 7,950	\$ 24,022	\$ 1,599	\$ 19,944	\$ 28,969
Unreserved	1,766,160	1,946,773	1,963,556	2,090,882	2,713,249	3,412,538	4,772,198	4,175,389	4,265,053	4,180,772
<b>TOTAL GENERAL FUND</b>	<b>\$ 1,775,022</b>	<b>\$ 1,956,503</b>	<b>\$ 1,969,995</b>	<b>\$ 2,103,794</b>	<b>\$ 2,721,745</b>	<b>\$ 3,420,488</b>	<b>\$ 4,796,220</b>	<b>\$ 4,176,988</b>	<b>\$ 4,284,997</b>	<b>\$ 4,209,741</b>
<b>ALL OTHER GOVERNMENT FUNDS</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,795	\$ 1,587,832	\$ 1,497,653
Unreserved, reported in										
Special revenue funds	864,828	1,167,264	1,184,856	1,364,654	1,666,081	3,024,337	1,615,653	991,204	-	-
Capital project funds	2,533,052	1,336,371	1,231,267	1,410,409	553,791	241,763	1,088,943	1,027,231	418,785	387,502
Debt service funds	12,541	11,588	11,103	11,035	11,257	18,790	18,213	(1,780)	2,545	1,745
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 3,410,421</b>	<b>\$ 2,515,223</b>	<b>\$ 2,427,226</b>	<b>\$ 2,786,098</b>	<b>\$ 2,231,129</b>	<b>\$ 3,284,890</b>	<b>\$ 2,722,809</b>	<b>\$ 2,035,450</b>	<b>\$ 2,009,162</b>	<b>\$ 1,886,900</b>

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

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

Data Source

The Village's Comprehensive Annual Financial Report

	2005	2006	2007	2008	2009	2010	2011
\$	2,147,483	\$ 2,208,571	\$ 2,244,225	\$ 2,389,677	\$ 2,510,766	\$ 2,649,929	\$ 2,704,232
	3,826,085	4,383,990	5,032,731	5,116,298	4,378,506	4,234,619	4,272,360
	1,162,232	1,004,652	864,760	1,378,688	840,006	709,643	631,367
	93,112	101,137	182,500	96,598	92,910	64,596	83,700
	207,639	201,497	208,654	240,528	260,695	578,658	770,255
	208,994	237,329	368,825	386,087	341,089	360,549	375,830
	90,000	190,798	319,950	339,738	117,844	25,725	22,677
	-	63,478	-	-	-	-	-
	79,351	-	59,285	-	-	-	-
	374,429	289,136	50,817	84,580	36,717	72,566	97,863
	8,189,325	8,680,588	9,331,747	10,032,194	8,578,533	8,696,285	8,958,284
	1,793,133	1,925,081	2,593,866	2,645,317	2,454,769	1,879,896	2,014,495
	2,601,782	2,773,384	3,524,775	3,318,973	3,454,094	3,666,142	3,721,070
	2,122,450	2,049,407	2,249,691	2,376,196	2,160,920	2,742,566	2,407,391
	-	-	-	-	-	-	-
	957,821	1,930,932	1,293,364	1,255,072	1,351,899	20,474	533,206
	175,000	215,000	317,497	358,989	372,126	370,119	378,246
	67,075	66,506	88,851	150,799	135,881	120,731	105,394
	7,717,261	8,960,310	10,068,044	10,105,346	9,929,689	8,799,928	9,159,802
	472,064	(279,722)	(736,297)	(73,152)	(1,351,156)	(103,643)	(201,518)
	-	315,000	2,435,930	-	-	-	-
	-	-	26,220	865,492	109,963	185,364	4,000
	657,907	663,908	754,769	909,997	772,067	465,257	583,062
	(434,272)	(636,204)	(728,118)	(888,686)	(745,239)	(465,257)	(583,062)
	223,635	342,704	2,488,801	886,803	136,791	185,364	4,000
\$	695,699	\$ 62,982	\$ 1,752,504	\$ 813,651	\$ (1,214,365)	\$ 81,721	\$ (197,518)
	3.20%	3.80%	4.50%	5.40%	5.90%	5.73%	5.34%

