



Village of Lake Bluff, Illinois

Comprehensive Annual Financial Report

For year ending April 30, 2012

VILLAGE OF LAKE BLUFF, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
April 30, 2012

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

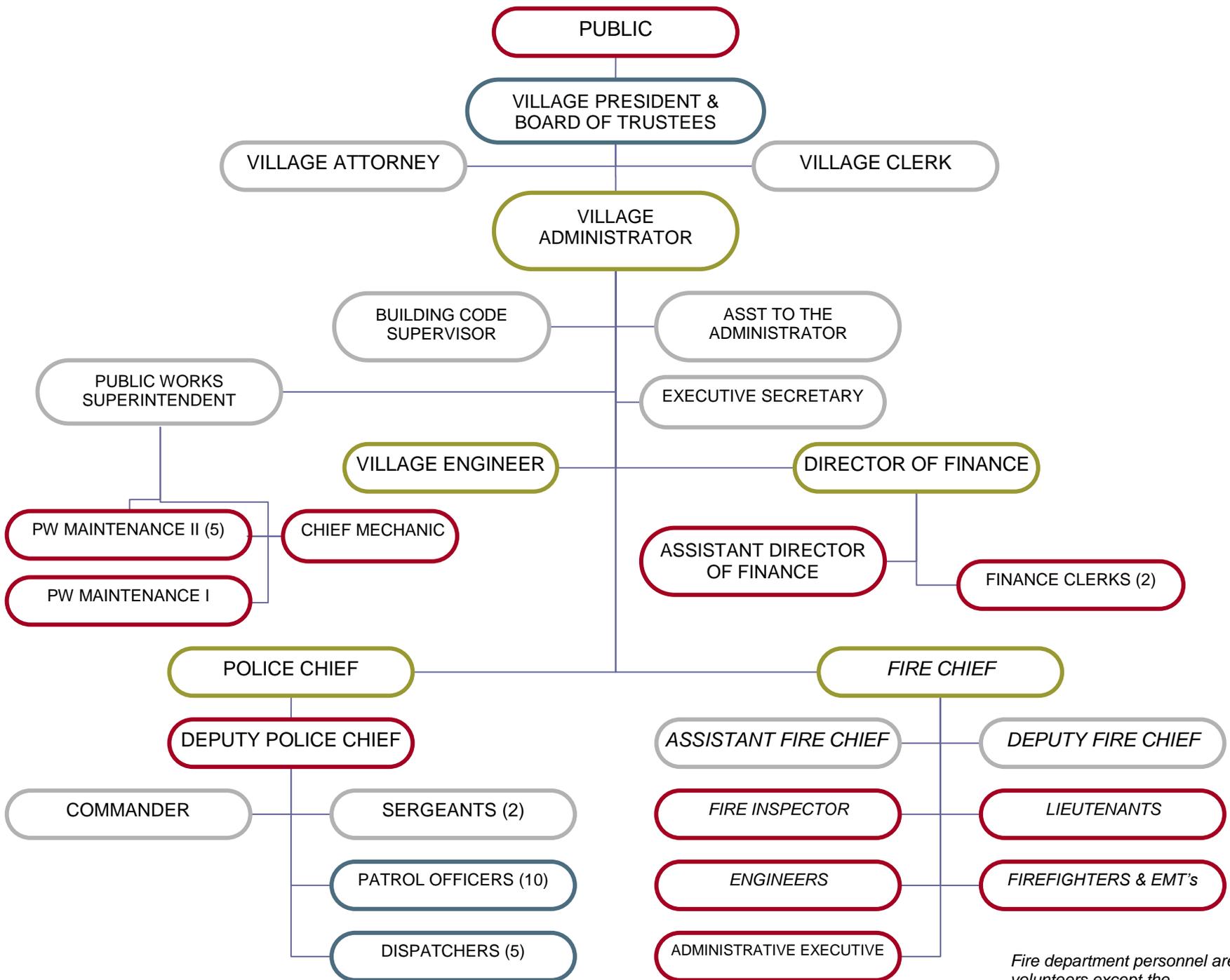
Gerald Nellessen, Building Code Supervisor

George E. Russell Jr., Village Engineer

Brandon Stanick, Asst. to the Village Administrator

Peter M. Friedman, Village Attorney

Holland & Knight, LLP



Fire department personnel are volunteers except the Administrative Executive

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, 2011

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.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director



September 19, 2012

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, 2012 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 auditor's 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&A1.

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 expend federal funds in excess of \$500,000 during fiscal year 2012 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 2011 Equalized Assessed Valuation (EAV) for the Village is \$551,254,954 or 6.3% less than the 2010 EAV of \$585,899,834. The 2011 EAV and tax levy will be recorded as revenue in the next fiscal year.

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

The Village's Industrial/Commercial Corridor Business District (ICCBD) located along the southeastern portion of Rt. 43 and Rt. 176 is comprised of manufacturing, service, and retail firms. The Village continues to receive substantial sales tax revenue from the Knauz Auto Park which includes BMW, Mercedes, Land Rover, Mini, SmartCar, and Hyundai dealerships; Imperial Motors Jaguar; and the Lake Forest Sportscar dealership which sells Maserati, Ferrari, 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 November 2011 Shepard Chevrolet ceased operations and sold its fleet to The Exchange Group which previously sold Saab autos. Both facilities are the ICCBD and the owners of the Shepard site are actively marketing the site. 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 \$2.562 million represents 32% of the General Fund revenues, down from 36% in the prior year. Automobile sales tax revenues represents 73% of the calendar year 2011 \$1.928 million of the state-shared sales tax (auto sales are exempt from the 1% home rule sales tax.)

Major Initiatives

For the year ended April 30, 2012

The focus this fiscal year continued to be adapting to the volatility of this recession and its long-term implications. Like communities across the United States, Lake Bluff is especially sensitive to public needs and perceptions of the effectiveness of government. 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 constant diligence to 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 2011-12 was focused on implementation of the "Vision for 2016" strategic plan objectives, the maintenance of Village buildings, and the use of technology to increase productivity and enhance service delivery.

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

1. Maintaining operational efficiency and current service levels.
 - a. Began negotiations with Police Sergeants union for creation of a first contract and renegotiations for Sworn Police union contract which expired April 30, 2012.
 - b. Hired a Public Works maintenance worker, a Finance Clerk, a Police officer and dispatcher to fill vacant positions.
 - c. Obtained Tree City USA designation for the 16th consecutive year.
 - d. 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.
 - e. 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.
 - f. Continued a multi-year transition to a document management system to convert all permanent documents to electronic format.
 - g. Finalized multi-year phased replacement of portable radios to narrow band mandated for all municipal radios by 2013.
 - h. Replaced the obsolete telephone and voice mail system with a VoIP system to achieve cost savings and technological improvement.
2. Continued sound financial management.
 - a. Refinanced the 2004 Water Alternate Revenue Bonds resulting in a \$153 thousand savings over the 12 years remaining on the bonds.
 - b. Levied a Village property tax within the Property Tax Limitation Act amount.
 - c. Received the Government Finance Officers Association (GFOA) budget award and Certificate of Achievement for Excellence in Financial Reporting.
 - d. Awarded federal and state grant funds of \$1 million for a traffic signal installation and related roadway improvements and \$170 thousand to replace fire self-contained breathing apparatus (SCBA.)
 - e. Maintained Aaa bond rating from Moody's credit rating agency.
3. Construction of infrastructure improvement projects.
 - a. Continued working with 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.
 - c. Completed scheduled water system improvements and water tower repainting and installation of corrosion control system.
4. Major developments and building and zoning projects.
 - a. Continued a review of the 1997 Comprehensive Plan.

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.
- ❖ Finalize Phase 1 study of the reconfiguration of Route 41/Route 176 interchange fully funded by state and federal grants.
- ❖ Complete Phase 1 of 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.
- ❖ Implement Waukegan Road Business Park study recommendations to reposition the area for the next decade.
- ❖ Refinance the 2006 General Obligation Bonds to achieve net interest cost savings.
- ❖ Complete the 1997 Comprehensive Plan review and zoning maps update.
- ❖ Finalize negotiations with police sergeants' and patrol officers' collective bargaining units.
- ❖ Continue the annual street resurface and roadway improvements program.
- ❖ Procure replacement fire department SCBA funded by a federal grant.
- ❖ Assist in the transition of a separate Plan Commission and Zoning Board of Appeals into a combined PCZBA.
- ❖ Select a consultant and coordinate a community-wide branding study.

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, 2012 are \$7.162 million, up 0.7% from \$7.111 million as of April 30, 2011. Pursuant to the actuarial calculation of funding using the entry age normal cost method, which was prepared as of May 1, 2012, the Police Pension Fund is 56.3% funded, with an unfunded liability of \$5.833 million; improved from a funded level of 54.1% with an unfunded liability of \$5.885 million for the prior year. Several factors influence the unfunded liability of pension plans, including the rate of return on investments, state law changes increasing benefits, the addition of officers to the plan, and disability benefits. In the prior fiscal year, the Police Pension Board of Trustees approved the reduction of the interest rate assumption from 7.50% to 7.25% aligning with expected average long-term returns based on the portfolio composition, investment philosophy and recent past performance. 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 11 annuitants with a duty disability annuitant who began receiving payments in September 2011. Total benefits and refunds increased by 9.3% to \$588,624 from \$538,696 in the prior fiscal year.

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, recently updated and adopted by the Pension Board of Trustees, which articulates the expanded investment instruments allowed by law for pension funds.

The Village earned \$20,595 on all governmental and the Water Fund investments for the year ended April 30, 2012. This represents a 19.6% 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 \$123,389. The mutual funds' and government agencies' fair value declined by \$51,212. After investment expense the net investment income was \$49,235 or 7.5% of total additions to the net assets. Total contributions comprised the remaining 92.5% of the \$658,298 total additions to the net assets. The net assets increased by \$50,640 after benefits and administrative expenses of \$607,658.

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, 2011. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

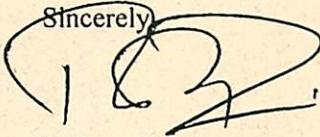
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

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

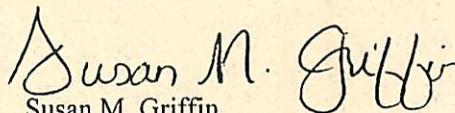
Acknowledgments. The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of Marlene Scheibl, Gail Ciolek, Patricia Trevino and Carol Weatherall. The entire Village staff has our sincere appreciation for their compliance with Village policies and procedures,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

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

Sincerely,



R. Drew Irvin
Village Administrator



Susan M. Griffin
Director of Finance

FINANCIAL SECTION



1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

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, 2012, 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, 2012, 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 Village of Lake Bluff, Illinois adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended April 30, 2012. The statement changed the classifications of governmental fund balances and clarified the definitions of existing fund types. The adoption of this statement had no effect on any of the Village of Lake Bluff, Illinois' governmental funds' assets or liabilities nor was there any effect to the total amount of the Village of Lake Bluff, Illinois' governmental fund balances as of and for the year ended April 30, 2012.

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

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 introductory section, combining and individual fund financial statements and schedules, supplemental data and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in black ink, appearing to read "Sibich WP". The signature is written in a cursive, flowing style.

Naperville, Illinois
September 19, 2012

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended April 30, 2012

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, 2012 with comparisons to the fiscal year ended April 30, 2011. 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 \$27.67 million as of April 30, 2012 compared to \$27.55 million as of April 30, 2011. The Village increased its cash by \$145 thousand, other current assets by \$34 thousand, and capital assets by \$36 thousand for a total rise in assets of \$215 thousand. This increase in assets was a result of an addition in unearned grant revenues of \$215 thousand, current debt of \$118 thousand, and other current liabilities of \$19 thousand offset by a reduction in long-term liabilities of \$261 thousand (which uses assets) for a rise in liabilities of \$91 thousand. This resulted in a \$124 thousand increase in total net assets, thus strengthening the Village's overall financial position by 0.5%.
- The Village's investment in capital assets of \$21.19 million equals the capital assets net of accumulated depreciation of \$25.44 million minus \$4.25 million in outstanding related debt. This is \$355 thousand more than last year due to the investment in capital assets exceeding the depreciation expense.
- The unrestricted net assets of the primary government decreased to \$4.90 million on April 30, 2012, from \$5.22 million as of April 30, 2011 as the Water Fund utilized cash to pay for water system improvements.
- Primary government-wide expenses were \$10.07 million, funded with program revenues of \$3.10 million and \$7.09 million in property, sales, utility, income and other taxes, interest, and miscellaneous revenue, with the difference accounting for the increase in net assets during the fiscal year of \$124 thousand.
- The General Fund (the Village's only major fund) had a fund balance of \$4.38 million which represents 67% 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 66-71 in this report.*

The Village has adopted an annual budget for all of its funds except the Special Service Area Bonds and Special Service Area Capital Project Funds. Budgetary comparison statements have been provided to demonstrate compliance with the budget for all other funds. *The actual to budget comparison statements for the General Fund and all other governmental funds can be found on pages 59-65 and 72-80, 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 54-58 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 66.*

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. The following schedule presents a summary of governmental and business-type **net assets** as of April 30, 2012 compared to April 30, 2011 for the primary government.

Village of Lake Bluff Net Assets

| | Governmental Activities | | Water Activities | | Total | |
|---|-------------------------|--------------|------------------|-------------|--------------|--------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Current & other assets | \$10,551,929 | \$10,060,354 | \$ 1,505,797 | \$1,817,896 | \$12,057,726 | \$11,878,250 |
| Capital assets | 18,455,577 | 18,651,172 | 6,984,645 | 6,753,432 | 25,440,222 | 25,404,604 |
| Total assets | 29,007,506 | 28,711,526 | 8,490,442 | 8,571,328 | 37,497,948 | 37,282,854 |
| Long term liabilities | 2,830,436 | 2,982,208 | 2,153,562 | 2,262,617 | 4,983,998 | 5,244,825 |
| Other liabilities | 4,589,864 | 4,251,771 | 251,652 | 237,862 | 4,841,516 | 4,489,633 |
| Total liabilities | 7,420,300 | 7,233,979 | 2,405,214 | 2,500,479 | 9,825,514 | 9,734,458 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | \$16,449,622 | \$16,433,199 | \$ 4,737,154 | \$4,398,432 | \$21,186,776 | \$20,831,631 |
| Restricted | 1,580,539 | 1,497,653 | --- | --- | \$ 1,580,539 | 1,497,653 |
| Unrestricted | 3,557,045 | 3,546,695 | 1,348,074 | 1,672,417 | 4,905,119 | 5,219,112 |
| Total net assets | \$21,587,206 | \$21,477,547 | \$ 6,085,228 | \$6,070,849 | \$27,672,434 | \$27,548,396 |

At the fiscal year end April 30, 2012, the total unrestricted net assets for the **primary government** are \$4,905,119, which is 6% less than the unrestricted net assets of \$5,219,112 at the fiscal year ended April 30, 2011. Most of this decrease is attributed to the Water Fund use of cash to pay for water tower and other system improvements. **Governmental activities restricted** assets of \$1,580,539 are for street improvements, employee benefits and pensions, public safety E911 maintenance, fire service purposes, and debt repayment. These *restricted* assets increased by \$82,886 due to an increase in liabilities from receipt of deferred grant monies for the installation of a traffic signal and related roadway improvements which will be constructed next fiscal year and an increase in the IMRF and Social Security net assets. The **governmental activities** unrestricted net assets rose slightly from \$3,546,695 to \$3,557,045. The **governmental activities** combined *restricted* and unrestricted net assets reveals growth of 4%, or \$93,236. The **water activities** total net assets increased by \$14,379 as a result of operating income of \$63,422 less \$49,043 in net interest expense.

The following table presents a summary of governmental **revenues, expenses, and changes in net assets** for the fiscal year ended April 30, 2012 compared to April 30, 2011.

Village of Lake Bluff Changes in Net Assets

| | Governmental Activities | | Water (Business-Type) | | Total | |
|--|-------------------------|------------------|-----------------------|------------------|----------------|------------------|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Revenues: | | | | | | |
| Program revenues | | | | | | |
| Charge for services | 1,177,238 | 1,126,196 | 1,229,799 | 1,177,545 | 2,407,037 | 2,303,741 |
| Operating grants and contributions | 198,900 | 232,581 | ---- | ---- | 198,900 | 232,581 |
| Capital grants/donations | 499,915 | 492,360 | ---- | ---- | 499,915 | 492,360 |
| General revenues | | | | | | |
| Property taxes | 2,847,986 | 2,704,232 | ---- | ---- | 2,847,986 | 2,704,232 |
| Sales taxes | 2,562,532 | 2,752,483 | ---- | ---- | 2,562,532 | 2,752,483 |
| Other taxes | 1,460,475 | 1,529,893 | ---- | ---- | 1,460,475 | 1,529,893 |
| Interest/Investment Inc | 18,023 | 22,677 | 2,572 | 2,941 | 20,595 | 25,618 |
| Miscellaneous | 201,805 | 101,862 | 433 | 432 | 202,238 | 102,294 |
| <i>Subtotal general revenue</i> | 7,090,821 | 7,111,147 | 3,005 | 3,373 | 7,093,826 | 7,114,520 |
| Total Revenues | 8,966,874 | 8,962,284 | 1,232,804 | 1,180,918 | 10,199,678 | 10,143,202 |
| Expenses: | | | | | | |
| General government | 1,677,840 | 2,062,487 | ---- | ---- | 1,677,840 | 2,062,487 |
| Public safety | 4,105,315 | 4,085,025 | ---- | ---- | 4,105,315 | 4,085,025 |
| Public works | 2,985,744 | 3,349,937 | ---- | ---- | 2,985,744 | 3,249,937 |
| Debt service interest | 88,316 | 104,143 | ---- | ---- | 88,316 | 104,143 |
| Water | ---- | ---- | 1,218,425 | 1,327,218 | 1,218,425 | 1,327,218 |
| Total expenses | 8,857,215 | 9,501,592 | 1,218,425 | 1,327,218 | 10,075,640 | 10,828,810 |
| Increase/(Decrease) in net assets | 109,659 | (539,308) | 14,379 | (146,300) | 124,038 | (685,608) |
| Net assets – May 1, 2011 | 21,477,547 | 22,016,855 | 6,070,849 | 6,217,149 | 27,548,396 | 28,234,004 |
| Net assets – April 30, 2012 | 21,587,206 | 21,477,547 | 6,085,228 | 6,070,849 | 27,672,434 | 27,548,396 |

Governmental Activities

Total governmental revenues rose by a scant \$2,590 or 0.02% and total expenses decreased by 6.8% or \$646,377 resulting in an increase in net assets of \$109,659 as of April 30, 2012 compared to a decline in net assets of \$539,308 as of April 30, 2011.

