



Village of Lake Bluff, Illinois

Comprehensive Annual Financial Report

For year ending April 30, 2013

VILLAGE OF LAKE BLUFF, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
April 30, 2013

Prepared by  
Finance Department

Susan M. Griffin  
Director of Finance

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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**

**William Gallagher, Police Chief**

**N. David Graf, Fire Chief**

**Gerald Nellessen, Building Code Supervisor**

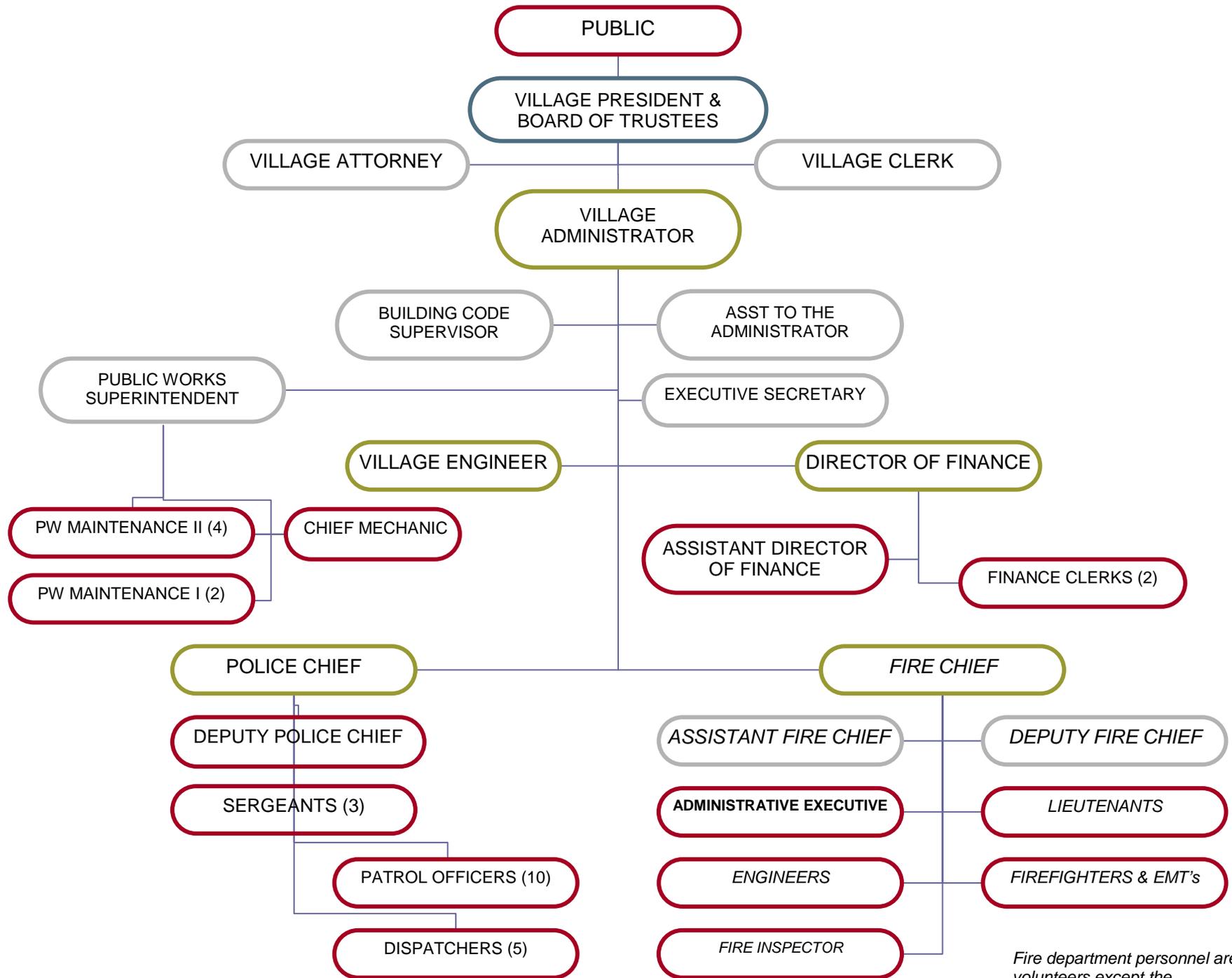
**George E. Russell Jr., Village Engineer**

**Marlene Scheibl, Assistant Finance Director**

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

**Peter M. Friedman, Village Attorney**

**Holland & Knight, LLP**



*Fire department personnel are volunteers except the Administrative Executive*



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Village of Lake Bluff  
Illinois**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**April 30, 2012**

Executive Director/CEO



August 27, 2013

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, 2013 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities have been included.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The objective of the independent audit was to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors report on pages 1-3 rendered an unmodified opinion that the Village's financial statements are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP).

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.