VILLAGE OF LAKE BLUFF, ILLINOIS  
TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

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Fiscal Year	Property	Sales	Home Rule Sales (1)	Utility	Telecomm	Income (2)	Other	Total
2002	\$ 1,941,389	\$ 2,143,838	\$ -	\$ 457,524	\$ 303,442	\$ 415,028	\$ 228,068	\$ 5,489,289
2003	1,984,067	2,165,379	-	517,122	338,334	393,927	252,661	5,651,490
2004	2,070,250	2,263,155	-	519,973	481,157	365,325	168,057	5,867,917
2005	2,147,483	2,191,314	-	544,142	462,820	421,987	205,822	5,973,568
2006	2,208,571	2,432,006	169,824	610,065	409,802	468,441	293,852	6,592,561
2007	2,244,225	2,462,463	679,808	599,742	406,537	522,333	361,848	7,276,956
2008	2,389,677	2,538,470	703,811	591,601	398,650	557,596	313,192	7,492,997
2009	2,510,766	2,066,394	607,006	599,663	344,701	551,791	264,133	6,944,454
2010	2,649,929	2,027,980	639,316	501,370	324,565	480,990	260,398	6,884,548
2011	2,704,232	2,134,282	618,201	514,714	297,137	472,166	245,876	6,986,608

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).

Data Source

The Village's Comprehensive Annual Financial Report and records

VILLAGE OF LAKE BLUFF, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property	Farm Property	Railroad Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value
2001	\$ 330,106,479	\$ 19,759,841	\$ 29,388,203	\$ 1,073,303	\$ 241,726	\$ 380,569,552	0.5120	\$ 1,142,851,508
2002	369,934,524	22,060,332	25,241,256	1,128,556	286,227	418,650,895	0.4760	1,257,209,895
2003	404,683,142	22,315,948	26,119,005	1,115,035	310,391	454,543,521	0.4610	1,364,995,559
2004	426,238,157	22,616,770	29,531,198	1,618,719	349,150	480,353,994	0.4540	1,442,504,486
2005	463,425,285	23,536,180	30,084,621	1,894,814	328,991	519,269,891	0.4350	1,559,369,042
2006	512,941,384	26,093,053	30,311,216	2,014,942	333,595	571,694,190	0.4200	1,716,799,369
2007	564,290,558	38,558,393	22,604,764	1,951,156	360,889	627,765,760	0.4030	1,883,485,629
2008	585,618,467	36,608,937	23,113,146	2,004,961	395,474	647,740,985	0.4140	1,943,417,297
2009	571,790,938	34,339,275	22,400,394	1,947,012	475,399	630,953,018	0.5144	1,893,048,359
2010	530,575,336	31,616,598	20,595,998	2,494,498	617,404	585,899,834	0.5720	1,757,875,290

Note:

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

Data Source

Lake County Tax Extension Office, Report PTAX-251.

VILLAGE OF LAKE BLUFF, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

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

VILLAGE OF LAKE BLUFF, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2011(1)		Percentage of Total Village Taxable Assessed Valuation	2002		Percentage of Total Village Taxable Assessed Valuation
	Taxable Assessed Value	Rank		Taxable Assessed Value	Rank	
Knauz Motors Inc	\$ 6,109,942	1	1.04%	\$ 5,736,339	1	1.19%
Orren Pickell Builders	4,172,529	2	0.71%			
Cantera Investors LLC	3,727,676	3	0.64%			
Profile Plastics	2,868,551	4	0.49%	1,613,173	10	0.34%
The Taxman Corp/Carriage Way	2,441,623	5	0.42%	2,740,079	5	0.57%
Individual Taxpayer/Zenni	2,315,731	6	0.40%			
Individual Taxpayer/Sandner	2,204,796	7	0.38%	1,741,895	9	0.36%
Buehler, Inc	1,958,583	8	0.33%	1,838,349	8	0.38%
Shepard Chevrolet	1,686,006	9	0.28%			
Carriage Point	1,611,775	10	0.29%	2,415,564	6	0.50%
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%
Profile Plastics				2,211,775	7	0.46%
	<u>\$ 29,097,212</u>		<u>4.98%</u>	<u>\$ 27,672,343</u>		<u>5.76%</u>