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 increased by 4.5% or \$51,042 reflecting a modest

improvement in the economy. Specifically, building permit fees grew by 22% or \$48,960 over last fiscal year mostly from home improvement projects. Two residential redevelopment projects that began in 2008, Lansdowne and Stonebridge, remain idle as the developers wait for market demand to improve and capital markets to loosen. The operating grants and donations declined slightly this year as the prior year included the receipt of funds from FEMA to reimburse the Village for costs associated with storm damage. The capital grant funds of \$492,360 is attributed to partial proceeds of a federal grant for an analysis of the Routes 41/176 interchange reconfiguration, partial proceeds from the grant for a traffic signal installation on Waukegan Road and North Shore Drive, and a FEMA/AFG grant to replace fire department radios.

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 the most significant part of the Village's revenue structure, accounting for 32% of the total governmental revenues. Property tax revenue, from the 2010 tax levy, increased by 5.3%; 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 second largest source of governmental revenues at 28.6%, declined by 6.9% or \$189,951.

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 \$69,418 or 4.5%. Telecommunications, natural gas and electric utility taxes declined by 6.3% or \$51,363 from the prior fiscal year from a combination of user conservation efforts, lower natural gas prices, and an unusually mild winter. One tenth of the State's income tax receipts are distributed to local municipalities on a per capita basis. This income tax revenue was consistent with the prior year. Prepared food and beverage tax fell by 22.6% or \$15,525 due to the closure of two businesses in the downtown district. Miscellaneous revenue almost doubled as a result of the \$75,857 proceeds from the Central Business District Block One redevelopment letter of credit.

Governmental Expenses

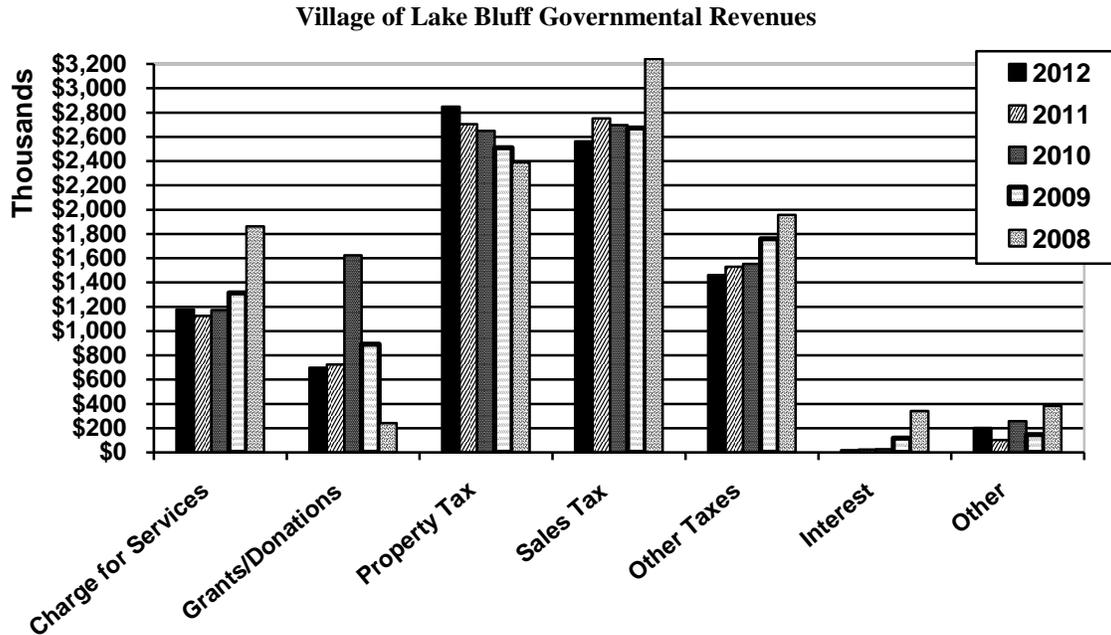
Total governmental expenses decreased by \$646,377 or 6.8% due to a reduction in legal costs, contractual service payments to the City of Lake Forest and debt payments. Personnel costs which comprise salaries, benefits, insurance, and pension expenses represent 49% of the total governmental expenses up from 46.3% in the prior fiscal year. Midway through the fiscal year, the Village hired a dispatcher and a PW maintenance worker to fill these vacant positions. Contractual costs represent 29.7% of total governmental expenses up from 20.8% in the prior fiscal year as the Village uses a private contractor to supplement dispatching personnel.

The general government expenses include the costs of personnel, commodities, contracts, and capital asset expenses (including related depreciation) for the general administration including the Administrator's Office, Finance, Engineering/Community Development, and Boards and Commissions departments. This category of expenses dropped 18.7% or \$384,657, due to a decrease in legal fees and contractual fees to City of Lake Forest for senior services, CROYA youth services, building inspection and cable program production services.

The public safety expenses are comprised of personnel, commodities, contracts, and capital expenditures (including related depreciation) for the police sworn, dispatch, and fire departments. The Public Safety expenses increased 0.5% or \$20,290 predominately due to the hiring of a dispatcher midway through the fiscal year to fill a vacant position and the recruitment costs associated with filling a police officer vacancy with employment beginning in May 2012.

The public works expenses include the costs of personnel, commodities, contracts, and capital outlay (including related depreciation) for the maintenance of streets, bridges, sewers, street lights, forestry infrastructure, parkways, and the sanitation and recycling collection. This division's expenses declined by 8.2% or \$266,183 predominately due to the reduction in the Routes 41/176 interchange study costs along with the vacancy of a PW maintenance worker position for half of the fiscal year.

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. Water purchases expense was \$25,149 less than the prior year of which a reduction in water volume accounted for \$37,580 was offset by \$12,431 attributed to a wholesale water rate increase. The Village purchases water from the Central Lake County Joint Action Water Agency (CLCJAWA) at a rate of \$2.52 per 1,000 gallons up from \$2.46 last year.

The revenues reflect the sale of the water, connection fees, meter sales, and other miscellaneous fees. The Village charges its customers at a rate of \$6.20 per thousand gallons of water used, up from \$5.85 the prior fiscal year. This rate is calculated to sufficiently cover the wholesale rate, to adequately fund the annual water infrastructure maintenance costs, and to maintain required bond payment coverage. Water sales revenue, as the main component of the charge for services category, increased 4.3% or \$49,679 from the prior fiscal year. Water consumption is impacted by the spring and summer weather as 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. The Village advance refunded this debt in October 2011 resulting in an economic gain of \$153 thousand dollars. The outstanding principal balance of this debt is \$2.315 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 \$6,339,871. The total fund balances grew by \$243,230 from 2011 to 2012 from reduced personnel and associated retirement funding costs.

On the next page is a chart showing the governmental fund balances as of April 30, 2012 compared to April 30, 2011 with the dollar and percentage change.

Village of Lake Bluff Governmental Fund Balances

| | | Governmental Activities | | Increase/Decrease from 2011 | |
|-------------------------|----------|-------------------------|--------------|-----------------------------|------------|
| | | 2012 | 2011 | Percentage | Dollars |
| General | Major | \$ 4,385,105 | \$ 4,209,741 | 4.2% | \$ 175,364 |
| Motor Fuel Tax | Nonmajor | 769 | 0 | --- | 769 |
| Redevelopment | Nonmajor | 741,750 | 771,620 | (3.4) | (29,870) |
| Vehicle Replacement | Nonmajor | 362,283 | 373,765 | (3.1) | (11,482) |
| IL Municipal Retirement | Nonmajor | 260,006 | 211,244 | 23.1 | 48,762 |
| Federal Social Security | Nonmajor | 245,436 | 185,655 | 32.2 | 59,781 |
| E-911 | Nonmajor | 278,751 | 275,243 | 1.3 | 3,508 |
| Fire Dept. Special | Nonmajor | 37,366 | 37,176 | 0.5 | 190 |
| Train Station Wreath | Nonmajor | 0 | 3,310 | (100.0) | (3,310) |
| SSA Bonds | Nonmajor | 13,414 | 13,405 | 0.1 | 9 |
| 2001 G.O. Certificates | Nonmajor | 0 | (2,680) | 100.0 | 2,680 |
| 2006 G.O. Bonds | Nonmajor | 1,245 | 4,425 | (71.9) | (3,180) |
| SSA Capital Projects | Nonmajor | 13,746 | 13,737 | 0.1 | 9 |
| Total | | \$ 6,339,871 | \$ 6,096,641 | 4.0% | \$ 243,230 |

Governmental Funds – Major and Nonmajor

The General Fund balance of \$4,385,105 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. The General Fund's \$175,364 increase in the fund balance was the result of excess revenues over expenditures of \$798,376 but offset by total other financing uses (transfers to other funds) of \$623,012. Other financing uses rose from the prior year by \$76,805 or 13.5% as the Village supplemented the motor fuel tax allotments to increase spending on road paving projects and began to escalate the transfer to the Vehicle Replacement Fund to adequately fund the projected replacements. Total revenues increased from the prior year by \$271,512 or 3.5% while expenditures (not including other financing uses) decreased by \$48,538 or 0.7%.

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, grant funds 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 prior year deficit balance was transferred to the 2006 bond fund. The principal and interest payments for the 2006 bonds are transferred from the General Fund to the bond fund annually based on the debt repayment schedule. The property tax levy for bonded debt has been abated each year and is expected to be paid with General Fund revenues in the future.

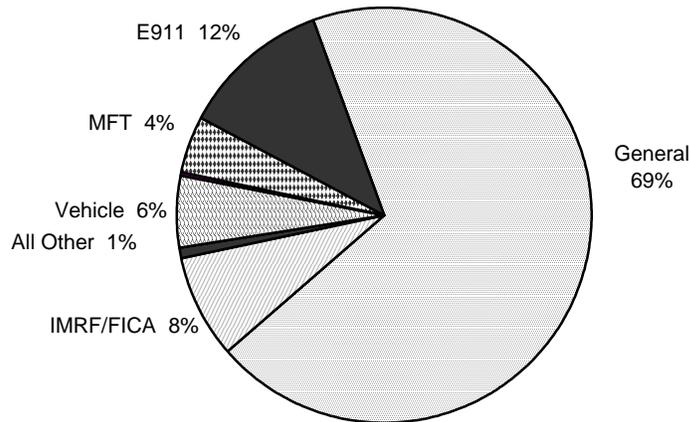
Below is a list of some of the reasons for some of the more noteworthy fund balance changes.

- ❖ 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 last fiscal year and again this current fiscal year with a goal to spend \$475 thousand each year to repave streets pursuant to the annual condition assessment.
- ❖ Vehicle Replacement Fund fund balance declined due to the purchase of a replacement telecommunications system and as transfers-in from the General Fund continue at a level which is significantly reduced from contributions prior to the recession in 2009.
- ❖ 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 38 and the temporary vacancy of a patrol officer position in the Police department.

Below is a chart showing the governmental fund balances as a percentage of the total fund balance.

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 building permits began to rebound slightly but sales taxes and utility taxes declined from the prior year due to consumers' prudent spending. Actual revenues for the fiscal year were \$778,751 or 9% less than projected. The General Fund expenditures were less than budgeted by \$1,302,205, or 15.4% of the budget due to these factors: the carry forward of grant funded capital projects into the next fiscal year, personnel costs savings from human resource changes, and the unused \$190,250 contingency budget.

Water - Proprietary Fund

The Water Fund had operating income of \$63,422 compared to an operating loss of \$43,321 in the prior fiscal year. The Village sets a rate each year that is intended to cover the operating costs including depreciation; however, some years' actual water consumption is less than projected resulting in water sales less than the budget. Actual operating revenues increased 4.4% or \$52,255 and operating expenses decreased 4.5% or \$54,488 due to a reduction in administrative and finance expenses.

Capital Assets and Debt Administration

Capital Assets. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities was \$18,455,577 in fiscal year 2012 down from \$18,651,172 in fiscal year 2011. This 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 grew this fiscal year to \$6,984,645 from \$6,753,432 in fiscal year 2011 because the Village invested in its water infrastructure in with improvements to the water storage tank. *Additional information regarding the Village's capital assets is presented in the footnotes on pages 31-32.*

Long-Term Debt. At April 30, 2012, the Village had two outstanding bond issues and one unsecured note with a total principal balance of \$4.33 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. The outstanding principal balance is \$1.97 million. In June 2004, the Village issued \$3.06 million in alternate water revenue bonds to finance the cost of water infrastructure improvements previously scheduled to be accomplished over 10 years. In October 2011, these bonds were advance refunded to achieve a lower net interest cost with no changes to the original retirement date of the bonds. The outstanding principal balance on the 2011 Refunding Bonds is \$2.315 million; the bonds mature in December 2024, and will continue to be repaid with water revenues. The outstanding principal balance on the unsecured note is \$45 thousand and will be paid in full next fiscal year.

As a home rule unit of government, the Village does not have a statutory debt limit but has observes a very conservative policy, as evidenced by the fact that the Village first issued bonds in 1987, has never carried debt in excess of \$10 million, and has a direct debt burden of 0.7% versus the median of 2.1%. The Village's outstanding general obligation debt principal represents 0.3% of 2010 EAV. *Additional information regarding the Village's debt is presented in the footnotes on pages 33-36, detailed schedules are shown on pages 83-85, and additional information is included in the statistical section on pages 103-107.*

Future Debt. At this time, the Village has no plans to issue additional debt in the upcoming fiscal year, but next fiscal year the Village plans to advance refund the outstanding balance of the 2006 general obligation bonds to take advantage of lower net interest cost.

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 decline in sales taxes and continued decline in income and utility tax receipts is projected due to devastated consumer confidence, tightened credit markets, and 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 and the Fraternal Order of Police (FOP) contract for the patrol officers.
- 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 \$0.13 per thousand gallons from \$2.52 to \$2.65.
- Retail water rate rise from \$6.20 to \$6.45 per thousand gallons.
- Consumer Price Index-Urban (CPI-U) factor for the 2011 property tax levy is 1.5% with a decline in total equalized assessed value of 6%.
- 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 2012-13 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 or access the Village website at www.lakebluff.org.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2012

| | Primary Government | | Component Unit | |
|---|----------------------------|-----------------------------|----------------------|---------------------|
| | Governmental Activities | Business-Type Activities | Total | Public Library |
| ASSETS | | | | |
| Cash and investments | \$ 6,357,659 | \$ 1,076,656 | \$ 7,434,315 | \$ 473,734 |
| Receivables, net of allowance for uncollectibles | | | | |
| Property taxes | 2,918,877 | - | 2,918,877 | 804,832 |
| Other taxes | 926,743 | - | 926,743 | - |
| Other receivables | 266,264 | - | 266,264 | - |
| Accounts | 32,745 | 290,570 | 323,315 | - |
| Intergovernmental | 64,082 | - | 64,082 | - |
| Accrued interest | 630 | - | 630 | - |
| Prepaid items | 50,368 | - | 50,368 | - |
| Inventory | 10,119 | - | 10,119 | - |
| Due to/from other funds | 168,133 | (168,133) | - | - |
| Advance to/from other funds | (243,691) | 243,691 | - | - |
| Deferred charges | - | 63,013 | 63,013 | - |
| Restricted assets - cash | - | - | - | 3,025 |
| Capital assets | | | | |
| Capital assets not being depreciated | 2,284,977 | - | 2,284,977 | 347,445 |
| Capital assets being depreciated, net | 16,170,600 | 6,984,645 | 23,155,245 | 1,800,020 |
| Total assets | 29,007,506 | 8,490,442 | 37,497,948 | 3,429,056 |
| LIABILITIES | | | | |
| Accounts payable | 356,336 | 45,361 | 401,697 | 21,881 |
| Accrued payroll | 120,525 | 7,664 | 128,189 | 15,087 |
| Interest payable | 30,366 | 30,894 | 61,260 | - |
| Other liabilities | 74,060 | - | 74,060 | - |
| Unearned property taxes | 2,918,877 | - | 2,918,877 | 804,832 |
| Other unearned revenue | 413,280 | - | 413,280 | - |
| Deposits payable | 328,980 | 7,953 | 336,933 | - |
| Noncurrent liabilities | | | | |
| Due within one year | 347,440 | 159,780 | 507,220 | - |
| Due in more than one year | 2,830,436 | 2,153,562 | 4,983,998 | 37,503 |
| Total liabilities | 7,420,300 | 2,405,214 | 9,825,514 | 879,303 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 16,449,622 | 4,737,154 | 21,186,776 | 2,147,465 |
| Restricted for | | | | |
| Employee benefits | 505,442 | - | 505,442 | - |
| Specified purpose | 3,047 | - | 3,047 | - |
| Highways and streets | 769 | - | 769 | - |
| Public safety | 316,117 | - | 316,117 | - |
| Debt service | 13,414 | - | 13,414 | - |
| Capital outlay | 741,750 | - | 741,750 | 3,025 |
| Unrestricted | 3,557,045 | 1,348,074 | 4,905,119 | 399,263 |
| TOTAL NET ASSETS | \$ 21,587,206 | \$ 6,085,228 | \$ 27,672,434 | \$ 2,549,753 |

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2012

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|----------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General government | \$ 1,677,840 | \$ 849,175 | \$ - | \$ - |
| Public safety | 4,105,315 | 143,296 | 28,942 | - |
| Public works | 2,985,744 | 184,767 | 169,958 | 499,915 |
| Interest on long-term debt | 88,316 | - | - | - |
| Total governmental activities | 8,857,215 | 1,177,238 | 198,900 | 499,915 |
| Business-Type Activities | | | | |
| Water | 1,218,425 | 1,229,799 | - | - |
| Total business-type activities | 1,218,425 | 1,229,799 | - | - |
| TOTAL PRIMARY GOVERNMENT | \$ 10,075,640 | \$ 2,407,037 | \$ 198,900 | \$ 499,915 |
| COMPONENT UNIT - LIBRARY | \$ 753,790 | \$ 21,105 | \$ 25,310 | \$ - |

| | Net (Expense) Revenue and Change in Net Assets | | | |
|----------------------------|--|-----------------------------|----------------|----------------|
| | Primary Government | | Component Unit | |
| | Governmental Activities | Business-Type Activities | Total | Public Library |
| | \$ (828,665) | \$ - | \$ (828,665) | \$ - |
| | (3,933,077) | - | (3,933,077) | - |
| | (2,131,104) | - | (2,131,104) | - |
| | (88,316) | - | (88,316) | - |
| | (6,981,162) | - | (6,981,162) | - |
| | - | 11,374 | 11,374 | - |
| | - | 11,374 | 11,374 | - |
| | (6,981,162) | 11,374 | (6,969,788) | - |
| | - | - | - | (707,375) |
| General Revenues | | | | |
| Property tax | 2,847,986 | - | 2,847,986 | 782,229 |
| Utility tax | 760,488 | - | 760,488 | - |
| Intergovernmental revenues | | | | |
| Replacement taxes | 52,514 | - | 52,514 | - |
| Sales tax | 2,562,532 | - | 2,562,532 | - |
| Wireless surcharge | 46,935 | - | 46,935 | - |
| Other taxes | 131,294 | - | 131,294 | - |
| Shared income tax | 469,244 | - | 469,244 | - |
| Miscellaneous | 201,805 | 433 | 202,238 | 13,128 |
| Investment income | 18,023 | 2,572 | 20,595 | 651 |
| Total | 7,090,821 | 3,005 | 7,093,826 | 796,008 |
| CHANGE IN NET ASSETS | 109,659 | 14,379 | 124,038 | 88,633 |
| NET ASSETS, MAY 1 | 21,477,547 | 6,070,849 | 27,548,396 | 2,461,120 |
| NET ASSETS, APRIL 30 | \$ 21,587,206 | \$ 6,085,228 | \$ 27,672,434 | \$ 2,549,753 |