This year the Village's financial reporting entity excludes the Lake Bluff Public Library in compliance with Governmental Accounting Standards Board ("GASB") Statement 61, which amends GASB Statements 14 and 34 regarding the inclusion of component units in the financial reporting entity. The Lake Bluff Public Library is fiscally dependent upon the Village, but functions as a separate legal entity; therefore, it is no longer reflected in the financial statements as a discretely presented component unit of the Village. The Library issues a separate financial report which can be obtained by contacting the Library Director at 123 E. Scranton Ave, Lake Bluff, IL 60044 or on the Library website at [lakebluffpubliclibrary.org](http://lakebluffpubliclibrary.org). The Village did not expend federal funds during fiscal year 2013 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.

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E-Mail: [vlb@lakebluff.org](mailto:vlb@lakebluff.org)

## 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 2012 Equalized Assessed Valuation (EAV) for the Village is \$506,500,163 or 8% less than the 2011 EAV of \$551,254,954. Based on available past figures, this is the fourth consecutive year that the Village's EAV has decreased. The 2012 property tax levy will be collected and recorded as revenue in the next fiscal year.

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

The Village's Industrial/Commercial Corridor Business District (ICCBD) located along the southeastern portion of Rt. 43 and Rt. 176 is comprised of manufacturing, service, and retail firms. The Village continues to receive substantial sales tax revenue from the Knauz Auto Park which includes BMW, Mercedes, Land Rover, Mini, SmartCar, and Hyundai dealerships; Imperial Motors Jaguar; The Exchange Group Chevrolet; and the Lake Forest Sportscar dealership which sells Maserati, Ferrari, McLaren, Aston Martin and Lotus autos. In addition to the ICCBD, the Village has a historic Central Business District (CBD) in its downtown with retail shops and service businesses. Sales tax revenues including home rule sales taxes of \$2.541 million represents 31% of the General Fund revenues, down from 32% in the prior year. Automobile sales tax revenues represents 72% of the \$1.845 million from the state-shared sales tax (auto sales are exempt from the 1% home rule sales tax) received in calendar year 2012.

## Major Initiatives

### For the year ended April 30, 2013

The focus this fiscal year continued to be adapting to the volatility of this recovery and its long-term implications. Specifically, the loss of revenues from sales tax receipts, development-related fees, interest earnings, and income taxes compels exploration of innovative programs and service delivery opportunities. This recession is proving to be more protracted with an erratic recovery requiring constant diligence to what and how services are delivered. The Village began participation in the Municipal Partnering Initiative to assess opportunities for sharing staff, pooling purchasing, and outsourcing of support 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 2012-13 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. Maintain the delivery of high-quality cost effective municipal services.
  - a. Finalized the first union contract with International Council of Police (ICOP) for the Village's three Police Sergeants and the fifth contract with the Fraternal Order of Police (FOP) for Sworn Police Officers which expired April 30, 2012. Do you want to reference the new contract through April 30, 2014?
  - b. Hired two Police officers to fill vacant positions.
  - c. Coordinated the merger of a separate Plan Commission and Zoning Board of Appeals into a combined PCZBA.
  - d. Obtained Tree City USA designation for the 17<sup>th</sup> consecutive year.
  - e. Maintained Police department accreditation by the Commission for Accreditation of Law Enforcement Agencies (CALEA), assuring compliance with the standards of a professional law enforcement agency.
  - f. Continued participation in the tri-board committee of Village, School District 65, and Park District board members to increase communication and coordination, and to explore shared service opportunities.
  - g. Participated in the Northern Illinois Municipal Partnering Initiative for shared service opportunities.
  - h. Procured replacement fire department self-contained breathing apparatus (SCBA) funded by a federal grant.
  - i. Assisted ICMA in the development of a consolidated dispatch operations study and a fire/EMS services study with the cities of Highland Park and Lake Forest.
2. Heighten the community's sense of connection and shared values and fosters a business climate that sustains a robust and stable local economy.
  - a. Selected a consultant and coordinated a community-wide branding study.
  - b. Facilitated the successful first annual 2012 Block Party and Lake Bluff Twilight Bicycle Criterium.
  - c. Continued a review of the 1997 Comprehensive Plan.
3. Preserve sound financial management.
  - a. Refinanced the 2006 Water Alternate Revenue Bonds resulting in an \$118,632 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) Distinguished Budget Presentation award and Certificate of Achievement for Excellence in Financial Reporting.
  - d. Maintained Aaa bond rating from Moody's credit rating agency.
4. Safeguard capital assets.
  - a. Constructed traffic signal installation and roadway improvements at the intersection of North Shore Drive and Waukegan Road partially funded by a \$1 million state grant.
  - b. Finalized Phase 1 study of the reconfiguration of Route 41/Route 176 interchange fully funded by state and federal grant.
  - c. Continued the resurfacing and roadway improvements program.
  - d. Began ravine erosion mitigation in Ravine Park funded by \$789 thousand grant.

- e. Completed the valve replacement at Blodgett and Simpson Avenues.
- f. Installed natural gas back-up generator at PW Facility.

These projects were funded through current operating revenues, a strategic reduction of excess fund balance reserves, grant revenues, and the 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 preserving the safety and welfare of the public, to respecting and sustaining the architectural and environmental character of the community, to fostering the volunteer spirit and intergovernmental cooperatives, and to supporting the advanced level of public services provided to the residents.