Note:

(1) The taxable assessed value is for 2010 (the most available)

Data Source

Lake County Assessor

VILLAGE OF LAKE BLUFF, ILLINOIS  
PROPERTY TAX LEVIES AND COLLECTION

Last Ten Levy Years

Tax levy year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010(1)
General corporate	\$ 475,214	\$ 501,568	\$ 448,822	\$ 450,440	\$ 445,933	\$ 451,608	\$ 451,946	\$ 462,878	\$ 471,546	\$ -
School crossing guard	22,810	12,539	9,067	9,584	10,370	11,433	12,382	6,429	6,287	-
Police protection	243,309	246,604	253,879	263,555	269,634	274,395	297,170	308,585	314,356	-
Fire protection	225,330	227,850	229,512	233,543	242,712	245,601	255,201	271,250	277,394	-
Sanitation	323,145	326,019	330,950	335,434	352,598	360,143	365,271	379,303	383,514	-
Auditing	15,207	16,719	22,668	23,960	25,926	28,583	30,955	32,144	25,148	-
Liability insurance	117,853	121,212	131,473	153,341	150,373	154,347	173,349	199,295	232,623	-
Illinois municipal retirement	95,043	100,314	136,007	162,925	191,855	234,379	241,451	270,012	251,485	-
Police pension	152,068	163,009	240,278	253,971	280,004	337,277	371,463	417,876	433,811	-
Public library	425,791	443,051	462,423	479,191	663,714	697,420	724,352	771,464	779,602	-
Social security	258,516	254,964	272,013	273,139	264,448	280,112	272,406	289,299	289,207	-
Unemployment insurance	7,603	8,359	4,534	4,792	10,371	11,433	12,382	12,858	18,861	-
<b>TOTAL</b>	<b>\$ 2,361,889</b>	<b>\$ 2,422,208</b>	<b>\$ 2,541,626</b>	<b>\$ 2,643,875</b>	<b>\$ 2,907,938</b>	<b>\$ 3,086,731</b>	<b>\$ 3,208,328</b>	<b>\$ 3,421,393</b>	<b>\$ 3,483,834</b>	<b>\$ -</b>
<b>LEVY AS EXTENDED</b>	<b>\$ 2,364,367</b>	<b>\$ 2,426,137</b>	<b>\$ 2,548,286</b>	<b>\$ 2,650,290</b>	<b>\$ 2,912,108</b>	<b>\$ 3,086,938</b>	<b>\$ 3,253,214</b>	<b>\$ 3,447,229</b>	<b>\$ 3,496,243</b>	<b>\$ 3,643,564</b>
<b>PERCENT COLLECTED</b>	<b>99.90%</b>	<b>99.84%</b>	<b>99.74%</b>	<b>99.76%</b>	<b>99.86%</b>	<b>99.99%</b>	<b>98.62%</b>	<b>99.25%</b>	<b>99.65%</b>	<b>0.00%</b>

Note:

(1) The 2010 property tax levy collections are in the next fiscal year.