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2012

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-----------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and investments | \$ 3,914,007 | \$ 2,443,652 | \$ 6,357,659 |
| Receivables, net | | | |
| Property taxes | 2,483,386 | 435,491 | 2,918,877 |
| Other taxes | 915,634 | 11,109 | 926,743 |
| Other receivables | 266,264 | - | 266,264 |
| Accounts | 25,231 | 7,514 | 32,745 |
| Intergovernmental | 65 | 64,017 | 64,082 |
| Accrued interest | 589 | 41 | 630 |
| Prepaid items | 50,368 | - | 50,368 |
| Inventory | 10,119 | - | 10,119 |
| Due from other funds | 226,970 | - | 226,970 |
| TOTAL ASSETS | \$ 7,892,633 | \$ 2,961,824 | \$ 10,854,457 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 307,551 | \$ 48,785 | \$ 356,336 |
| Accrued payroll | 120,525 | - | 120,525 |
| Other liabilities | 74,060 | - | 74,060 |
| Unearned property taxes | 2,483,386 | 435,491 | 2,918,877 |
| Other unearned revenue | 193,026 | 220,254 | 413,280 |
| Deposits payable | 328,980 | - | 328,980 |
| Due to other funds | - | 58,837 | 58,837 |
| Advance from other funds | - | 243,691 | 243,691 |
| Total liabilities | 3,507,528 | 1,007,058 | 4,514,586 |
| FUND BALANCES | | | |
| Nonspendable prepaid items | 50,368 | - | 50,368 |
| Nonspendable inventory | 10,119 | - | 10,119 |
| Restricted for employee benefits | - | 505,442 | 505,442 |
| Restricted for specific purpose | 3,047 | - | 3,047 |
| Restricted for highways and streets | - | 769 | 769 |
| Restricted for public safety | - | 316,117 | 316,117 |
| Restricted for debt service | - | 13,414 | 13,414 |
| Restricted for capital outlay | - | 741,750 | 741,750 |
| Unrestricted | | | |
| Assigned for debt service | - | 1,245 | 1,245 |
| Assigned for capital outlay | 300,000 | 376,029 | 676,029 |
| Unassigned | 4,021,571 | - | 4,021,571 |
| Total fund balances | 4,385,105 | 1,954,766 | 6,339,871 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 7,892,633 | \$ 2,961,824 | \$ 10,854,457 |

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, 2012

| | |
|---|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 6,339,871 |
| 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 | 18,455,577 |
| Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds | (30,366) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds | |
| Bonds payable | (1,960,955) |
| Notes payable | (45,000) |
| Compensated absences payable | (472,449) |
| Net pension obligation | (291,399) |
| Net other postemployment benefit | (408,073) |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 21,587,206</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, 2012

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|-----------------------------------|--------------------------------|
| REVENUES | | | |
| Property taxes | \$ 2,357,633 | \$ 490,353 | \$ 2,847,986 |
| Other taxes | 3,498,165 | 43,965 | 3,542,130 |
| Licenses, permits and fees | 695,370 | - | 695,370 |
| Intergovernmental | 710,973 | 504,021 | 1,214,994 |
| Charges for services | 363,625 | - | 363,625 |
| Fines and forfeitures | 82,945 | - | 82,945 |
| Interest earned on investments | 15,436 | 2,587 | 18,023 |
| Miscellaneous | 195,653 | 1,542 | 197,195 |
| Total revenues | 7,919,800 | 1,042,468 | 8,962,268 |
| EXPENDITURES | | | |
| Current | | | |
| General government | 1,599,217 | 127,297 | 1,726,514 |
| Police and community service | 3,602,662 | 251,029 | 3,853,691 |
| Public works | 1,871,903 | 525,324 | 2,397,227 |
| Capital outlay | - | 443,737 | 443,737 |
| Debt service | | | |
| Principal | 45,000 | 168,023 | 213,023 |
| Interest | 2,642 | 86,810 | 89,452 |
| Total expenditures | 7,121,424 | 1,602,220 | 8,723,644 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 798,376 | (559,752) | 238,624 |
| OTHER FINANCING SOURCES (USES) | | | |
| Sale of capital assets | 839 | 3,767 | 4,606 |
| Transfers in | 21,276 | 647,807 | 669,083 |
| Transfers (out) | (645,127) | (23,956) | (669,083) |
| Total other financing sources (uses) | (623,012) | 627,618 | 4,606 |
| NET CHANGE IN FUND BALANCES | 175,364 | 67,866 | 243,230 |
| FUND BALANCES, MAY 1 | 4,209,741 | 1,886,900 | 6,096,641 |
| FUND BALANCES, APRIL 30 | \$ 4,385,105 | \$ 1,954,766 | \$ 6,339,871 |

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, 2012

| | |
|--|-------------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ 243,230 |
| 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 | 495,450 |
| Depreciation expense | (686,098) |
| 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 | |
| | (4,947) |
| 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 | 130,000 |
| Notes payable | 83,023 |
| 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 | |
| | (40,438) |
| Interest costs are recognized when paid in governmental funds but when incurred on the statement of activities | |
| | 2,141 |
| The change in the net pension obligation is not a source or use of a financial resource | |
| | 26,582 |
| The change in the net other postemployment benefit is not a source or use of a financial resource | |
| | <u>(138,279)</u> |
| CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 109,659</u> |

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

April 30, 2012

| | |
|---|---------------------|
| CURRENT ASSETS | |
| Cash and cash equivalents | \$ 1,076,656 |
| Receivables | |
| Accounts, net of allowance for uncollectible accounts | <u>290,570</u> |
| Total current assets | <u>1,367,226</u> |
| NONCURRENT ASSETS | |
| Advance to other funds | 243,691 |
| Deferred charges | 63,013 |
| Capital assets, net of accumulated depreciation | <u>6,984,645</u> |
| Total noncurrent assets | <u>7,291,349</u> |
| Total assets | <u>8,658,575</u> |
| CURRENT LIABILITIES | |
| Accounts payable | 45,361 |
| Accrued payroll | 7,664 |
| Accrued interest payable | 30,894 |
| Due to other funds | 168,133 |
| Deposits held | 7,953 |
| Compensated absences payable | 19,780 |
| General Obligation (Alternate Revenue Source) bonds payable | <u>140,000</u> |
| Total current liabilities | <u>419,785</u> |
| NONCURRENT LIABILITIES | |
| Compensated absences payable | 46,071 |
| General Obligation (Alternate Revenue Source) bonds payable | <u>2,107,491</u> |
| Total noncurrent liabilities | <u>2,153,562</u> |
| Total liabilities | <u>2,573,347</u> |
| NET ASSETS | |
| Invested in capital assets, net of related debt | 4,737,154 |
| Unrestricted | <u>1,348,074</u> |
| TOTAL NET ASSETS | <u>\$ 6,085,228</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, 2012

| | |
|--|--------------|
| OPERATING REVENUES | |
| Water sales | \$ 1,210,099 |
| Meter sales | 2,800 |
| Tap-on and connection fees | 16,900 |
| Miscellaneous | 433 |
| | <hr/> |
| Total operating revenues | 1,230,232 |
| | <hr/> |
| OPERATING EXPENSES | |
| Administrative and finance | 393,841 |
| Water purchases | 522,084 |
| Depreciation | 250,885 |
| | <hr/> |
| Total operating expenses | 1,166,810 |
| | <hr/> |
| OPERATING INCOME | 63,422 |
| | <hr/> |
| NONOPERATING REVENUES (EXPENSES) | |
| Interest earned on investments | 2,572 |
| Interest expense | (51,615) |
| | <hr/> |
| Total nonoperating revenues (expenses) | (49,043) |
| | <hr/> |
| CHANGE IN NET ASSETS | 14,379 |
| | <hr/> |
| NET ASSETS, MAY 1 | 6,070,849 |
| | <hr/> |
| NET ASSETS, APRIL 30 | \$ 6,085,228 |
| | <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, 2012

| | |
|---|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers | \$ 1,199,410 |
| Payments to suppliers | (627,198) |
| Payments to employees | (268,438) |
| | <hr/> |
| Net cash from operating activities | 303,774 |
| | <hr/> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Increase in due to other funds | 125,614 |
| Decrease in advance to other funds | (7,500) |
| | <hr/> |
| Net cash from noncapital financing activities | 118,114 |
| | <hr/> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest received | 2,570 |
| | <hr/> |
| Net cash from investing activities | 2,570 |
| | <hr/> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | |
| Purchase of capital assets | (482,098) |
| | |
| Payments of principal | (130,000) |
| Interest and fiscal charges paid on capital debt | (99,790) |
| | <hr/> |
| Net cash from capital and related financing activities | (711,888) |
| | <hr/> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (287,430) |
| | |
| CASH AND CASH EQUIVALENTS, MAY 1 | 1,364,086 |
| | <hr/> |
| CASH AND CASH EQUIVALENTS, APRIL 30 | \$ 1,076,656 |
| | <hr/> <hr/> |

(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, 2012

| | |
|--|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Operating income | \$ 63,422 |
| Adjustments to reconcile operating income to net cash from operating activities | |
| Depreciation | 250,885 |
| (Increase) decrease in Receivables | (30,432) |
| Increase (decrease) in Accounts payable | (5,653) |
| Deposits payable | (390) |
| Accrued payroll | 984 |
| Compensated absences payable | 24,958 |
| | <hr/> |
| NET CASH FROM OPERATING ACTIVITIES | <u><u>\$ 303,774</u></u> |

See accompanying notes to financial statements.

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

April 30, 2012

| | <u>Police Pension Fund</u> |
|------------------------------------|------------------------------------|
| ASSETS | |
| Cash | \$ 795,190 |
| Investments (at fair value) | |
| Certificates of deposit | 1,200,000 |
| U.S. Government obligations | 1,614,125 |
| Mutual funds | 3,537,402 |
| Accrued interest receivable | <u>16,344</u> |
| Total assets | <u>7,163,061</u> |
| LIABILITIES | |
| Accounts payable | <u>1,100</u> |
| Total liabilities | <u>1,100</u> |
| NET ASSETS | |
| Held in trust for pension benefits | <u>7,161,961</u> |
| TOTAL NET ASSETS | <u><u>\$ 7,161,961</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, 2012

| | |
|--|----------------------------|
| ADDITIONS | |
| Contributions | |
| Employer | \$ 496,129 |
| Plan members | <u>112,934</u> |
| Total contributions | <u>609,063</u> |
| Investment income | |
| Net depreciation in fair value of investments | (51,212) |
| Interest | <u>123,389</u> |
| Total investment income | 72,177 |
| Less investment expense | <u>(22,942)</u> |
| Net investment income | <u>49,235</u> |
| Total additions | <u>658,298</u> |
| DEDUCTIONS | |
| Pension benefits and refunds | 588,624 |
| Administrative expenses | <u>19,034</u> |
| Total deductions | <u>607,658</u> |
| NET INCREASE | 50,640 |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | |
| May 1 | <u>7,111,321</u> |
| April 30 | <u><u>\$ 7,161,961</u></u> |

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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April 30, 2012

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VILLAGE OF LAKE BLUFF, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2012

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). 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 Financial Accounting Standards Board (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 (FIFO) 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.

m. Fund Balances/Net Assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balances/Net Assets (Continued)

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

The Village has established a fund balance policy for its general fund unassigned fund balance. The policy establishes a target for unassigned fund balance to be maintained in the general fund equivalent at 30% of budgeted operating expenditures, which is reported as unassigned fund balance in the general fund.

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

In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. 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. None of the Village's net assets are restricted as a result of enabling legislation adopted by the Village.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2011 on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are issued on or about May 1 and August 1 and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically. Based upon collection histories, the Village has not provided an allowance for uncollectible property taxes at April 30, 2012. These 2011 taxes are intended to finance the 2013 fiscal year and are not considered available or earned for current operations and are, therefore, reported as deferred/unearned revenue. The 2012 tax levy has not been recorded as a receivable at April 30, 2012, as the tax attached as a lien on property as of January 1, 2012; however, the tax will not be levied until December 2012 and, accordingly, is not measurable at April 30, 2012.

3. CASH AND INVESTMENTS

State statutes and the Village's investment policy authorize the Village to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States 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.

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

3. CASH AND INVESTMENTS (Continued)

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 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, 2012:

| Investment Type | Fair Value | Investment Maturities in Years | | | |
|-----------------|------------|--------------------------------|------|------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| Negotiable CDs | \$ 250,000 | \$ 250,000 | \$ - | \$ - | \$ - |
| TOTAL | \$ 250,000 | \$ 250,000 | \$ - | \$ - | \$ - |

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.

3. CASH AND INVESTMENTS (Continued)

Village Investments (Continued)

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

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

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

Police Pension Fund Investments

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

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

3. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments (Continued)

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2012:

| Investment Type | Fair Value | Investment Maturities in Years | | | |
|-----------------|---------------------|--------------------------------|---------------------|-------------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| FHLB | \$ 543,187 | \$ - | \$ 543,187 | \$ - | \$ - |
| FHLMC | 106,555 | - | 106,555 | - | - |
| FNMA | 558,322 | 77,588 | 480,734 | - | - |
| FFCB | 406,061 | 378,841 | 27,220 | - | - |
| Negotiable CDs | 1,200,000 | 1,100,000 | 100,000 | - | - |
| TOTAL | \$ 2,814,125 | \$ 1,556,429 | \$ 1,257,696 | \$ - | \$ - |

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

In accordance with its investment policy the Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government 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% |

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

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2012 was as follows:

| | Balances May 1 | Additions | Disposals | Balances April 30 |
|---|----------------------|---------------------|-----------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| 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 | 145,548 | - | 5,663,219 |
| Equipment | 5,095,023 | 307,360 | 99,428 | 5,302,955 |
| Infrastructure | 16,631,362 | 42,542 | 4,182 | 16,669,722 |
| Total capital assets being depreciated | 27,244,056 | 495,450 | 103,610 | 27,635,896 |
| Less accumulated depreciation for | | | | |
| Buildings and improvements | 2,136,280 | 124,593 | - | 2,260,873 |
| Equipment | 2,970,965 | 310,870 | 98,663 | 3,183,172 |
| Infrastructure | 5,770,616 | 250,635 | - | 6,021,251 |
| Total accumulated depreciation | 10,877,861 | 686,098 | 98,663 | 11,465,296 |
| Total capital assets being depreciated, net | 16,366,195 | (190,648) | 4,947 | 16,170,600 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 18,651,172 | \$ (190,648) | \$ 4,947 | \$ 18,455,577 |

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

| | |
|---|-------------------|
| GOVERNMENTAL ACTIVITIES | |
| General government | \$ 23,369 |
| Public safety | 238,795 |
| Public works | 423,934 |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | \$ 686,098 |

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

4. CAPITAL ASSETS (Continued)

| | Balances May 1 | Increases | Decreases | Balances April 30 |
|---|-------------------|------------|-----------|----------------------|
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital assets being depreciated | | | | |
| Water systems/lines | \$ 8,890,563 | \$ 274,159 | \$ - | \$ 9,164,722 |
| Water tower | 1,609,375 | 207,939 | - | 1,817,314 |
| Vehicles | 101,345 | - | - | 101,345 |
| Total capital assets being depreciated | 10,601,283 | 482,098 | - | 11,083,381 |
| Less accumulated depreciation for | | | | |
| Water system/lines | 3,009,253 | 195,028 | - | 3,204,281 |
| Water tower | 764,782 | 49,004 | - | 813,786 |
| Vehicles | 73,816 | 6,853 | - | 80,669 |
| Total accumulated depreciation | 3,847,851 | 250,885 | - | 4,098,736 |
| Total capital assets being depreciated, net | 6,753,432 | 231,213 | - | 6,984,645 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | | | | |
| | \$ 6,753,432 | \$ 231,213 | \$ - | \$ 6,984,645 |

5. RISK MANAGEMENT

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

Intergovernmental Risk Management Agency (IRMA)

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

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

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

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

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

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, 2012.