Data Source

Illinois Department of Revenue

VILLAGE OF LAKE BLUFF, ILLINOIS  
SALES TAX COLLECTED BY CATEGORY

Last Ten Calendar Years

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General merchandise	\$ -	\$ -	\$ -	\$ 392	\$ 249	\$ 182	\$ 925	\$ 321	\$ 265	\$ 265
Food	143,687	164,408	164,650	158,553	155,743	161,941	159,180	167,320	177,211	177,372
Drink, eat, rooms	28,123	18,659	13,405	15,692	28,679	34,138	33,842	36,965	46,341	69,693
Apparel	-	-	-	-	-	-	-	-	-	-
Furniture	6,717	5,561	9,530	6,424	6,196	9,883	5,396	6,831	4,336	7,862
Lumber, hardware	30,007	24,145	22,604	23,345	26,251	34,742	121,171	108,020	93,353	91,856
Auto, filling stations	1,337,665	1,488,401	1,658,046	1,695,614	1,559,423	1,718,851	1,772,387	1,546,659	1,379,588	1,411,289
Drugs, retail	102,488	71,453	78,015	92,425	102,498	100,124	127,718	133,329	130,460	127,314
Agriculture and all others	65,757	52,660	54,547	130,978	176,280	174,440	158,573	137,590	90,796	109,603
Manufacturing	34,455	44,550	46,492	31,972	35,790	40,019	43,895	31,982	20,578	32,920
<b>TOTAL</b>	<b>\$ 1,748,899</b>	<b>\$ 1,869,837</b>	<b>\$ 2,047,289</b>	<b>\$ 2,155,395</b>	<b>\$ 2,091,109</b>	<b>\$ 2,274,320</b>	<b>\$ 2,423,087</b>	<b>\$ 2,169,017</b>	<b>\$ 1,942,928</b>	<b>\$ 2,028,174</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

VILLAGE OF LAKE BLUFF, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	Village Direct Rate	Village Home Rule Rate (1)	Lake County & RTA Rate	State Rate	Total
2001	1.00%	0.00%	0.50%	5.00%	6.50%
2002	1.00%	0.00%	0.50%	5.00%	6.50%
2003	1.00%	0.00%	0.50%	5.00%	6.50%
2004	1.00%	0.00%	0.50%	5.00%	6.50%
2005	1.00%	0.00%	0.50%	5.00%	6.50%
2006	1.00%	1.00%	0.50%	5.00%	7.50%
2007	1.00%	1.00%	0.50%	5.00%	7.50%
2008	1.00%	1.00%	1.00%	5.00%	8.00%
2009	1.00%	1.00%	1.00%	5.00%	8.00%
2010	1.00%	1.00%	1.00%	5.00%	8.00%

Note:

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

Data Source

Illinois Department of Revenue

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

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities	Total Village	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Special Service Area Bonds	Bank Notes Payable	Alternate Water Revenue Bonds			
2002	\$ 1,135,752	\$ 120,000	\$ 115,595	\$ -	\$ 1,371,347	0.6%	\$ 342
2003	1,775,000	-	-	-	1,775,000	0.5%	293
2004	1,650,000	-	-	-	1,650,000	0.4%	272
2005	1,475,000	-	-	3,060,000	4,535,000	1.1%	749
2006	1,260,000	-	315,000	2,950,000	4,525,000	1.0%	747
2007	3,125,000	-	582,503	2,835,000	6,542,503	1.4%	1080
2008	2,875,000	-	473,625	2,720,000	6,068,625	1.2%	975
2009	2,615,000	-	361,388	2,600,000	5,576,388	1.1%	896
2010	2,360,000	-	246,269	2,480,000	5,086,269	1.1%	820
2011	2,100,000	-	128,023	2,355,000	4,583,023	1.1%	801

Note:

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

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

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Taxable Assessed Value of Property (1)	Per Capita (2)
	General Obligation Bonds	Special Service Area Bonds	Total		
2002	\$ 1,135,752	\$ 120,000	\$ 1,375,752	0.71%	\$ 341.81
2003	1,775,000	-	1,775,000	0.47%	293.10
2004	1,650,000	-	1,650,000	0.39%	272.46
2005	1,475,000	-	1,475,000	0.32%	243.56
2006	1,260,000	-	1,260,000	0.84%	208.06
2007	4,385,000	-	4,385,000	0.84%	724.08
2008	2,875,000	-	2,875,000	0.50%	474.74
2009	2,615,000	-	2,615,000	0.42%	420.28
2010	2,360,000	-	2,360,000	0.36%	380.65
2011	2,100,000	-	2,100,000	0.36%	367.00

Notes:

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

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

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

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

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

April 30, 2011

Governmental unit	Debt Outstanding	Estimated Percentage of Debt Applicable to the Village of Lake Bluff (2)	Estimated Share of Overlapping Debt
Village of Lake Bluff	\$ 2,100	100.00%	\$ 2,100
Overlapping debt (1)			
Lake Bluff Park District	773	85.44%	660
Lake Bluff School District 65	24,335	85.41%	20,785
Lake Forest-Lake Bluff High School District 115	51,145	17.95%	9,181
Central Lake County Joint Action Water Agency (CLCJAWA)	20,610	7.42%	1,529
North Shore Sanitary District	2,435	6.23%	152
Lake County Community College District 532	6,920	2.15%	149
Lake County	86,515	2.04%	1,765
Lake County Forest Preserve	286,485	2.04%	5,844
Other debt			
Lake County capital leases	-	0.00%	-
Lake County - other debt	-	0.00%	-
Subtotal	479,218		40,065
TOTAL	\$ 481,318		\$ 42,165

Notes:

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

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

Data Source

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

The Village of Lake Bluff has general obligation (tax-supported) debt of \$2.10 million; however, the debt levies have been abated each year.

VILLAGE OF LAKE BLUFF, ILLINOIS

LEGAL DEBT MARGIN INFORMATION  
(in thousands of dollars)

Last Ten Fiscal Years

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Assessed Value	\$ 380,570	\$ 418,651	\$ 454,544	\$ 480,354	\$ 519,270	\$ 571,694	N/A	N/A	N/A	N/A
Debt limit	32,824	36,109	39,204	41,431	44,787	-	-	-	-	-
Total net debt applicable to limit	2,070	1,775	1,650	1,475	1,260	-	-	-	-	-
LEGAL DEBT MARGIN	\$ 30,754	\$ 34,334	\$ 37,554	\$ 39,956	\$ 43,527	\$ 571,694	\$ -	\$ -	\$ -	\$ -
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	6.31%	4.92%	4.21%	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 Seven Fiscal Years

Fiscal Year	Water Operating Revenues	2004 Alternate Water Revenue Bonds		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

Notes:

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

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

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Calendar Years

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Fiscal Year	Population	Personal Income (in thousands of dollars)	Per Capita Personal Income	Unemployment Rate
2002	6,056	\$ 366,045	\$ 60,443	2.30%
2003	6,056	384,348	63,466	2.50%
2004	6,056	403,565	66,639	2.30%
2005	6,056	423,743	69,971	1.90%
2006	6,056	444,931	73,469	2.80%
2007	6,056	467,177	77,143	3.30%
2008	6,222	490,536	78,390	4.40%
2009	6,222	490,536	78,390	4.40%
2010	6,200	467,177	75,351	5.50%
2011	5,722	402,555	70,352	5.20%

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	2011		2002	
		Employees	Rank	Employees	Rank
Knautz Motors, Inc	BMW, Mercedes, Chrysler, Hyundai Land Rover & Mini auto dealerships	300	1	235	1
Liquid Controls Corp	Manufacture - Liquid flow meters	167	2	175	2
Buehler, Inc	Metallurgical equipment	145	3	100	7
Chelsea & Scott, LTD	Catalog sales - children's products	138	4	145	3
Lake Bluff School District 65	Elementary school district	125	5	119	6
Mariani Landscaping	Landscaping architect	105	6		
Clarin/Greenwich Industries	Manufacture - steel folding chairs	80	7	125	4
Shepard Chevrolet	Chevrolet and Geo auto dealership	75	8	95	8
Profile Plastics	Manufacture - plastic parts	60	9	80	10
Circuit Works	Circuit board assembly	34	10		
Deerpath Medical Associates	Medical clinic			125	5
Harrison Conference Center	Conference/training facility/hotel			83	9
Total		<u>1,229</u>		<u>1,282</u>	

Note:

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

Data Source

2006 Illinois Manufacturers Directory, 2006 Illinois Services Directory and a 2010 selective telephone survey.

VILLAGE OF LAKE BLUFF, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL GOVERNMENT</b>										
Administrator's Office	4.50	4.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	3.00
Finance	3.50	3.50	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00
Engineering, Building & Zoning	3.00	3.00	3.00	3.00	3.00	3.00	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	15.00	16.00	16.00	16.00	17.00	17.00	17.00	17.00	15.00	15.00
Telecommunications Dispatchers	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
<b>PUBLIC WORKS</b>										
Administration, Street, Sewer	9.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	8.00	6.00
Water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	4.00	4.00	3.50	3.50	4.00	4.00	4.00	4.00	-	-
Vehicle maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	48.00	50.00	48.50	49.00	51.00	51.00	50.00	50.00	42.00	39.00

Data Source

Village budget

VILLAGE OF LAKE BLUFF, ILLINOIS

OPERATING INDICATORS

Last Nine Fiscal Years

Fiscal Year	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>GENERAL GOVERNMENT</b>									
Administration									
Village Board Meetings	21	20	21	22	22	23	18	23	23
Other Board & commission meetings	34	31	46	46	46	49	24	30	38
Village newsletter mailings	6	4	2	5	5	5	4	5	5
Lake Bluff List Serve Subscribers	n/a	n/a	92	214	293	438	487	550	663
Finance									
Accounts payable (in thousands)	\$ 6,800	\$ 5,000	\$ 4,800	\$ 5,790	\$ 7,650	\$ 8,000	\$ 7,013	\$ 5,622	6,273
Water & Sewer invoices prepared	7,956	7,915	8,175	8,232	8,225	8,185	8,179	8,256	8,247
Engineering, Building & Zoning									
Residential building permits issued	488	463	491	523	464	447	418	323	378
Commercial building permits issued	34	32	17	25	23	14	18	14	60
Zoning petitions	22	24	8	22	7	9	7	8	5
<b>PUBLIC SAFETY</b>									
Police									
Number of calls	7,972	10,737	9,286	10,078	11,703	10,282	10,322	11,208	11,457
Felony offenses	39	56	71	77	49	52	88	66	82
Misdemeanor offenses	215	266	304	406	311	336	390	406	588
Auto Accident investigations	199	169	183	203	203	177	195	210	173
Fire									
Fire calls	33	24	35	52	48	37	34	41	44
Rescue/Medical transported	171	181	208	174	217	211	227	250	250
Rescue/Medical not transported	38	45	56	70	50	61	73	76	84
<b>PUBLIC WORKS</b>									
General									
Streets patching (in tons)	75	47	61	57	71	118	64	38	20
Street cleaned - miles	1,388	1,187	1,360	975	1,134	1,562	813	813	614
Compacted household refuse collected	2,481	2,542	2,704	2,620	2,678	2,223	1,911	1,850	1,850
Curbside recycling collections (tons)	801	710	790	715	758	1,148	1,124	1,084	1,084
Cubic yards of									
leaves/yard waste collected	3,023	3,512	2,498	2,500	2,512	2,658	3,560	3,432	3,432
Parkway trees planted	79	79	81	76	67	52	50	42	22
Parkway grass trimmed (in acres)	392	414	387	276	301	401	329	305	300
Sanitary sewers cleaned (in linear feet)	49,896	37,120	17,679	16,679	44,178	65,925	80,000	79,821	48,853
Storm sewers cleaned (in linear feet)	9,686	7,476	4,257	4,158	2,358	2,111	3,837	3,474	n/a
Water									
Main break repairs	5	8	12	18	9	16	9	5	7
JULIE utility locates	700	1,409	1,273	1,227	1,368	1,210	1,345	1,354	900

Note: Information prior to 2003 is not available. Therefore, information for the last nine fiscal years is presented.

Data Source

Various Village departments

VILLAGE OF LAKE BLUFF, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>PUBLIC SAFETY</b>										
Police										
Patrol units	5	5	6	6	6	7	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	5.5	5.5	5.5	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	27.0	27.0	27.0	27.8	27.8
Sidewalks (miles)	20.0	20.0	20.0	20.3	20.3	20.3	20.3	20.6	25.9	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	5	5	5	6	6	6	6	6	6	6
<b>WATER - sanitary sewer</b>										
Fire hydrants	405	425	425	435	460	476	488	490	490	492
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