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

6. LEASE AND MAINTENANCE OBLIGATIONS

Commuter Station

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

7. LONG-TERM DEBT

A summary of changes in long-term debt reported in the governmental activities of the Village for the year ended April 30, 2012 is as follows:

a. Governmental Activities

| Issue | Fund Debt Retired by | Balances May 1 | Issuances | Retirements | Balances April 30 | 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 | \$ 90,000 | \$ - | \$ 45,000 | \$ 45,000 | \$ 45,000 |

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

7. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

| Issue | Fund Debt Retired by | Balances May 1 | Issuances | Retirements | Balances April 30 | Current Portion |
|---|---------------------------------------|---------------------|-------------------|-------------------|----------------------|--------------------|
| \$350,000 Note Payable dated February 13, 2007, due in semiannual 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 | \$ 38,023 | \$ - | \$ 38,023 | \$ - | \$ - |
| Total notes payable | | 128,023 | - | 83,023 | 45,000 | 45,000 |
| 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 | - | 130,000 | 1,970,000 | 185,000 |
| Less deferred amounts for issuance discounts | | (10,050) | - | (1,005) | (9,045) | - |
| Compensated absences | General | 432,011 | 468,790 | 428,352 | 472,449 | 117,440 |
| Net Pension obligation | General | 317,981 | - | 26,582 | 291,399 | - |
| Net other postemployment benefit obligation | General | 269,794 | 138,279 | - | 408,073 | - |
| TOTAL GOVERNMENTAL ACTIVITIES | | <u>\$ 3,237,759</u> | <u>\$ 607,069</u> | <u>\$ 666,952</u> | <u>\$ 3,177,876</u> | <u>\$ 347,440</u> |

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

7. LONG-TERM DEBT (Continued)

b. Business-Type Activities

| Issue | Fund Debt Retired by | Balances May 1 | Issuances | Retirements/ Refunding | Balances April 30 | 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 | \$ 2,355,000 | \$ - | \$ 2,225,000 | \$ 130,000 | \$ 130,000 |
| \$2,185,000 General Obligation Refunding Bonds (Alternate Revenue Source), due in annual installments of \$10,000 to \$210,000 through December 15, 2024 plus interest at 2.00% to 3.50% | Waterworks | - | 2,185,000 | - | 2,185,000 | 10,000 |
| Compensated absences | Waterworks | 40,893 | 52,812 | 27,854 | 65,851 | 19,780 |
| Unamortized premium | Waterworks | - | 65,693 | 2,737 | 62,956 | - |
| Unamortized loss on refunding | Waterworks | - | (136,137) | (5,672) | (130,465) | - |
| TOTAL BUSINESS-TYPE ACTIVITIES | | <u>\$ 2,395,893</u> | <u>\$ 2,167,368</u> | <u>\$ 2,249,919</u> | <u>\$ 2,313,342</u> | <u>\$ 159,780</u> |

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 |
| 2013 | \$ 185,000 | \$ 80,894 | \$ 140,000 | \$ 73,864 |
| 2014 | 195,000 | 73,586 | 155,000 | 59,944 |
| 2015 | 200,000 | 65,786 | 165,000 | 56,844 |
| 2016 | 210,000 | 57,686 | 165,000 | 53,544 |
| 2017 | 220,000 | 49,181 | 170,000 | 50,244 |
| 2018 | 225,000 | 40,161 | 170,000 | 46,844 |
| 2019 | 235,000 | 30,880 | 180,000 | 42,594 |
| 2020 | 245,000 | 21,128 | 180,000 | 37,644 |

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

7. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity (Continued)

| Fiscal Year Ending April 30, | Governmental Activities | | Business-Type Activities | |
|---------------------------------------|-------------------------|-------------------|--------------------------|-------------------|
| | Principal | Interest | Principal | Interest |
| 2021 | \$ 255,000 | \$ 12,836 | \$ 185,000 | \$ 32,469 |
| 2022 | - | - | 190,000 | 26,688 |
| 2023 | - | - | 200,000 | 20,512 |
| 2024 | - | - | 205,000 | 14,011 |
| 2025 | - | - | 210,000 | 7,350 |
| TOTAL | \$ 1,970,000 | \$ 432,138 | \$ 2,315,000 | \$ 522,552 |

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

| Fiscal Year Ending April 30, | Governmental Activities | |
|---------------------------------------|-------------------------|---------------|
| | Principal | Interest |
| 2013 | \$ 45,000 | \$ 881 |
| TOTAL | \$ 45,000 | \$ 881 |

8. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transactions

Due from/to other funds at April 30, 2012 consist of the following:

| Receivable Fund | Payable Fund | Amount |
|-----------------|-----------------------|-------------------|
| General | Water | \$ 168,133 |
| General | Nonmajor Governmental | 58,837 |
| TOTAL | | \$ 226,970 |

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

- \$168,133 owed to the General Fund from the Water Fund is for interfund operations. Repayment is expected within one year.
- \$58,837 owed to the General Fund from the Nonmajor Governmental Funds for interfund operations. Repayment is expected within one year.

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

8. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Advances To/From Other Funds

Advances to/from other funds at April 30, 2012 consist of the following:

| Receivable Fund | Payable Fund | Amount |
|-----------------|--|-------------------|
| Water | Vehicle/Equipment Replacement (Nonmajor governmental) | \$ 243,691 |
| TOTAL | | <u>\$ 243,691</u> |

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

- \$243,691 owed to the Vehicle/Equipment Replacement Fund from the Water Fund is for future vehicle replacements. Repayment is not expected within one year.

c. Transfers

Transfers between funds during the year were as follows:

| Fund | Transfers In | Transfers Out |
|-----------------------|-------------------|-------------------|
| General | \$ 21,276 | \$ 645,127 |
| Nonmajor governmental | 647,807 | 23,956 |
| TOTAL ALL FUNDS | <u>\$ 669,083</u> | <u>\$ 669,083</u> |

The purpose of significant transfers are as follows:

- \$18,229 was transferred to the General Fund from the Nonmajor Governmental Funds (E-911 Fund) for salary reimbursements. This transfer will not be repaid.
- \$645,127 was transferred to the Nonmajor Governmental Funds from the General Fund. \$165,000 was transferred to the Vehicle/Equipment Replacement Fund for the replacement of vehicles. \$215,964 was transferred to the 2006 General Obligation Bond Fund for funding of nonproperty tax debt and \$264,163 was transferred to the Motor Fuel Tax Fund to provide supplemental funding for the street repaving project.

9. COMMITMENTS AND CONTINGENCIES

a. Litigation

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

b. Construction Contracts

The value of purchase commitments for capital assets at April 30, 2012 is \$664,767.

c. Grants

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

10. JOINT VENTURES

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

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

The members of CLCJAWA as of April 30, 2012 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)

10. JOINT VENTURES (Continued)

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

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 \$522,084 to CLCJAWA for fiscal year 2012, which is recorded in the Village's Water Fund.

10. 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, 2012, 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 SWALCO, 1311 N. Estes Street, Gurnee, Illinois 60031.

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

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

10. 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, 2012.

11. DEFINED BENEFIT PENSION PLANS

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

11. 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 2011 and 2012 were 10.98% and 11.99%, 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

At April 30, 2012, the Police Pension Plan membership consisted of:

| | |
|--|----------------------|
| Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them | 13 |
| Current employees | |
| Vested | 11 |
| Nonvested | <u>2</u> |
| TOTAL | <u><u>26</u></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 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the preceding calendar year.

11. 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, 2012, the Village's contribution was 44.27% 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)

11. 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, 2009 | April 30, 2011 |
| Actuarial cost method | Entry-age Normal | Entry-age Normal |
| Asset valuation method | 5 Year Smoothed Market | 5 Year Smoothed Market |
| Amortization method | Level Percentage of Payroll | Level Percentage of Payroll |
| Amortization period | 30 Years, Open | 23 Years, Closed |
| Significant actuarial assumptions | | |
| a) Rate of return on present and future assets | 7.50% Compounded Annually | 7.25% Compounded Annually |
| b) Projected salary increase - attributable to inflation | 4.00% Compounded Annually | 2.50% Compounded Annually |
| c) Additional projected salary increases - seniority/merit | .40% to 10.00% | 1.12% to 4.86% |

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

d. Annual Pension Costs (Continued)

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

| | | Illinois Municipal Retirement | Police Pension |
|-------------------------------|------|-------------------------------------|-------------------|
| Annual pension cost (APC) | 2010 | \$ 260,491 | \$ 463,084 |
| | 2011 | 257,778 | 428,641 |
| | 2012 | 225,785 | 469,547 |
| Actual contribution | 2010 | \$ 260,491 | \$ 423,637 |
| | 2011 | 257,778 | 440,214 |
| | 2012 | 225,785 | 496,129 |
| Percentage of APC contributed | 2010 | 100.00% | 91.48% |
| | 2011 | 100.00% | 102.70% |
| | 2012 | 100.00% | 105.66% |
| Net pension obligation (NPO) | 2010 | \$ - | \$ 329,554 |
| | 2011 | - | 317,981 |
| | 2012 | - | 291,399 |

The APC and NPO for the Police Pension Fund has been calculated as of April 30, 2012:

| | |
|---|--------------------------|
| Annual required contribution | \$ 462,791 |
| Interest on net pension obligation | 23,054 |
| Adjustment to annual required contribution | <u>(16,298)</u> |
| Annual pension cost | 469,547 |
| Contributions made | <u>496,129</u> |
| Increase (decrease) in net pension obligation (asset) | (26,582) |
| Net pension obligation (asset), beginning of year | <u>317,981</u> |
| NET PENSION OBLIGATION (ASSET), END OF YEAR | <u><u>\$ 291,399</u></u> |

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

e. Funded Status

The funded status of the plans as of April 30, 2012 (December 31, 2011 for IMRF), based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 11-d:

| | Illinois Municipal Retirement | Police Pension |
|---|-------------------------------------|-------------------|
| Actuarial accrued liability (AAL) | \$ 5,591,537 | \$ 12,831,728 |
| Actuarial value of plan assets | 4,187,430 | 6,945,917 |
| Unfunded actuarial accrued liability (UAAL) | 1,404,107 | 5,885,811 |
| Funded ratio (actuarial value of plan assets/AAL) | 74.89% | 54.13% |
| Covered payroll (active plan members) | \$ 1,997,108 | \$ 1,120,790 |
| UAAL as a percentage of covered payroll | 70.31% | 525.15% |

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

12. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

12. 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 were as follows:

| 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% | 262,794 |
| April 30, 2012 | 177,908 | 26,921 | 15.13% | 445,576 |

* Village's contribution portion was \$19,576; Library's contribution portion was \$7,345. Village's Net OPEB Obligation was \$408,073; Library's Net OPEB Obligation was \$37,503.

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

The net OPEB obligation as of April 30, 2012 was calculated as follows:

| | |
|--|--------------------------|
| Annual required contribution | \$ 172,998 |
| Interest on net OPEB obligation | 14,729 |
| Adjustment to annual required contribution | <u>(9,820)</u> |
| Annual OPEB cost | 177,908 |
| Contributions made | <u>26,921</u> |
| Increase in net OPEB obligation | 150,987 |
| Net OPEB obligation, beginning of year | <u>294,589</u> |
| NET OPEB OBLIGATION, END OF YEAR | <u>\$ 445,576</u> |

* Includes Library portion of the Net OPEB Obligation of \$37,503 and Library ARC of \$19,640.

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) | \$ 1,508,932 |
| Actuarial value of plan assets | - |
| Unfunded actuarial accrued liability (UAAL) | 1,508,932 |
| Funded ratio (actuarial value of plan assets/AAL) | 0.0% |
| Covered payroll (active plan members) | \$ 2,745,912 |
| UAAL as a percentage of covered payroll | 54.95% |

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB 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 an open basis. The remaining amortization period at April 30, 2012 was 30 years.

13. SUBSEQUENT EVENTS

On September 14, 2012, the Village issued \$1,685,000 General Obligation Refunding Bonds, Series 2012 to advance refund the 2006 General Obligation Bonds.

14. COMPONENT UNIT - LAKE BLUFF PUBLIC LIBRARY

a. Financial Information

Financial statements for the Lake Bluff Public Library (the Library), including government-wide and fund financial statements, are available in the Library's separately audited financial statements as of April 30, 2012, 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.

14. 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

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.

14. 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 2011 attach as an enforceable lien on January 1, 2011, 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, 2012 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)

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

d. Capital Assets

Capital asset activity for the year ended April 30, 2012 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|-------------------|------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 347,445 | \$ - | \$ - | \$ 347,445 |
| Construction in progress | 27,945 | - | 27,945 | - |
| Total capital assets not being depreciated | 375,390 | - | 27,945 | 347,445 |
| Capital assets being depreciated | | | | |
| Buildings | 1,618,089 | 233,791 | - | 1,851,880 |
| Equipment | 105,357 | 122,544 | - | 227,901 |
| Books | 779,403 | 96,548 | 114,898 | 761,053 |
| Total capital assets being depreciated | 2,502,849 | 452,883 | 114,898 | 2,840,834 |
| Less accumulated depreciation for | | | | |
| Buildings | 613,524 | 45,134 | - | 658,658 |
| Equipment | 46,778 | 13,764 | - | 60,542 |
| Books | 347,842 | 71,420 | 97,648 | 321,614 |
| Total accumulated depreciation | 1,008,144 | 130,318 | 97,648 | 1,040,814 |
| Total capital assets being depreciated, net | 1,494,705 | 322,565 | 17,250 | 1,800,020 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | | | | |
| | <u>\$ 1,870,095</u> | <u>\$ 322,565</u> | <u>\$ 45,195</u> | <u>\$ 2,147,465</u> |

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 | \$ 24,795 | \$ 12,708 | \$ - | \$ 37,503 | \$ - |

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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|---------------------|-----------------------------|
| REVENUES | | | |
| Property taxes | \$ 2,341,514 | \$ 2,357,633 | \$ 16,119 |
| Other taxes | 3,698,549 | 3,498,165 | (200,384) |
| Licenses, permits and fees | 735,272 | 695,370 | (39,902) |
| Intergovernmental grants and reimbursements | 1,433,190 | 710,973 | (722,217) |
| Charges for services | 363,270 | 363,625 | 355 |
| Fines and forfeitures | 71,565 | 82,945 | 11,380 |
| Interest earned on investments | 10,350 | 15,436 | 5,086 |
| Miscellaneous | 44,180 | 195,653 | 151,473 |
| Total revenues | 8,697,890 | 7,919,800 | (778,090) |
| EXPENDITURES | | | |
| Current | | | |
| General government | 1,915,978 | 1,599,217 | (316,761) |
| Public safety | 3,698,764 | 3,602,662 | (96,102) |
| Public works | 2,761,245 | 1,871,903 | (889,342) |
| Debt service | | | |
| Principal | 45,000 | 45,000 | - |
| Interest | 2,642 | 2,642 | - |
| Total expenditures | 8,423,629 | 7,121,424 | (1,302,205) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 274,261 | 798,376 | 524,115 |
| OTHER FINANCING SOURCES (USES) | | | |
| Sale of capital assets | 1,500 | 839 | (661) |
| Transfers in | 18,130 | 21,276 | 3,146 |
| Transfers (out) | (703,964) | (645,127) | 58,837 |
| Total other financing sources (uses) | (684,334) | (623,012) | 61,322 |
| NET CHANGE IN FUND BALANCE | <u>\$ (410,073)</u> | 175,364 | <u>\$ 585,437</u> |
| FUND BALANCE, MAY 1 | | <u>4,209,741</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ 4,385,105</u> | |

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2012

Schedule of Funding Progress

| Actuarial Valuation Date December 31, | (1) Actuarial Value of Assets | (2) Actuarial Accrued 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) |
|--|--|--|-------------------------------------|---|---------------------------|--|
| 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% |
| 2011 | 4,187,430 | 5,591,537 | 74.89% | 1,404,107 | 1,997,108 | 70.31% |

Schedule of Employer Contribution

| Fiscal Year | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed |
|----------------|---------------------------|---|---------------------------|
| 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% |
| 2012 | 225,785 | 225,785 | 100.00% |

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
POLICE PENSION FUND

April 30, 2012

Schedule of Funding Progress

| 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) |
|---|--|---|-------------------------------------|---|---------------------------|--|
| 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% |
| 2012 | 6,945,917 | 12,831,728 | 54.13% | 5,885,811 | 1,120,790 | 525.15% |

Schedule of Employer Contribution

| Fiscal Year | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed | Net Pension Obligation/ (Asset) |
|----------------|---------------------------|---|---------------------------|--|
| 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 |
| 2012 | 496,129 | 462,791 | 107.20% | 291,399 |

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2012

Schedule of Funding Progress

| 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 |
| 2012 | N/A | N/A | N/A | N/A | N/A | N/A |

Schedule of Employer Contribution

| Fiscal Year | Employer Contributions | Annual Required Contribution (ARC) | Percentage Contributed | Net Other Postemployment Benefit Plan Obligation |
|----------------|---------------------------|---|---------------------------|--|
| 2010 | \$ 19,576 | \$ 153,358 | 12.76% | \$ 133,782 |
| 2011 | 19,576 | 153,358 | 12.76% | 269,794 |
| 2012 | 19,576 | 153,358 | 12.76% | 408,073 |

N/A - Information not available

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

Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2012

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, 2012. There were no additional budget modifications.
- e. Budgets have been adopted for the general, special revenue, debt service (except the Special Service Area Bond Fund), 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

**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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|-----------------------------------|---------------------------------|------------|-----------------------------|
| REVENUES | | | |
| Taxes | | | |
| Property taxes | | | |
| General | \$ 529,414 | \$ 531,215 | \$ 1,801 |
| Waste disposal | 396,430 | 396,952 | 522 |
| Police protection | 324,940 | 326,902 | 1,962 |
| Crossing guards | 5,050 | 5,838 | 788 |
| Fire protection | 286,730 | 291,146 | 4,416 |
| Audit | 21,450 | 23,350 | 1,900 |
| Unemployment | 5,000 | 5,838 | 838 |
| Police pension | 490,000 | 490,353 | 353 |
| Liability insurance | 282,500 | 286,039 | 3,539 |
| Total property taxes | 2,341,514 | 2,357,633 | 16,119 |
| Other taxes | | | |
| Home rule sales tax | 655,000 | 551,856 | (103,144) |
| Sales tax sharing - North Chicago | 11,254 | 14,362 | 3,108 |
| Prepared food and beverage tax | 64,800 | 53,062 | (11,738) |
| Utility tax - natural gas | 193,050 | 146,944 | (46,106) |
| Utility tax - electricity | 328,000 | 323,460 | (4,540) |
| Telecommunications tax | 282,070 | 290,084 | 8,014 |
| Demolition tax | 10,000 | 10,250 | 250 |
| Road and bridge | 65,020 | 67,983 | 2,963 |
| Personal property replacement tax | 34,440 | 38,073 | 3,633 |
| Replacement tax - police pension | 5,220 | 5,777 | 557 |
| Sales tax | 2,042,620 | 1,987,841 | (54,779) |
| Sales tax - auto rental | 7,075 | 8,473 | 1,398 |
| Total other taxes | 3,698,549 | 3,498,165 | (200,384) |
| Total taxes | 6,040,063 | 5,855,798 | (184,265) |
| Licenses, permits and fees | | | |
| Beverage licenses | 15,000 | 15,645 | 645 |
| Farmers' market permit | 5,325 | 9,008 | 3,683 |
| Vehicle license fees | 138,200 | 134,822 | (3,378) |
| Vehicle licenses - late fees | 1,500 | 1,995 | 495 |
| Village lot parking fees | 7,000 | 8,300 | 1,300 |

(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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|----------------|-----------------------------|
| REVENUES (Continued) | | | |
| Licenses, permits and fees (Continued) | | | |
| Central business district (CBD) parking permits | \$ 500 | \$ 1,275 | \$ 775 |
| Commuter lot parking fees | 63,600 | 55,935 | (7,665) |
| Contractor's business license | 28,407 | 25,850 | (2,557) |
| Business license | 3,500 | 3,400 | (100) |
| Building permits | 306,000 | 270,447 | (35,553) |
| Demolition permits | 19,620 | 8,565 | (11,055) |
| Electrical, plumbing, heating and air conditioning | 5,400 | 10,367 | 4,967 |
| Plan review fees - fire and building | 500 | - | (500) |
| Plan review fees - sprinkler | 950 | 3,550 | 2,600 |
| Plan review fees - elevator | 500 | 400 | (100) |
| Occupancy permits | 7,000 | 3,700 | (3,300) |
| Business occupancy permits | 500 | 400 | (100) |
| Street opening permits | 5,000 | 5,815 | 815 |
| Sewer permits | 500 | 1,800 | 1,300 |
| Other permits | 3,200 | 2,310 | (890) |
| Alarm system license | 8,510 | 9,150 | 640 |
| Telecom franchise fees | 12,000 | 9,285 | (2,715) |
| PEG access fees | 17,000 | 23,671 | 6,671 |
| Cable franchise fees | 85,560 | 89,680 | 4,120 |
| Total licenses, permits and fees | 735,272 | 695,370 | (39,902) |
| Intergovernmental | | | |
| State income taxes | 445,000 | 469,244 | 24,244 |
| Federal grants | 988,190 | 240,953 | (747,237) |
| State grants | - | 776 | 776 |
| Total intergovernmental | 1,433,190 | 710,973 | (722,217) |
| Charges for services | | | |
| Public works | | | |
| Sewer charge | 185,440 | 182,817 | (2,623) |
| Stormwater ordinance review | 1,000 | 600 | (400) |
| Public safety | | | |
| Fire protection district and police services | 27,980 | 26,402 | (1,578) |

(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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|----------------------------------|---------------------------------|--------------|-----------------------------|
| REVENUES (Continued) | | | |
| Charges for services (Continued) | | | |
| General government | | | |
| Photo copy sales | \$ 750 | \$ 623 | \$ (127) |
| Maps and publications | 100 | 45 | (55) |
| Other services | 1,000 | - | (1,000) |
| Zoning application fees | 4,000 | 1,200 | (2,800) |
| Rental income | 143,000 | 151,938 | 8,938 |
| | <hr/> | | |
| Total charges for services | 363,270 | 363,625 | 355 |
| <hr/> | | | |
| Fines and forfeitures | | | |
| Public safety | | | |
| Court fines | 46,140 | 51,294 | 5,154 |
| Alarm system fines | 1,250 | 1,450 | 200 |
| Parking fines | 15,000 | 25,236 | 10,236 |
| Vehicle sticker fines | 550 | 1,830 | 1,280 |
| Miscellaneous penalties | 750 | - | (750) |
| Nuisances fines | 3,850 | 1,325 | (2,525) |
| Animal impoundment fee | 525 | 460 | (65) |
| General government | | | |
| Other fines/building code fines | 3,500 | 1,350 | (2,150) |
| | <hr/> | | |
| Total fines and forfeitures | 71,565 | 82,945 | 11,380 |
| <hr/> | | | |
| Interest earned on investments | 10,350 | 15,436 | 5,086 |
| <hr/> | | | |
| Miscellaneous | | | |
| Police training refunds | 1,000 | - | (1,000) |
| Contributions/donations | - | 11,954 | 11,954 |
| Tree sharing program | 1,000 | - | (1,000) |
| Recycling rebates | 7,010 | 28,006 | 20,996 |
| Tree permit and mitigation fee | 3,670 | 12,598 | 8,928 |
| Miscellaneous income | 1,500 | 87,179 | 85,679 |
| Police application fee | - | 1,210 | 1,210 |
| IRMA rebate | 30,000 | 54,706 | 24,706 |
| | <hr/> | | |
| Total miscellaneous | 44,180 | 195,653 | 151,473 |
| <hr/> | | | |
| TOTAL REVENUES | \$ 8,697,890 | \$ 7,919,800 | \$ (778,090) |

(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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|------------------|-----------------------------|
| GENERAL GOVERNMENT | | | |
| Administrator's office | | | |
| Personnel | \$ 372,800 | \$ 362,254 | \$ (10,546) |
| Contractual services/commodities | 503,800 | 409,440 | (94,360) |
| Contingency | 190,250 | - | (190,250) |
| Total administrator's office | <u>1,066,850</u> | <u>771,694</u> | <u>(295,156)</u> |
| Finance department | | | |
| Personnel | 294,875 | 294,664 | (211) |
| Contractual services/commodities | 88,260 | 85,788 | (2,472) |
| Total finance department | <u>383,135</u> | <u>380,452</u> | <u>(2,683)</u> |
| Boards and commissions | | | |
| Contractual services/commodities | 53,638 | 45,307 | (8,331) |
| Capital outlay | - | 5,317 | 5,317 |
| Total boards and commissions | <u>53,638</u> | <u>50,624</u> | <u>(3,014)</u> |
| Engineering, zoning and building | | | |
| Personnel | 170,410 | 170,138 | (272) |
| Contractual services/commodities | 140,240 | 83,656 | (56,584) |
| Total engineering, zoning and building | <u>310,650</u> | <u>253,794</u> | <u>(56,856)</u> |
| Village hall | | | |
| Personnel | 24,330 | 24,549 | 219 |
| Contractual services/commodities | 11,675 | 16,270 | 4,595 |
| Capital outlay | 62,500 | 98,804 | 36,304 |
| Total village hall | <u>98,505</u> | <u>139,623</u> | <u>41,118</u> |
| Village properties | | | |
| Contractual services/commodities | 3,200 | 3,030 | (170) |
| Total village properties | <u>3,200</u> | <u>3,030</u> | <u>(170)</u> |
| Total general government | <u>1,915,978</u> | <u>1,599,217</u> | <u>(316,761)</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|----------------------------------|---------------------------------|------------------|-----------------------------|
| PUBLIC SAFETY | | | |
| Police protection | | | |
| Personnel | \$ 1,811,694 | \$ 1,747,044 | \$ (64,650) |
| Police pension contribution | 495,220 | 496,129 | 909 |
| Contractual services/commodities | 162,400 | 158,165 | (4,235) |
| Capital outlay | - | 11,139 | 11,139 |
| Total police protection | <u>2,469,314</u> | <u>2,412,477</u> | <u>(56,837)</u> |
| Police dispatch and operations | | | |
| Personnel | 448,905 | 372,472 | (76,433) |
| Contractual services/commodities | 32,450 | 93,758 | 61,308 |
| Capital outlay | 13,000 | - | (13,000) |
| Total police dispatch operations | <u>494,355</u> | <u>466,230</u> | <u>(28,125)</u> |
| Crossing guards | | | |
| Personnel | 9,200 | 11,064 | 1,864 |
| Commodities | 200 | 86 | (114) |
| Total crossing guards | <u>9,400</u> | <u>11,150</u> | <u>1,750</u> |
| Fire protection | | | |
| Personnel | 170,725 | 170,195 | (530) |
| Contractual services/commodities | 331,450 | 329,566 | (1,884) |
| Capital outlay | 145,000 | 134,610 | (10,390) |
| Total fire protection | <u>647,175</u> | <u>634,371</u> | <u>(12,804)</u> |
| Public safety buildings | | | |
| Personnel | 23,820 | 24,549 | 729 |
| Contractual services/commodities | 30,700 | 46,175 | 15,475 |
| Capital outlay | 24,000 | 7,710 | (16,290) |
| Total public safety buildings | <u>78,520</u> | <u>78,434</u> | <u>(86)</u> |
| Total public safety | <u>3,698,764</u> | <u>3,602,662</u> | <u>(96,102)</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|----------------------------------|---------------------------------|------------|-----------------------------|
| PUBLIC WORKS | | | |
| Streets and bridges | | | |
| Personnel | \$ 347,810 | \$ 316,293 | \$ (31,517) |
| Contractual services/commodities | 124,625 | 119,841 | (4,784) |
| Capital outlay | 130,540 | 86,768 | (43,772) |
| Total streets and bridges | 602,975 | 522,902 | (80,073) |
| Sanitation | | | |
| Personnel | 27,000 | 24,919 | (2,081) |
| Contractual services/commodities | 561,365 | 582,598 | 21,233 |
| Total sanitation | 588,365 | 607,517 | 19,152 |
| Forestry | | | |
| Personnel | 90,538 | 71,171 | (19,367) |
| Contractual services/commodities | 34,600 | 34,170 | (430) |
| Capital outlay | 7,000 | 165 | (6,835) |
| Total forestry | 132,138 | 105,506 | (26,632) |
| Parks and parkways | | | |
| Personnel | 34,067 | 52,165 | 18,098 |
| Contractual services/commodities | 27,050 | 22,343 | (4,707) |
| Capital outlay | 808,900 | 79,660 | (729,240) |
| Total parks and parkways | 870,017 | 154,168 | (715,849) |
| Street lighting | | | |
| Personnel | 20,900 | 21,591 | 691 |
| Contractual services/commodities | 71,200 | 56,379 | (14,821) |
| Total street lighting | 92,100 | 77,970 | (14,130) |
| Sewers | | | |
| Personnel | 137,025 | 137,393 | 368 |
| Contractual services/commodities | 34,450 | 43,961 | 9,511 |
| Capital outlay | 117,000 | 18,898 | (98,102) |
| Total sewers | 288,475 | 200,252 | (88,223) |

(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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|---|---------------------------------|----------------------------|------------------------------|
| PUBLIC WORKS (Continued) | | | |
| Public works facility | | | |
| Personnel | \$ 24,150 | \$ 22,439 | \$ (1,711) |
| Contractual services/commodities | 27,750 | 47,348 | 19,598 |
| Capital outlay | 60,000 | 57,020 | (2,980) |
| Total public works facility | <u>111,900</u> | <u>126,807</u> | <u>14,907</u> |
| Commuter station building and lot | | | |
| Personnel | 30,065 | 29,383 | (682) |
| Contractual services/commodities | 27,210 | 31,178 | 3,968 |
| Capital outlay | 18,000 | 16,220 | (1,780) |
| Total commuter station building and lot | <u>75,275</u> | <u>76,781</u> | <u>1,506</u> |
| Total public works | <u>2,761,245</u> | <u>1,871,903</u> | <u>(889,342)</u> |
| DEBT SERVICE | | | |
| Principal | 45,000 | 45,000 | - |
| Interest | 2,642 | 2,642 | - |
| Total debt service | <u>47,642</u> | <u>47,642</u> | <u>-</u> |
| TOTAL EXPENDITURES | <u><u>\$ 8,423,629</u></u> | <u><u>\$ 7,121,424</u></u> | <u><u>\$ (1,302,205)</u></u> |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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 committed or assigned 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, 2012

| | Special Revenue | | | |
|--|---|---------------------------------------|---------------------------------------|------------------------------|
| | Illinois Municipal Retirement Fund | Fire Department Special Fund | Federal Social Security Fund | Motor Fuel Tax Fund |
| ASSETS | | | | |
| Cash and investments | \$ 274,519 | \$ 37,366 | \$ 245,436 | \$ 51,273 |
| Receivables, net | | | | |
| Property taxes | 192,939 | - | 242,552 | - |
| Other taxes | - | - | - | 11,109 |
| Accounts | 614 | - | - | - |
| Intergovernmental | - | - | - | - |
| Accrued interest | - | - | - | - |
| TOTAL ASSETS | \$ 468,072 | \$ 37,366 | \$ 487,988 | \$ 62,382 |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts payable | \$ 15,127 | \$ - | \$ - | \$ 2,776 |
| Unearned property taxes | 192,939 | - | 242,552 | - |
| Other unearned revenue | - | - | - | - |
| Due to other funds | - | - | - | 58,837 |
| Advance from other funds | - | - | - | - |
| Total liabilities | 208,066 | - | 242,552 | 61,613 |
| FUND BALANCES | | | | |
| Restricted for employee benefits | 260,006 | - | 245,436 | - |
| Restricted for public safety | - | 37,366 | - | - |
| Restricted for highways and streets | - | - | - | 769 |
| Restricted for debt service | - | - | - | - |
| Restricted for capital outlay | - | - | - | - |
| Unrestricted | | | | |
| Assigned for debt service | - | - | - | - |
| Assigned for capital outlay | - | - | - | - |
| Total fund balances | 260,006 | 37,366 | 245,436 | 769 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 468,072 | \$ 37,366 | \$ 487,988 | \$ 62,382 |

| 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 |
| \$ 271,851 | \$ - | \$ 880,445 | \$ - | \$ 13,414 | \$ 1,245 | \$ 14,659 |
| - | - | 435,491 | - | - | - | - |
| - | - | 11,109 | - | - | - | - |
| 6,900 | - | 7,514 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 278,751</u> | <u>\$ -</u> | <u>\$ 1,334,559</u> | <u>\$ -</u> | <u>\$ 13,414</u> | <u>\$ 1,245</u> | <u>\$ 14,659</u> |
| \$ - | \$ - | \$ 17,903 | \$ - | \$ - | \$ - | \$ - |
| - | - | 435,491 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 58,837 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 512,231 | - | - | - | - |
| - | - | 505,442 | - | - | - | - |
| 278,751 | - | 316,117 | - | - | - | - |
| - | - | 769 | - | - | - | - |
| - | - | - | - | 13,414 | - | 13,414 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 1,245 | 1,245 |
| - | - | - | - | - | - | - |
| <u>278,751</u> | <u>-</u> | <u>822,328</u> | <u>-</u> | <u>13,414</u> | <u>1,245</u> | <u>14,659</u> |
| <u>\$ 278,751</u> | <u>\$ -</u> | <u>\$ 1,334,559</u> | <u>\$ -</u> | <u>\$ 13,414</u> | <u>\$ 1,245</u> | <u>\$ 14,659</u> |

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2012

| | Capital Projects | | | Total Nonmajor Capital Projects Funds | Total |
|--|---|----------------------------------|--|---|---------------------|
| | Special Service Area Capital Improvement Fund | Redevelopment Program Fund | Vehicle/ Equipment Replacement Fund | | |
| ASSETS | | | | | |
| Cash and investments | \$ 13,746 | \$ 926,815 | \$ 607,987 | \$ 1,548,548 | \$ 2,443,652 |
| Receivables, net | | | | | |
| Property taxes | - | - | - | - | 435,491 |
| Other taxes | - | - | - | - | 11,109 |
| Accounts | - | - | - | - | 7,514 |
| Intergovernmental | - | 64,017 | - | 64,017 | 64,017 |
| Accrued interest | - | - | 41 | 41 | 41 |
| TOTAL ASSETS | \$ 13,746 | \$ 990,832 | \$ 608,028 | \$ 1,612,606 | \$ 2,961,824 |
| LIABILITIES AND FUND BALANCES | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ 28,828 | \$ 2,054 | \$ 30,882 | \$ 48,785 |
| Unearned property taxes | - | - | - | - | 435,491 |
| Other unearned revenue | - | 220,254 | - | 220,254 | 220,254 |
| Due to other funds | - | - | - | - | 58,837 |
| Advance from other funds | - | - | 243,691 | 243,691 | 243,691 |
| Total liabilities | - | 249,082 | 245,745 | 494,827 | 1,007,058 |
| FUND BALANCES | | | | | |
| Restricted for employee benefits | - | - | - | - | 505,442 |
| Restricted for public safety | - | - | - | - | 316,117 |
| Restricted for highways and streets | - | - | - | - | 769 |
| Restricted for debt service | - | - | - | - | 13,414 |
| Restricted for capital outlay | - | 741,750 | - | 741,750 | 741,750 |
| Unrestricted | | | | | |
| Assigned for debt service | - | - | - | - | 1,245 |
| Assigned for capital outlay | 13,746 | - | 362,283 | 376,029 | 376,029 |
| Total fund balances | 13,746 | 741,750 | 362,283 | 1,117,779 | 1,954,766 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 13,746 | \$ 990,832 | \$ 608,028 | \$ 1,612,606 | \$ 2,961,824 |

(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, 2012

| | Special Revenue | | | |
|--|---|---------------------------------------|---------------------------------------|------------------------------|
| | Illinois Municipal Retirement Fund | Fire Department Special Fund | Federal Social Security Fund | Motor Fuel Tax Fund |
| REVENUES | | | | |
| Property taxes | \$ 215,989 | \$ - | \$ 274,364 | \$ - |
| Other taxes | 3,939 | - | 4,726 | - |
| Intergovernmental | - | 22,747 | - | 169,958 |
| Interest earned on investments | 194 | 42 | 182 | 36 |
| Miscellaneous | - | 1,542 | - | - |
| Total revenues | 220,122 | 24,331 | 279,272 | 169,994 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 79,153 | - | 47,379 | - |
| Public safety | 40,027 | 24,141 | 132,356 | - |
| Public works | 52,180 | - | 39,756 | 433,388 |
| Debt service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital outlay | - | - | - | - |
| Total expenditures | 171,360 | 24,141 | 219,491 | 433,388 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 48,762 | 190 | 59,781 | (263,394) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital assets | - | - | - | - |
| Transfers in | - | - | - | 264,163 |
| Transfers (out) | - | - | - | - |
| Total other financing sources (uses) | - | - | - | 264,163 |
| NET CHANGE IN FUND BALANCES | 48,762 | 190 | 59,781 | 769 |
| FUND BALANCES (DEFICIT), MAY 1 | 211,244 | 37,176 | 185,655 | - |
| FUND BALANCES, APRIL 30 | \$ 260,006 | \$ 37,366 | \$ 245,436 | \$ 769 |

| 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 |
| \$ - | \$ - | \$ 490,353 | \$ - | \$ - | \$ - | \$ - |
| 35,300 | - | 43,965 | - | - | - | - |
| 53,130 | - | 245,835 | - | - | - | - |
| 202 | 2 | 658 | - | 9 | - | 9 |
| - | - | 1,542 | - | - | - | - |
| 88,632 | 2 | 782,353 | - | 9 | - | 9 |
| - | 265 | 126,797 | - | - | 500 | 500 |
| 54,505 | - | 251,029 | - | - | - | - |
| - | - | 525,324 | - | - | - | - |
| - | - | - | - | - | 130,000 | 130,000 |
| - | - | - | - | - | 85,964 | 85,964 |
| 12,390 | - | 12,390 | - | - | - | - |
| 66,895 | 265 | 915,540 | - | - | 216,464 | 216,464 |
| 21,737 | (263) | (133,187) | - | 9 | (216,464) | (216,455) |
| - | - | - | - | - | - | - |
| - | - | 264,163 | 2,680 | - | 215,964 | 218,644 |
| (18,229) | (3,047) | (21,276) | - | - | (2,680) | (2,680) |
| (18,229) | (3,047) | 242,887 | 2,680 | - | 213,284 | 215,964 |
| 3,508 | (3,310) | 109,700 | 2,680 | 9 | (3,180) | (491) |
| 275,243 | 3,310 | 712,628 | (2,680) | 13,405 | 4,425 | 15,150 |
| \$ 278,751 | \$ - | \$ 822,328 | \$ - | \$ 13,414 | \$ 1,245 | \$ 14,659 |

(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, 2012

| | Capital Projects | | | Total Nonmajor Capital Projects Funds | Total |
|--|---|----------------------------------|--|---|--------------|
| | Special Service Area Capital Improvement Fund | Redevelopment Program Fund | Vehicle/ Equipment Replacement Fund | | |
| REVENUES | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ 490,353 |
| Other taxes | - | - | - | - | 43,965 |
| Intergovernmental | - | 258,186 | - | 258,186 | 504,021 |
| Interest earned on investments | 9 | 806 | 1,105 | 1,920 | 2,587 |
| Miscellaneous | - | - | - | - | 1,542 |
| Total revenues | 9 | 258,992 | 1,105 | 260,106 | 1,042,468 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | - | - | - | - | 127,297 |
| Public safety | - | - | - | - | 251,029 |
| Public works | - | - | - | - | 525,324 |
| Debt service | | | | | |
| Principal | - | - | 38,023 | 38,023 | 168,023 |
| Interest | - | - | 846 | 846 | 86,810 |
| Capital outlay | - | 288,862 | 142,485 | 431,347 | 443,737 |
| Total expenditures | - | 288,862 | 181,354 | 470,216 | 1,602,220 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 9 | (29,870) | (180,249) | (210,110) | (559,752) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of capital assets | - | - | 3,767 | 3,767 | 3,767 |
| Transfers in | - | - | 165,000 | 165,000 | 647,807 |
| Transfers (out) | - | - | - | - | (23,956) |
| Total other financing sources (uses) | - | - | 168,767 | 168,767 | 627,618 |
| NET CHANGE IN FUND BALANCES | 9 | (29,870) | (11,482) | (41,343) | 67,866 |
| FUND BALANCES (DEFICIT), MAY 1 | 13,737 | 771,620 | 373,765 | 1,159,122 | 1,886,900 |
| FUND BALANCES, APRIL 30 | \$ 13,746 | \$ 741,750 | \$ 362,283 | \$ 1,117,779 | \$ 1,954,766 |

(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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--------------------------------|---------------------------------|-------------------|-----------------------------|
| REVENUES | | | |
| Property taxes | \$ 215,000 | \$ 215,989 | \$ 989 |
| Other taxes | | | |
| Replacement taxes | 3,500 | 3,939 | 439 |
| Interest earned on investments | 500 | 194 | (306) |
| | <hr/> | | |
| Total revenues | 219,000 | 220,122 | 1,122 |
| | <hr/> | | |
| EXPENDITURES | | | |
| Current | | | |
| General government | | | |
| Employer contributions | 84,477 | 79,153 | (5,324) |
| Public safety | | | |
| Employer contributions | 42,723 | 40,027 | (2,696) |
| Public works | | | |
| Employer contributions | 55,690 | 52,180 | (3,510) |
| | <hr/> | | |
| Total expenditures | 182,890 | 171,360 | (11,530) |
| | <hr/> | | |
| NET CHANGE IN FUND BALANCE | <u>\$ 36,110</u> | 48,762 | <u>\$ 12,652</u> |
| FUND BALANCE, MAY 1 | | <u>211,244</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ 260,006</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--------------------------------|---------------------------------|------------------|-----------------------------|
| REVENUES | | | |
| Intergovernmental | | | |
| Foreign fire insurance tax | \$ 22,000 | \$ 22,747 | \$ 747 |
| Interest earned on investments | 100 | 42 | (58) |
| Miscellaneous | - | 1,542 | 1,542 |
| Total revenues | <u>22,100</u> | <u>24,331</u> | <u>2,231</u> |
| EXPENDITURES | | | |
| Public safety | | | |
| Volunteer recognition | 10,000 | 5,115 | (4,885) |
| Training and meetings | 4,000 | 5,504 | 1,504 |
| Uniforms | 5,000 | 4,900 | (100) |
| Postage | 500 | - | (500) |
| Community awareness | 1,500 | 1,240 | (260) |
| Donations | 500 | - | (500) |
| Smoke detector program | 500 | - | (500) |
| Minor equipment | 3,000 | 7,382 | 4,382 |
| Miscellaneous | 1,000 | - | (1,000) |
| Total expenditures | <u>26,000</u> | <u>24,141</u> | <u>(1,859)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (3,900)</u> | 190 | <u>\$ 4,090</u> |
| FUND BALANCE, MAY 1 | | <u>37,176</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ 37,366</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|-----------------------------------|---------------------------------|-------------------|-----------------------------|
| REVENUES | | | |
| Property taxes | \$ 270,000 | \$ 274,364 | \$ 4,364 |
| Other taxes | | | |
| Replacement taxes | 4,500 | 4,726 | 226 |
| Interest earned on investments | 300 | 182 | (118) |
| | <hr/> | | |
| Total revenues | 274,800 | 279,272 | 4,472 |
| | <hr/> | | |
| EXPENDITURES | | | |
| Current | | | |
| General government | | | |
| Employer contributions | 60,740 | 47,379 | (13,361) |
| Public safety | | | |
| Employer contributions | 169,724 | 132,356 | (37,368) |
| Public works | | | |
| Employer contributions | 51,002 | 39,756 | (11,246) |
| | <hr/> | | |
| Total expenditures | 281,466 | 219,491 | (61,975) |
| | <hr/> | | |
| NET CHANGE IN FUND BALANCE | <u>\$ (6,666)</u> | 59,781 | <u>\$ 66,447</u> |
| FUND BALANCE, MAY 1 | | <u>185,655</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ 245,436</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|------------------|-----------------------------|
| REVENUES | | | |
| Intergovernmental | | | |
| Allotments earned | \$ 151,550 | \$ 169,958 | \$ 18,408 |
| Interest earned on investments | 500 | 36 | (464) |
| Total revenues | <u>152,050</u> | <u>169,994</u> | <u>17,944</u> |
| EXPENDITURES | | | |
| Public works | | | |
| Capital outlay | 475,000 | 433,388 | (41,612) |
| Total expenditures | <u>475,000</u> | <u>433,388</u> | <u>(41,612)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(322,950)</u> | <u>(263,394)</u> | <u>59,556</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out to General Fund | 323,000 | 264,163 | (58,837) |
| NET CHANGE IN FUND BALANCE | <u>\$ 50</u> | <u>769</u> | <u>\$ (58,837)</u> |
| FUND BALANCE, MAY 1 | | <u>-</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ 769</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|-------------------|-----------------------------|
| REVENUES | | | |
| Other taxes | | | |
| Telephone surcharge | \$ 35,000 | \$ 35,300 | \$ 300 |
| Intergovernmental | | | |
| Wireless surcharge | 46,000 | 46,935 | 935 |
| Grants | - | 6,195 | 6,195 |
| Interest earned on investments | 500 | 202 | (298) |
| | <hr/> | | |
| Total revenues | 81,500 | 88,632 | 7,132 |
| <hr/> | | | |
| EXPENDITURES | | | |
| Current | | | |
| Public safety | | | |
| Miscellaneous | 57,200 | 54,505 | (2,695) |
| Capital outlay | 14,000 | 12,390 | (1,610) |
| | <hr/> | | |
| Total expenditures | 71,200 | 66,895 | (4,305) |
| <hr/> | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 10,300 | 21,737 | 11,437 |
| <hr/> | | | |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out to General Fund | (18,130) | (18,229) | (99) |
| | <hr/> | | |
| NET CHANGE IN FUND BALANCE | <u>\$ (7,830)</u> | 3,508 | <u>\$ 11,338</u> |
| FUND BALANCE, MAY 1 | | <u>275,243</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ 278,751</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|----------------|-----------------------------|
| REVENUES | | | |
| None | \$ - | \$ - | \$ - |
| EXPENDITURES | | | |
| Interest | - | - | - |
| Total expenditures | - | - | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in from 2006 General Obligation Bond Fund | 2,980 | 2,680 | (300) |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,980</u> | 2,680 | <u>\$ (300)</u> |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(2,680)</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ -</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|---|---------------------------------|-----------------|-----------------------------|
| REVENUES | | | |
| None | \$ - | \$ - | \$ - |
| EXPENDITURES | | | |
| General government - financing costs | 500 | 500 | - |
| Debt service | | | |
| Principal | 130,000 | 130,000 | - |
| Interest | 85,964 | 85,964 | - |
| Total expenditures | 216,464 | 216,464 | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (216,464) | (216,464) | - |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in from General Fund | 215,964 | 215,964 | - |
| Transfers (out) to 2001 General Obligation Tax Certificate Fund | (2,980) | (2,680) | 300 |
| Total other financing sources (uses) | 212,984 | 213,284 | 300 |
| NET CHANGE IN FUND BALANCE | <u>\$ (3,480)</u> | <u>(3,180)</u> | <u>\$ 300</u> |
| FUND BALANCE, MAY 1 | | <u>4,425</u> | |
| FUND BALANCE, APRIL 30 | | <u>\$ 1,245</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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|-----------------------------------|---------------------------------|--------------------------|-----------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 1,000,000 | \$ 258,186 | \$ (1,258,186) |
| Interest earned on investments | 2,500 | 806 | (1,694) |
| Total revenues | <u>1,002,500</u> | <u>258,992</u> | <u>(1,259,880)</u> |
| EXPENDITURES | | | |
| Capital outlay | | | |
| Infrastructure improvements | <u>1,583,000</u> | 288,862 | (1,294,138) |
| Total expenditures | <u>1,583,000</u> | <u>288,862</u> | <u>(1,294,138)</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (580,500)</u></u> | <u>(29,870)</u> | <u><u>\$ 34,258</u></u> |
| FUND BALANCE, MAY 1 | | <u>771,620</u> | |
| FUND BALANCE, APRIL 30 | | <u><u>\$ 741,750</u></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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|------------------|-----------------------------|
| REVENUES | | | |
| Interest earned on investments | \$ 4,000 | \$ 1,105 | \$ (2,895) |
| Total revenues | 4,000 | 1,105 | (2,895) |
| EXPENDITURES | | | |
| Capital outlay | | | |
| Police equipment | 12,000 | - | (12,000) |
| Computer equipment | 85,000 | 88,433 | 3,433 |
| Miscellaneous | - | 5,062 | 5,062 |
| Public safety | 60,000 | 48,990 | (11,010) |
| Debt service | | | |
| Principal | 38,023 | 38,023 | - |
| Interest | 846 | 846 | - |
| Total expenditures | 195,869 | 181,354 | (14,515) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (191,869) | (180,249) | 11,620 |
| OTHER FINANCING SOURCES (USES) | | | |
| Sale of capital assets | 10,000 | 3,767 | (6,233) |
| Transfers in from | | | |
| General Fund | 165,000 | 165,000 | - |
| Water Fund | 7,500 | - | (7,500) |
| Total other financing sources (uses) | 182,500 | 168,767 | (13,733) |
| NET CHANGE IN FUND BALANCE | \$ (9,369) | (11,482) | \$ (2,113) |
| FUND BALANCE, MAY 1 | | 373,765 | |
| FUND BALANCE, APRIL 30 | | \$ 362,283 | |

(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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|---|---------------------------------|---------------------|-----------------------------|
| OPERATING REVENUES | | | |
| Water sales | \$ 1,169,280 | \$ 1,210,099 | \$ 40,819 |
| Meter sales | 1,800 | 2,800 | 1,000 |
| Tap-on fees | 75 | 100 | 25 |
| Water connection fees | 10,000 | 16,800 | 6,800 |
| Miscellaneous | 325 | 433 | 108 |
| | | | |
| Total operating revenues | 1,181,480 | 1,230,232 | 48,752 |
| OPERATING EXPENSES | | | |
| Administration and finance | | | |
| Personnel services | 296,215 | 294,380 | (1,835) |
| Contractual services/commodities | 75,000 | 95,865 | 20,865 |
| Contingency | 50,000 | - | (50,000) |
| Water purchases | 612,640 | 522,084 | (90,556) |
| Capital outlay | | | |
| Water infrastructure | 345,000 | 485,694 | 140,694 |
| Depreciation | - | 250,885 | 250,885 |
| | | | |
| Total operating expenses | 1,378,855 | 1,648,908 | 270,053 |
| | | | |
| OPERATING INCOME (LOSS) | (197,375) | (418,676) | (221,301) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment income | 2,000 | 2,572 | 572 |
| Interest expense | (102,795) | (51,615) | 51,180 |
| Principal expense | (130,000) | (130,000) | - |
| | | | |
| Total nonoperating revenues (expenses) | (230,795) | (179,043) | 51,752 |
| | | | |
| INCOME (LOSS) BEFORE TRANSFERS | (428,170) | (597,719) | (169,549) |
| TRANSFERS | | | |
| Transfers (out) | (7,500) | - | 7,500 |
| | | | |
| Total transfers | (7,500) | - | 7,500 |
| | | | |
| CHANGE IN NET ASSETS (BUDGETARY BASIS) | \$ (435,670) | (597,719) | \$ (162,049) |
| ADJUSTMENTS TO GAAP BASIS | | | |
| Fixed assets capitalized | | 482,098 | |
| Principal expense | | 130,000 | |
| | | | |
| TOTAL ADJUSTMENTS TO GAAP BASIS | | 612,098 | |
| | | | |
| CHANGE IN NET ASSETS GAAP BASIS | | 14,379 | |
| | | | |
| NET ASSETS, MAY 1 | | 6,070,849 | |
| | | | |
| NET ASSETS, APRIL 30 | | \$ 6,085,228 | |
| | | | |

(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, 2012

| | Original and Final Budget | Actual | Variance Over (Under) |
|--|---------------------------------|---------------------|-----------------------------|
| ADDITIONS | | | |
| Contributions | | | |
| Employer contributions | \$ 495,220 | \$ 496,129 | \$ 909 |
| Plan members contributions | 117,450 | 112,934 | (4,516) |
| Total contributions | 612,670 | 609,063 | (3,607) |
| Investment income | | | |
| Net depreciation in fair value of investments | - | (51,212) | (51,212) |
| Interest earned on investments | 148,000 | 123,389 | (24,611) |
| Total investment income | 148,000 | 72,177 | (75,823) |
| Less investment expense | (24,000) | (22,942) | 1,058 |
| Net investment income | 124,000 | 49,235 | (74,765) |
| Total additions | 736,670 | 658,298 | (78,372) |
| DEDUCTIONS | | | |
| Administration | | | |
| Fees | 10,950 | 19,034 | 8,084 |
| Miscellaneous | 2,250 | - | (2,250) |
| Disability and benefit payments | 602,936 | 588,624 | (14,312) |
| Total deductions | 616,136 | 607,658 | (8,478) |
| NET INCREASE | <u>\$ 120,534</u> | 50,640 | <u>\$ (69,894)</u> |
| NET ASSETS HELD IN TRUST FOR PENSION BENEFITS | | | |
| May 1, 2011 | | <u>7,111,321</u> | |
| April 30, 2012 | | <u>\$ 7,161,961</u> | |

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF LONG-TERM DEBT REQUIREMENTS
2006 GENERAL OBLIGATION BONDS

April 30, 2012

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% |
| 2010 | 2011-12 | 130,000 | 85,964 | 215,964 | 12/15/11 | 3.90% |
| Total payments made | | 130,000 | 461,818 | 591,818 | | |
| Current outstanding: | | | | | | |
| 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 | | 1,970,000 | 432,138 | 2,402,138 | | |
| 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
 2011 GENERAL OBLIGATION REFUNDING BONDS

April 30, 2012

Paying Agent: Wells Fargo Bank, N.A.

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

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

April 30, 2012

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 | 10/24/06 | |
| 2007-08 | - | 5,255 | 5,255 | 4/24/08 | |
| 2007-08 | 45,000 | 5,284 | 50,284 | 10/24/07 | 3.85% |
| 2008-09 | - | 4,403 | 4,403 | 4/24/09 | |
| 2008-09 | 45,000 | 4,403 | 49,403 | 10/24/08 | 3.85% |
| 2009-10 | - | 3,503 | 3,503 | 4/24/10 | |
| 2009-10 | 45,000 | 3,523 | 48,523 | 10/24/09 | 3.85% |
| 2010-11 | - | 2,627 | 2,627 | 4/24/11 | |
| 2010-11 | 45,000 | 2,642 | 47,642 | 10/24/10 | 3.85% |
| 2011-12 | - | 1,761 | 1,761 | 4/24/12 | |
| 2011-12 | 45,000 | 881 | 45,881 | 10/24/11 | 3.85% |
| Total payments made | 270,000 | 46,578 | 316,578 | | |
| Current outstanding: | | | | | |
| 2012-12 | - | 881 | 881 | 4/24/13 | |
| 2012-13 | 45,000 | - | 45,000 | 10/24/12 | 3.85% |
| Total current outstanding | 45,000 | 881 | 45,881 | | |
| Original Issue | \$ 315,000 | \$ 47,459 | \$ 362,459 | | |

(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> |
|--|----------------|
| Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time. | 86-95 |
| Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax. | 96-102 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future. | 103-107 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place. | 108-109 |
| Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs. | 110-112 |

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 Nine Fiscal Years

| Fiscal Years | 2004 | 2005 | 2006 |
|--|----------------------|----------------------|----------------------|
| GOVERNMENTAL ACTIVITIES | | | |
| 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 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 19,814,416 | \$ 19,941,730 | \$ 20,786,598 |
| BUSINESS-TYPE ACTIVITIES | | | |
| Invested in capital assets | | | |
| Net of related debt | \$ 5,475,398 | \$ 3,294,752 | \$ 3,937,709 |
| Unrestricted | 569,271 | 2,824,049 | 2,393,782 |
| TOTAL BUSINESS-TYPE ACTIVITIES | \$ 6,044,669 | \$ 6,118,801 | \$ 6,331,491 |
| PRIMARY GOVERNMENT | | | |
| Invested in capital assets | | | |
| 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 |
| TOTAL PRIMARY GOVERNMENT | \$ 25,859,085 | \$ 26,060,531 | \$ 27,118,089 |

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 | 2012 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 14,636,441 | \$ 15,098,822 | \$ 15,359,265 | \$ 16,654,652 | \$ 16,433,199 | \$ 16,449,622 |
| 3,675,276 | 4,337,303 | 2,037,230 | 1,587,832 | 1,497,653 | 1,580,539 |
| 2,490,696 | 1,982,938 | 3,400,024 | 3,774,371 | 3,546,695 | 3,557,045 |
| <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> | <u>\$ 21,587,206</u> |
| \$ 4,812,471 | \$ 4,689,723 | \$ 4,574,606 | \$ 4,482,081 | \$ 4,398,432 | \$ 4,737,154 |
| 1,629,307 | 1,834,495 | 1,902,188 | 1,735,068 | 1,672,417 | 1,348,074 |
| <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> | <u>\$ 6,085,228</u> |
| \$ 19,448,912 | \$ 19,788,545 | \$ 19,933,871 | \$ 21,136,733 | \$ 20,831,631 | \$ 21,186,776 |
| 3,675,276 | 4,337,303 | 2,037,230 | 1,587,832 | 1,497,653 | 1,580,539 |
| 4,120,003 | 3,817,433 | 5,302,212 | 5,509,439 | 5,219,112 | 4,905,119 |
| <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> | <u>\$ 27,672,434</u> |

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET ASSETS

Last Nine Fiscal Years

| Fiscal Year | 2004 | 2005 | 2006 |
|---|-----------------------|-----------------------|-----------------------|
| EXPENSES | | | |
| Governmental activities | | | |
| General government | \$ 2,177,082 | \$ 2,429,940 | \$ 2,356,150 |
| Police and 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 |
| TOTAL PRIMARY GOVERNMENT EXPENSES | \$ 8,497,816 | \$ 9,337,305 | \$ 9,234,713 |
| PROGRAM REVENUES | | | |
| Governmental activities | | | |
| Charges for services | | | |
| General government | \$ 1,028,039 | \$ 1,162,232 | \$ 1,004,652 |
| Police and 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 and 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 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | \$ 2,578,452 | \$ 3,120,352 | \$ 3,129,295 |
| NET (EXPENSE) REVENUE | | | |
| Governmental activities | \$ (5,955,951) | \$ (6,257,807) | \$ (6,257,423) |
| Business-type activities | 36,587 | 40,854 | 152,005 |
| TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE | \$ (5,919,364) | \$ (6,216,953) | \$ (6,105,418) |

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----|-------------|----------------|----------------|----------------|----------------|----------------|
| \$ | 2,814,923 | \$ 2,708,645 | \$ 2,423,284 | \$ 1,946,291 | \$ 2,062,487 | \$ 1,677,840 |
| | 3,229,925 | 3,589,680 | 3,856,962 | 4,027,882 | 4,085,025 | 4,105,315 |
| | 3,214,011 | 2,116,890 | 3,449,586 | 3,174,664 | 3,249,937 | 2,985,744 |
| | 88,851 | 150,799 | 173,693 | 119,692 | 104,143 | 88,316 |
| | 9,347,710 | 8,566,014 | 9,903,525 | 9,268,529 | 9,501,592 | 8,857,215 |
| | 1,160,630 | 1,266,233 | 1,172,971 | 1,336,637 | 1,327,218 | 1,218,425 |
| | 1,160,630 | 1,266,233 | 1,172,971 | 1,336,637 | 1,327,218 | 1,218,425 |
| \$ | 10,508,340 | \$ 9,832,247 | \$ 11,076,496 | \$ 10,605,166 | \$ 10,828,810 | \$ 10,075,640 |
| \$ | 1,007,518 | \$ 262,970 | \$ 968,602 | \$ 859,253 | \$ 794,571 | \$ 849,175 |
| | 196,406 | 122,457 | 150,057 | 122,978 | 144,034 | 143,296 |
| | 212,161 | 220,874 | 196,148 | 189,548 | 187,591 | 184,767 |
| | 185,442 | 240,528 | 205,604 | 195,079 | 232,581 | 198,900 |
| | - | - | 685,500 | 1,429,087 | 492,360 | 499,915 |
| | 1,601,527 | 846,829 | 2,205,911 | 2,795,945 | 1,851,137 | 1,876,053 |
| | 1,227,045 | 1,326,282 | 1,133,555 | 1,071,074 | 1,177,545 | 1,229,799 |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | 1,227,045 | 1,326,282 | 1,133,555 | 1,071,074 | 1,177,545 | 1,229,799 |
| \$ | 2,828,572 | \$ 2,173,111 | \$ 3,339,466 | \$ 3,867,019 | \$ 3,028,682 | \$ 3,105,852 |
| \$ | (7,746,183) | \$ (7,719,185) | \$ (7,697,614) | \$ (6,472,584) | \$ (7,650,455) | \$ (6,981,162) |
| | 66,415 | 60,049 | (39,416) | (265,563) | (149,673) | 11,374 |
| \$ | (7,679,768) | \$ (7,659,136) | \$ (7,737,030) | \$ (6,738,147) | \$ (7,800,128) | \$ (6,969,788) |

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET ASSETS (Continued)

Last Nine Fiscal Years

| Fiscal Year | 2004 | 2005 | 2006 |
|---|---------------------|---------------------|---------------------|
| GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS | | | |
| 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 | - |
| Shared income tax (2) | - | - | - |
| 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 | | | |
| TOTAL PRIMARY GOVERNMENT | \$ 6,170,126 | \$ 6,621,427 | \$ 7,160,675 |
| CHANGE IN NET ASSETS | | | |
| Governmental activities | \$ 234,921 | \$ 330,342 | \$ 842,567 |
| Business-type activities | 15,841 | 74,132 | 212,690 |
| | 250,762 | 404,474 | 1,055,257 |
| TOTAL PRIMARY GOVERNMENT CHANGE IN NET ASSETS | \$ 250,762 | \$ 404,474 | \$ 1,055,257 |

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

Data Source

The Village's Comprehensive Annual Financial Report

| | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----|-----------|--------------|--------------|--------------|--------------|--------------|
| \$ | 2,244,225 | \$ 2,389,677 | \$ 2,510,766 | \$ 2,649,929 | \$ 2,704,232 | \$ 2,847,986 |
| | 668,708 | 726,705 | 666,049 | 582,343 | 575,692 | 99,449 |
| | 599,742 | 591,601 | 599,663 | 481,233 | 467,150 | 415,787 |
| | 406,537 | 398,650 | 344,701 | 344,701 | 344,701 | 344,701 |
| | 72,036 | - | - | - | - | - |
| | 3,218,327 | 3,242,281 | 2,673,399 | 2,695,117 | 2,752,483 | 2,562,532 |
| | 90,593 | 157,061 | 108,982 | 143,214 | 142,350 | 131,294 |
| | 5,127 | 384,231 | - | - | - | - |
| | - | - | - | - | - | 469,244 |
| | 319,950 | 339,738 | 117,844 | 25,725 | 22,677 | 18,023 |
| | 110,102 | 84,580 | 146,681 | 257,932 | 101,862 | 201,805 |
| | 26,651 | 21,311 | 26,828 | - | - | - |
| | 7,761,998 | 8,335,835 | 7,194,913 | 7,180,194 | 7,111,147 | 7,090,821 |
| | 70,523 | 55,149 | 19,639 | 5,462 | 2,941 | 2,572 |
| | (26,651) | (32,758) | (26,828) | - | - | - |
| | - | - | 2,197 | 456 | 432 | 433 |
| | 43,872 | 22,391 | (4,992) | 5,918 | 3,373 | 3,005 |
| \$ | 7,805,870 | \$ 8,358,226 | \$ 7,189,921 | \$ 7,186,112 | \$ 7,114,520 | \$ 7,093,826 |
| \$ | 15,815 | \$ 616,650 | \$ (502,701) | \$ 707,610 | \$ (539,308) | \$ 109,659 |
| | 110,287 | 82,440 | (44,408) | (259,645) | (146,300) | 14,379 |
| \$ | 126,102 | \$ 699,090 | \$ (547,109) | \$ 447,965 | \$ (685,608) | \$ 124,038 |

VILLAGE OF LAKE BLUFF, ILLINOIS

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Nine Fiscal Years

| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| PROGRAM REVENUES | | | | | | | | | |
| Governmental activities | | | | | | | | | |
| General government | \$ 1,032,801 | \$ 1,283,074 | \$ 1,068,130 | \$ 1,008,618 | \$ 308,622 | \$ 990,091 | \$ 859,253 | \$ 819,525 | \$ 849,175 |
| Police and fire | 90,724 | 108,208 | 124,571 | 201,674 | 145,026 | 172,938 | 162,147 | 169,083 | 172,238 |
| Public works | 358,846 | 397,177 | 413,300 | 391,235 | 393,181 | 1,042,882 | 1,774,545 | 862,529 | 854,640 |
| 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 | 1,876,053 |
| 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 | 1,229,799 |
| 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 | 1,229,799 |
| TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES | \$ 2,578,452 | \$ 3,120,352 | \$ 3,129,295 | \$ 2,828,572 | \$ 2,173,111 | \$ 3,339,466 | \$ 3,867,019 | \$ 3,028,682 | \$ 3,105,852 |

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 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| GENERAL FUND | | | | | | | | | | |
| Reserved | \$ 9,730 | \$ 6,439 | \$ 12,912 | \$ 8,496 | \$ 7,950 | \$ 24,022 | \$ 1,599 | \$ 19,944 | \$ 28,969 | \$ - |
| Unreserved | 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 | - |
| Nonspendable | | | | | | | | | | 60,487 |
| Restricted | - | - | - | - | - | - | - | - | - | 3,047 |
| Unrestricted | | | | | | | | | | |
| Assigned | - | - | - | - | - | - | - | - | - | 300,000 |
| Unassigned | - | - | - | - | - | - | - | - | - | 4,021,571 |
| TOTAL GENERAL FUND | \$ 1,956,503 | \$ 1,969,995 | \$ 2,103,794 | \$ 2,721,745 | \$ 3,420,488 | \$ 4,796,220 | \$ 4,176,988 | \$ 4,284,997 | \$ 4,209,741 | \$ 4,385,105 |
| ALL OTHER GOVERNMENT FUNDS | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 18,795 | \$ 1,587,832 | \$ 1,497,653 | \$ - |
| Unreserved, reported in | | | | | | | | | | |
| Special revenue funds | 1,167,264 | 1,184,856 | 1,364,654 | 1,666,081 | 3,024,337 | 1,615,653 | 991,204 | - | - | - |
| Capital project funds | 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 | 11,588 | 11,103 | 11,035 | 11,257 | 18,790 | 18,213 | (1,780) | 2,545 | 1,745 | - |
| Nonspendable | - | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | - | - | - | - | - | - | 1,577,492 |
| Unrestricted | | | | | | | | | | |
| Assigned for debt service | - | - | - | - | - | - | - | - | - | 1,245 |
| Assigned for capital outlay | - | - | - | - | - | - | - | - | - | 376,029 |
| TOTAL ALL OTHER GOVERNMENTAL FUNDS | \$ 2,515,223 | \$ 2,427,226 | \$ 2,786,098 | \$ 2,231,129 | \$ 3,284,890 | \$ 2,722,809 | \$ 2,035,450 | \$ 2,009,162 | \$ 1,886,900 | \$ 1,954,766 |

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

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 | 2003 | 2004 | 2005 |
|--|---------------------|--------------------|-------------------|
| REVENUES | | | |
| Property taxes | \$ 1,984,067 | \$ 2,070,250 | \$ 2,147,483 |
| Other taxes | 3,667,423 | 3,797,667 | 3,826,085 |
| Licenses, fees and permits | 964,869 | 1,028,039 | 1,162,232 |
| Fines and penalties | 67,748 | 90,724 | 93,112 |
| Intergovernmental | 201,904 | 202,991 | 207,639 |
| Sewer and other charge for service | 173,660 | - | 208,994 |
| Interest earnings | 143,926 | 48,404 | 90,000 |
| Grants, donations | 20,785 | - | - |
| Proceeds from sale of capital assets | - | - | 79,351 |
| Miscellaneous | 366,410 | 430,736 | 374,429 |
| Total revenues | 7,590,792 | 7,668,811 | 8,189,325 |
| EXPENDITURES | | | |
| General government | 2,126,873 | 1,944,378 | 1,793,133 |
| Public safety | 2,271,225 | 2,344,251 | 2,601,782 |
| Public works | 1,965,050 | 2,066,087 | 2,122,450 |
| Capital outlay | 1,572,082 | 1,195,657 | 957,821 |
| Debt service | | | |
| Principal | 295,000 | 125,000 | 175,000 |
| Interest | 84,880 | 72,375 | 67,075 |
| Total expenditures | 8,315,110 | 7,747,748 | 7,717,261 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (724,318) | (78,937) | 472,064 |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from borrowing | - | - | - |
| Sale of capital assets | - | - | - |
| Transfers in | 665,705 | 492,532 | 657,907 |
| Transfers (out) | (658,931) | (488,100) | (434,272) |
| Total other financing sources (uses) | 6,774 | 4,432 | 223,635 |
| NET CHANGE IN FUND BALANCES | \$ (717,544) | \$ (74,505) | \$ 695,699 |
| DEBT OF SERVICES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES | 5.60% | 3.00% | 3.20% |

Data Source

The Village's Comprehensive Annual Financial Report

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----|-----------|--------------|--------------|----------------|--------------|--------------|--------------|
| \$ | 2,208,571 | \$ 2,244,225 | \$ 2,389,677 | \$ 2,510,766 | \$ 2,649,929 | \$ 2,704,232 | \$ 2,847,986 |
| | 4,383,990 | 5,032,731 | 5,116,298 | 4,378,506 | 4,234,619 | 4,272,360 | 3,542,130 |
| | 1,004,652 | 864,760 | 1,378,688 | 840,006 | 709,643 | 631,367 | 695,370 |
| | 101,137 | 182,500 | 96,598 | 92,910 | 64,596 | 83,700 | 82,945 |
| | 201,497 | 208,654 | 240,528 | 260,695 | 578,658 | 770,255 | 1,214,994 |
| | 237,329 | 368,825 | 386,087 | 341,089 | 360,549 | 375,830 | 363,625 |
| | 190,798 | 319,950 | 339,738 | 117,844 | 25,725 | 22,677 | 18,023 |
| | 63,478 | - | - | - | - | - | - |
| | - | 59,285 | - | - | - | - | - |
| | 289,136 | 50,817 | 84,580 | 36,717 | 72,566 | 97,863 | 197,195 |
| | 8,680,588 | 9,331,747 | 10,032,194 | 8,578,533 | 8,696,285 | 8,958,284 | 8,962,268 |
| | 1,925,081 | 2,593,866 | 2,645,317 | 2,454,769 | 1,879,896 | 2,014,495 | 1,726,514 |
| | 2,773,384 | 3,524,775 | 3,318,973 | 3,454,094 | 3,666,142 | 3,721,070 | 3,853,691 |
| | 2,049,407 | 2,249,691 | 2,376,196 | 2,160,920 | 2,742,566 | 2,407,391 | 2,397,227 |
| | 1,930,932 | 1,293,364 | 1,255,072 | 1,351,899 | 20,474 | 533,206 | 443,737 |
| | 215,000 | 317,497 | 358,989 | 372,126 | 370,119 | 378,246 | 213,023 |
| | 66,506 | 88,851 | 150,799 | 135,881 | 120,731 | 105,394 | 89,452 |
| | 8,960,310 | 10,068,044 | 10,105,346 | 9,929,689 | 8,799,928 | 9,159,802 | 8,723,644 |
| | (279,722) | (736,297) | (73,152) | (1,351,156) | (103,643) | (201,518) | 238,624 |
| | 315,000 | 2,435,930 | - | - | - | - | - |
| | - | 26,220 | 865,492 | 109,963 | 185,364 | 4,000 | 4,606 |
| | 663,908 | 754,769 | 909,997 | 772,067 | 465,257 | 583,062 | 669,083 |
| | (636,204) | (728,118) | (888,686) | (745,239) | (465,257) | (583,062) | (669,083) |
| | 342,704 | 2,488,801 | 886,803 | 136,791 | 185,364 | 4,000 | 4,606 |
| \$ | 62,982 | \$ 1,752,504 | \$ 813,651 | \$ (1,214,365) | \$ 81,721 | \$ (197,518) | \$ 243,230 |
| | 3.80% | 4.50% | 5.40% | 5.90% | 5.73% | 5.34% | 3.68% |

VILLAGE OF LAKE BLUFF, ILLINOIS

TAX REVENUES BY SOURCE - GOVERNMENTAL FUNDS

Last Ten Fiscal Years

| Fiscal Year | Property | Sales | Home Rule Sales (1) | Utility | Telecomm | Income (2) (3) | Other | Total |
|-------------|--------------|--------------|---------------------|------------|------------|----------------|------------|--------------|
| 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 |
| 2012 | 2,847,986 | 2,010,676 | 551,856 | 470,404 | 290,084 | - | 219,110 | 6,390,116 |

Notes:

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

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

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

Data Source

The Village's Comprehensive Annual Financial Report and records

VILLAGE OF LAKE BLUFF, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

| Levy Year | Residential Property | Commercial Property | Industrial Property | Farm Property | Railroad Property | Total Taxable Assessed Value | Total Direct Tax Rate | Estimated Actual Taxable Value |
|-----------|----------------------|---------------------|---------------------|---------------|-------------------|------------------------------|-----------------------|--------------------------------|
| 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 | 0.4320 | 1,893,048,359 |
| 2010 | 530,575,336 | 31,616,598 | 20,595,998 | 2,494,498 | 617,404 | 585,899,834 | 0.4900 | 1,757,875,290 |
| 2011 | 496,403,771 | 31,296,748 | 20,033,876 | 2,869,493 | 651,066 | 551,254,954 | 0.5320 | 1,653,930,255 |

Note:

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

Data Source

Lake County Tax Extension Office, Report PTAX-251.

VILLAGE OF LAKE BLUFF, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

| Fiscal/ Tax Year | Village Direct Rates | | Component Unit | Overlapping Rate | | | | | | | | | Overlapping Rate | |
|------------------------|----------------------------|----------------------------------|---------------------------------|--------------------------|--------------------------------|--|----------------|--------------------|-------------------------|----------------------|------------------|-----------------------|-----------------------------------|------------------------------------|
| | Village Overall Rate | (3) Village Sanctuary Rate | Lake Bluff Public Library | School District 65 | High School District 115 | College of Lake County 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 |
| 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 |
| 2011-12 2010 | 0.490 | 0.438 | 0.134 | 2.308 | 1.101 | 0.218 | 0.505 | 0.198 | 0.136 | 0.062 | 0.363 | 0.011 | 0.045 | 0.558 |

Components of Total Direct Rates

| | Audit Tax | Corporate | Crossing Guards | Fire Protection | Garbage Disposal | IMRF | Police Pension | Police Protection | Social Security | Liability Insurance | Insurance | Total |
|---------|-----------|-----------|--------------------|--------------------|---------------------|-------|-------------------|----------------------|--------------------|------------------------|-----------|-------|
| 2002-03 | | | | | | | | | | | | |
| 2001 | 0.004 | 0.125 | 0.006 | 0.062 | 0.085 | 0.025 | 0.040 | 0.064 | 0.068 | 0.031 | 0.002 | 0.512 |
| 2003-04 | | | | | | | | | | | | |
| 2002 | 0.004 | 0.120 | 0.003 | 0.057 | 0.078 | 0.024 | 0.039 | 0.059 | 0.061 | 0.029 | 0.002 | 0.476 |
| 2004-05 | | | | | | | | | | | | |
| 2003 | 0.005 | 0.099 | 0.002 | 0.053 | 0.073 | 0.030 | 0.053 | 0.056 | 0.060 | 0.029 | 0.001 | 0.461 |
| 2005-06 | | | | | | | | | | | | |
| 2004 | 0.005 | 0.094 | 0.002 | 0.051 | 0.070 | 0.034 | 0.053 | 0.055 | 0.057 | 0.032 | 0.001 | 0.454 |
| 2006-07 | | | | | | | | | | | | |
| 2005 | 0.005 | 0.086 | 0.002 | 0.049 | 0.068 | 0.037 | 0.054 | 0.052 | 0.051 | 0.029 | 0.002 | 0.435 |
| 2007-08 | | | | | | | | | | | | |
| 2006 | 0.005 | 0.079 | 0.002 | 0.045 | 0.063 | 0.041 | 0.059 | 0.048 | 0.049 | 0.027 | 0.002 | 0.420 |
| 2008-09 | | | | | | | | | | | | |
| 2007 | 0.005 | 0.073 | 0.002 | 0.043 | 0.059 | 0.039 | 0.060 | 0.048 | 0.044 | 0.028 | 0.002 | 0.403 |
| 2009-10 | | | | | | | | | | | | |
| 2008 | 0.005 | 0.072 | 0.001 | 0.044 | 0.059 | 0.042 | 0.065 | 0.048 | 0.045 | 0.031 | 0.002 | 0.414 |
| 2010-11 | | | | | | | | | | | | |
| 2009 | 0.004 | 0.075 | 0.001 | 0.046 | 0.061 | 0.040 | 0.069 | 0.050 | 0.046 | 0.037 | 0.003 | 0.432 |
| 2011-12 | | | | | | | | | | | | |
| 2010 | 0.004 | 0.091 | 0.001 | 0.052 | 0.068 | 0.037 | 0.084 | 0.056 | 0.047 | 0.049 | 0.001 | 0.490 |

Note:

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

Data Source

Lake County Clerk's Office

- (1) Sanctuary subdivision residents pay to the Rockland Fire Protection District, but not to the Village's fire protection.
- (2) Sanctuary subdivision residents do not pay to the Water Agency.
- (3) Village Sanctuary subdivision direct rate is comprised of the same components of the Village rate except it does not contain the Village Fire Protection rate.

VILLAGE OF LAKE BLUFF, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

| Taxpayer | 2012(1) | | | 2003 | | |
|--------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Village Taxable Assessed Valuation | Taxable Assessed Value | Rank | Percentage of Total Village Taxable Assessed Valuation |
| Knauz Motors Inc | \$ 5,575,003 | 1 | 1.01% | \$ 5,736,339 | 1 | 1.19% |
| Cantera Investors LLC | 3,382,999 | 2 | 6.61% | | | |
| Profile Plastics | 2,949,157 | 3 | 0.53% | 1,613,173 | 10 | 0.34% |
| Orren Pickell Builders | 2,826,989 | 4 | 0.51% | | | |
| The Taxman Corp/Carriage Way | 2,510,232 | 5 | 0.46% | 2,740,079 | 5 | 0.57% |
| Individual Taxpayer/Zenni | 2,149,512 | 6 | 0.39% | | | |
| Individual Taxpayer/Sandner | 2,105,146 | 7 | 0.38% | 1,741,895 | 9 | 0.36% |
| Buehler, Inc | 2,013,619 | 8 | 0.37% | 1,838,349 | 8 | 0.38% |
| Shepard Chevrolet | 1,733,383 | 9 | 0.31% | | | |
| Carriage Point | 1,657,066 | 10 | 0.30% | 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>\$ 26,903,106</u> | | <u>10.87%</u> | <u>\$ 27,672,343</u> | | <u>5.76%</u> |

Note:

(1) The taxable assessed value is for 2011 (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 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011(1) |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General corporate | \$ 501,568 | \$ 448,822 | \$ 450,440 | \$ 445,933 | \$ 451,608 | \$ 451,946 | \$ 462,878 | \$ 471,546 | \$ 531,227 | \$ 545,742 |
| School crossing guard | 12,539 | 9,067 | 9,584 | 10,370 | 11,433 | 12,382 | 6,429 | 6,287 | 5,838 | 5,513 |
| Police protection | 246,604 | 253,879 | 263,555 | 269,634 | 274,395 | 297,170 | 308,585 | 314,356 | 326,902 | 341,778 |
| Fire protection | 227,850 | 229,512 | 233,543 | 242,712 | 245,601 | 255,201 | 271,250 | 277,394 | 291,146 | 300,417 |
| Sanitation | 326,019 | 330,950 | 335,434 | 352,598 | 360,143 | 365,271 | 379,303 | 383,514 | 396,952 | 413,441 |
| Auditing | 16,719 | 22,668 | 23,960 | 25,926 | 28,583 | 30,955 | 32,144 | 25,148 | 23,350 | 27,563 |
| Liability insurance | 121,212 | 131,473 | 153,341 | 150,373 | 154,347 | 173,349 | 199,295 | 232,623 | 286,039 | 292,165 |
| Illinois municipal retirement | 100,314 | 136,007 | 162,925 | 191,855 | 234,379 | 241,451 | 270,012 | 251,485 | 215,989 | 191,939 |
| Police pension | 163,009 | 240,278 | 253,971 | 280,004 | 337,277 | 371,463 | 417,876 | 433,811 | 490,352 | 551,255 |
| Public library | 443,051 | 462,423 | 479,191 | 663,714 | 697,420 | 724,352 | 771,464 | 779,602 | 782,229 | 804,832 |
| Social security | 254,964 | 272,013 | 273,139 | 264,448 | 280,112 | 272,406 | 289,299 | 289,207 | 274,364 | 242,552 |
| Unemployment insurance | 8,359 | 4,534 | 4,792 | 10,371 | 11,433 | 12,382 | 12,858 | 18,861 | 5,838 | 5,513 |
| TOTAL | \$ 2,422,208 | \$ 2,541,626 | \$ 2,643,875 | \$ 2,907,938 | \$ 3,086,731 | \$ 3,208,328 | \$ 3,421,393 | \$ 3,483,834 | \$ 3,630,226 | \$ 3,722,710 |
| LEVY AS EXTENDED | \$ 2,426,137 | \$ 2,548,286 | \$ 2,650,290 | \$ 2,912,108 | \$ 3,086,938 | \$ 3,253,214 | \$ 3,447,229 | \$ 3,496,243 | \$ 3,643,564 | \$ - |
| PERCENT COLLECTED | 99.84% | 99.74% | 99.76% | 99.86% | 99.99% | 98.62% | 99.25% | 99.65% | 99.63% | 0.00% |

Note:

(1) The 2011 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 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General merchandise | \$ - | \$ - | \$ 392 | \$ 249 | \$ 182 | \$ 925 | \$ 321 | \$ 265 | \$ 265 | \$ - |
| Food | 164,408 | 164,650 | 158,553 | 155,743 | 161,941 | 159,180 | 167,320 | 177,211 | 177,372 | 169,825 |
| Drink, eat, rooms | 18,659 | 13,405 | 15,692 | 28,679 | 34,138 | 33,842 | 36,965 | 46,341 | 69,693 | 62,630 |
| Apparel | - | - | - | - | - | - | - | - | - | 522 |
| Furniture | 5,561 | 9,530 | 6,424 | 6,196 | 9,883 | 5,396 | 6,831 | 4,336 | 7,862 | 8,932 |
| Lumber, hardware | 24,145 | 22,604 | 23,345 | 26,251 | 34,742 | 121,171 | 108,020 | 93,353 | 91,856 | 110,558 |
| Auto, filling stations | 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 | 1,401,864 |
| Drugs, retail | 71,453 | 78,015 | 92,425 | 102,498 | 100,124 | 127,718 | 133,329 | 130,460 | 127,314 | 53,000 |
| Agriculture and all others | 52,660 | 54,547 | 130,978 | 176,280 | 174,440 | 158,573 | 137,590 | 90,796 | 109,603 | 105,018 |
| Manufacturing | 44,550 | 46,492 | 31,972 | 35,790 | 40,019 | 43,895 | 31,982 | 20,578 | 32,920 | 15,747 |
| TOTAL | \$ 1,869,837 | \$ 2,047,289 | \$ 2,155,395 | \$ 2,091,109 | \$ 2,274,320 | \$ 2,423,087 | \$ 2,169,017 | \$ 1,942,928 | \$ 2,028,174 | \$ 1,928,096 |
| VILLAGE DIRECT SALES TAX RATE | 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 |
|---------------|---------------------|----------------------------|------------------------|------------|-------|
| 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% |
| 2011 | 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 | Bank Notes Payable | Alternate Water Revenue Bonds | | | | |
| 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 |
| 2012 | 1,970,000 | 45,000 | 2,315,000 | - | 4,330,000 | 1.1% | 757 |

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 108 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 | <u>General Bonded Debt Outstanding</u> | | Percentage of Taxable Assessed Value of Property (1) | Per Capita (2) |
|----------------|--|--|---|-------------------|
| | General Obligation Bonds | | | |
| 2003 | \$ 1,775,000 | | 0.42% | \$ 293.10 |
| 2004 | 1,650,000 | | 0.36% | 272.46 |
| 2005 | 1,475,000 | | 0.31% | 243.56 |
| 2006 | 1,260,000 | | 0.24% | 208.06 |
| 2007 | 4,385,000 | | 0.77% | 724.08 |
| 2008 | 2,875,000 | | 0.46% | 462.07 |
| 2009 | 2,615,000 | | 0.40% | 420.28 |
| 2010 | 2,360,000 | | 0.37% | 380.65 |
| 2011 | 2,100,000 | | 0.36% | 367.00 |
| 2012 | 1,970,000 | | 0.36% | 344.29 |

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 97 for more property value information.

(2) See the schedule of Demographic and Economic Statistics on page 108 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, 2012

| 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 | \$ 1,970 | 100.00% | \$ 1,970 |
| Overlapping debt (1) | | | |
| Lake Bluff Park District | 2,108 | 87.63% | 1,847 |
| Lake Bluff School District 65 | 26,115 | 85.71% | 22,383 |
| Lake Forest-Lake Bluff High School District 115 | 48,890 | 17.97% | 8,786 |
| Central Lake County Joint Action Water Agency (CLCJAWA) | 18,535 | 7.72% | 1,431 |
| North Shore Sanitary District | 710 | 6.36% | 45 |
| Lake County Community College District 532 | 24,350 | 2.17% | 528 |
| Lake County | 84,770 | 2.06% | 1,746 |
| Lake County Forest Preserve | 295,250 | 2.06% | 6,082 |
| Other debt | | | |
| Lake County capital leases | - | 0.00% | - |
| Lake County - other debt | - | 0.00% | - |
| Subtotal | <u>500,728</u> | | <u>42,848</u> |
| TOTAL | <u>\$ 502,698</u> | | <u>\$ 44,818</u> |

Notes:

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

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

Data Source

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

The Village of Lake Bluff has general obligation (tax-supported) debt of \$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 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|------------|------------|------------|------------|------------|------|------|------|------|------|
| Assessed Value | \$ 418,651 | \$ 454,544 | \$ 480,354 | \$ 519,270 | \$ 571,694 | N/A | N/A | N/A | N/A | N/A |
| Debt limit | 36,109 | 39,204 | 41,431 | 44,787 | - | - | - | - | - | - |
| Total net debt applicable to limit | 1,775 | 1,650 | 1,475 | 1,260 | - | - | - | - | - | - |
| LEGAL DEBT MARGIN | \$ 34,334 | \$ 37,554 | \$ 39,956 | \$ 43,527 | \$ 571,694 | \$ - | \$ - | \$ - | \$ - | \$ - |
| TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT | 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 Eight 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 |
| 2012 | 1,230,232 | 130,000 | 43,743 | 296,744 | 4.15 |

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

| Fiscal Year | Population | Personal Income (in thousands of dollars) | Per Capita Personal Income | Unemployment Rate |
|-------------|------------|--|----------------------------|-------------------|
| 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% |
| 2012 | 5,722 | 402,402 | 70,352 | N/A |

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 | 2012 | | 2003 | |
|-------------------------------|--|--------------|------|--------------|------|
| | | Employees | Rank | Employees | Rank |
| Knautz Motors, Inc | BMW, Mercedes, Chrysler, Hyundai Land Rover & Mini auto dealerships | 260 | 1 | 235 | 1 |
| Liquid Controls Corp | Manufacture - Liquid flow meters | 167 | 2 | 175 | 2 |
| Chelsea & Scott, LTD | Catalog sales - children's products | 123 | 3 | 145 | 3 |
| Lake Bluff School District 65 | Elementary school district | 120 | 4 | 119 | 6 |
| Buehler, Inc | Scientific instruments supplier | 120 | 5 | 100 | 7 |
| Mariani Landscaping | Landscaping architect | 105 | 6 | | |
| Profile Plastics | Manufacture - plastic parts | 60 | 7 | 80 | 10 |
| Village of Lake Bluff | Municipal government | 38 | 8 | | |
| Circuit Works | Circuit board assembly | 34 | 9 | | |
| Fresenius Medical | Kidney dialysis clinic | 25 | 10 | | |
| Dominick's/Safeway | Grocery store | 25 | 10 | | |
| Clarin/Greenwich Industries | Manufacture - steel folding chairs | | | 125 | 4 |
| Deerpath Medical Associates | Medical clinic | | | 125 | 5 |
| Shepard Chevrolet | Chevrolet and Geo auto dealership | | | 95 | 8 |
| Harrison Conference Center | Conference/training facility/hotel | | | 83 | 9 |
| Total | | <u>1,077</u> | | <u>1,282</u> | |

Note:

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

Data Source

2012 selective telephone survey

VILLAGE OF LAKE BLUFF, ILLINOIS
 FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

| Function/Program | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| Administrator's Office | 4.50 | 3.50 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 3.00 | 3.00 |
| Finance | 3.50 | 3.50 | 3.50 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Engineering, Building and Zoning | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| PUBLIC SAFETY | | | | | | | | | | |
| Fire | | | | | | | | | | |
| Secretary | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Police | | | | | | | | | | |
| Police sworn | 16.00 | 16.00 | 16.00 | 17.00 | 17.00 | 17.00 | 17.00 | 15.00 | 15.00 | 14.00 |
| Telecommunications Dispatchers | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 | 5.00 |
| PUBLIC WORKS | | | | | | | | | | |
| Administration, Street, Sewer | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 8.00 | 6.00 | 6.00 |
| Water | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Sanitation | 4.00 | 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 | 50.00 | 48.50 | 49.00 | 51.00 | 51.00 | 50.00 | 50.00 | 42.00 | 39.00 | 37.00 |

Data Source

Village budget

VILLAGE OF LAKE BLUFF, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

| Fiscal Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|----------|----------|----------|----------|----------|----------|----------|----------|--------|--------|
| GENERAL GOVERNMENT | | | | | | | | | | |
| Administration | | | | | | | | | | |
| Village Board Meetings | 21 | 20 | 21 | 22 | 22 | 23 | 18 | 23 | 23 | 23 |
| Other Board and commission meetings | 34 | 31 | 46 | 46 | 46 | 49 | 24 | 30 | 38 | 48 |
| Village newsletter mailings | 6 | 4 | 2 | 5 | 5 | 5 | 4 | 5 | 5 | 5 |
| Lake Bluff List Serve Subscribers | n/a | n/a | 92 | 214 | 293 | 438 | 487 | 550 | 663 | 700 |
| Finance | | | | | | | | | | |
| Accounts payable (in thousands) | \$ 6,800 | \$ 5,000 | \$ 4,800 | \$ 5,790 | \$ 7,650 | \$ 8,000 | \$ 7,013 | \$ 5,622 | 6,273 | 6,965 |
| Water & Sewer invoices prepared | 7,956 | 7,915 | 8,175 | 8,232 | 8,225 | 8,185 | 8,179 | 8,256 | 8,247 | 8,240 |
| Engineering, Building and Zoning | | | | | | | | | | |
| Residential building permits issued | 488 | 463 | 491 | 523 | 464 | 447 | 418 | 323 | 378 | 455 |
| Commercial building permits issued | 34 | 32 | 17 | 25 | 23 | 14 | 18 | 14 | 60 | 9 |
| Zoning petitions | 22 | 24 | 8 | 22 | 7 | 9 | 7 | 8 | 5 | 8 |
| PUBLIC SAFETY | | | | | | | | | | |
| Police | | | | | | | | | | |
| Number of calls | 7,972 | 10,737 | 9,286 | 10,078 | 11,703 | 10,282 | 10,322 | 11,208 | 11,457 | 11,744 |
| Felony offenses | 39 | 56 | 71 | 77 | 49 | 52 | 88 | 66 | 82 | 101 |
| Misdemeanor offenses | 215 | 266 | 304 | 406 | 311 | 336 | 390 | 406 | 588 | 643 |
| Auto Accident investigations | 199 | 169 | 183 | 203 | 203 | 177 | 195 | 210 | 173 | 193 |
| Fire | | | | | | | | | | |
| Fire calls | 33 | 24 | 35 | 52 | 48 | 37 | 34 | 41 | 44 | 43 |
| Rescue/Medical transported | 171 | 181 | 208 | 174 | 217 | 211 | 227 | 250 | 250 | 205 |
| Rescue/Medical not transported | 38 | 45 | 56 | 70 | 50 | 61 | 73 | 76 | 84 | 80 |
| PUBLIC WORKS | | | | | | | | | | |
| General | | | | | | | | | | |
| Streets patching (in tons) | 75 | 47 | 61 | 57 | 71 | 118 | 64 | 38 | 20 | 42 |
| Street cleaned - miles | 1,388 | 1,187 | 1,360 | 975 | 1,134 | 1,562 | 813 | 813 | 614 | 1,114 |
| Compacted household refuse collected | 2,481 | 2,542 | 2,704 | 2,620 | 2,678 | 2,223 | 1,911 | 1,850 | 1,850 | 1,500 |
| Curbside recycling collections (tons) | 801 | 710 | 790 | 715 | 758 | 1,148 | 1,124 | 1,084 | 1,084 | 1,004 |
| 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 | n/a |
| Parkway trees planted | 79 | 79 | 81 | 76 | 67 | 52 | 50 | 42 | 22 | 20 |
| Parkway grass trimmed (in acres) | 392 | 414 | 387 | 276 | 301 | 401 | 329 | 305 | 300 | 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 | 1,975 |
| Storm sewers cleaned (in linear feet) | 9,686 | 7,476 | 4,257 | 4,158 | 2,358 | 2,111 | 3,837 | 3,474 | n/a | 2,450 |
| Water | | | | | | | | | | |
| Main break repairs | 5 | 8 | 12 | 18 | 9 | 16 | 9 | 5 | 7 | 13 |
| JULIE utility locates | 700 | 1,409 | 1,273 | 1,227 | 1,368 | 1,210 | 1,345 | 1,354 | 900 | 775 |

Data Source

Various village departments

VILLAGE OF LAKE BLUFF, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

| Fiscal Year | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| PUBLIC SAFETY | | | | | | | | | | |
| Police | | | | | | | | | | |
| Patrol units | 5 | 6 | 6 | 6 | 7 | 8 | 8 | 8 | 8 | 8 |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire | | | | | | | | | | |
| Engines (1) | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.5 | 5.0 | 5.0 | 5.0 | 5.0 |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| PUBLIC WORKS | | | | | | | | | | |
| Streets (miles) | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.8 | 27.8 | 27.8 |
| Sidewalks (miles) | 20.0 | 20.0 | 20.3 | 20.3 | 20.3 | 20.3 | 20.6 | 25.9 | 26.0 | 26.0 |
| Building facilities maintained | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Sanitary sewers (miles) | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 | 32.0 |
| Storm Sewers (miles) | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 |
| Sanitary sewer lift stations | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| WATER - sanitary sewer | | | | | | | | | | |
| Fire hydrants | 425 | 425 | 435 | 460 | 476 | 488 | 490 | 490 | 492 | 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