Below is a short description of some of the more significant initiatives proposed for the coming year. These projects are anticipated to be funded through current operating revenues, grant revenues, and an intentional use of excess governmental fund reserves.

- ❖ Complete 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.
- ❖ Continue multi-year program to replace pumps, piping, and control systems for the six sanitary sewer lift stations.
- ❖ 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.
- ❖ Assess results of consolidated dispatch operations and fire/EMS services studies.
- ❖ Participate in Municipal Partnering Initiative for joint engagement of technology infrastructure service provider and other shared service initiatives.
- ❖ Recruit and hire Police Chief to replace retiring Chief.

#### **Financial Information**

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

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

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

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

Police Pension Trust Fund. The Village maintains a Police Pension Trust Fund mandated by state law for sworn police officers. The net position held in trust for the Police Pension Fund as of April 30, 2013 is \$7.697 million, up 7.5% from \$7.162 million as of April 30, 2012. Pursuant to the actuarial calculation of funding (using the entry age normal cost method under GASB Statement 27), which was prepared as of May 1, 2013, the Police Pension Fund is 54.2% funded, with an unfunded liability of \$6.692 million; this is a decline from a funded level of 56.3% with an unfunded liability of \$5.833 million for the prior year. Several factors influence the unfunded liability of pension plans, including the rate of return on investments, state law changes increasing benefits, the addition of officers to the plan, and disability benefits. Two years ago, the Police Pension Board of Trustees approved the reduction of the interest rate assumption from 7.50% to 7.25% aligning with expected average long-term returns based on the portfolio composition, investment philosophy and recent past performance. While the Police Department consists of 15 members comprised of a Chief, a Deputy Chief, 3 Sergeants, and 10 Patrol officers, Chief William Gallagher has elected not to participate in the plan. The Pension Fund currently pays benefits to 13 annuitants up from 11 annuitants last year as the Commander retired in December 2012 and an officer began receiving duty disability benefits in March 2013. Total benefits and refunds increased by 11.8% to \$658,269 from \$588,624 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 50% of the fund's assets in separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, and mutual funds managed by an investment company registered under Illinois Securities Law of 1953 and the Federal Investment Company Act of 1940.

The Village's investment policy details the cash management objectives and the guidelines for investing Village cash. The Village's investment goal is to minimize credit and market risks while maintaining a competitive yield on its portfolio. In addition, funds on deposit in excess of FDIC limits must be secured by collateral held in safekeeping by a third party. The Police Pension Fund has a separate investment policy, 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 \$18,588 on all governmental and Water Fund investments for the year ended April 30, 2013. This represents a 10% 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 \$118,624. The mutual funds' and government agencies' fair value grew by \$457,427. After investment expense the net investment income was \$554,530 or 45.2% of total additions to the net position. Total contributions comprised the remaining 54.8% of the \$671,196 total additions to the net position. The net position increased by \$535,530 after benefits and administrative expenses of \$690,196.

### 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, 2012. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

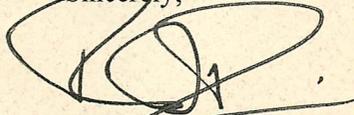
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both GAAP and applicable legal requirements.

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**

## 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, 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, 2013, 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.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the each major fund, and the aggregate remaining fund information of the Village of Lake Bluff, Illinois, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America

## **Emphasis of Matter**

The Village adopted GASB Statement No 61, *The Financial Reporting Entity: Omnibus*, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* during the year ended April 30, 2013. Statement No. 61 modified certain requirements for inclusion of component units in the financial reporting entity and amends the criteria for reporting component units as a part of the primary governments, the implementation of which removed the Lake Bluff Public Library from this report. Statement No. 63 added new classifications on the statements of position and changed net assets to net position. Statement No. 65 changed the classifications of certain items on the statement of position to the new classifications contained in GASB Statement No 63. Our opinions are not modified with respect to these matters.

## **Other Matters**

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's financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, the supplemental data, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements and schedules and supplemental data are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. 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.

Naperville, Illinois  
August 27, 2013

A handwritten signature in black ink, appearing to read "Schickel". The signature is written in a cursive style with a large initial "S" and a distinct "P" at the end.

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS**

# MANAGEMENT'S DISCUSSION AND ANALYSIS

## Fiscal Year Ended April 30, 2013

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As management of the Village of Lake Bluff, Illinois ("the Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village of Lake Bluff for the fiscal year ended April 30, 2013 with comparisons to the fiscal year ended April 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

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

### FINANCIAL HIGHLIGHTS

- The Village obtained an unmodified opinion from the independent audit firm, Sikich LLP.
- The Village implemented Governmental Accounting Standards Board ("GASB") Statements 63 and 65 this fiscal year reporting the unamortized loss on the bond refundings as deferred outflows of resources (previously reported as a reduction of the outstanding debt attributed to the investment in capital assets) and unearned property taxes as deferred inflows of resources (previously reported as other liabilities.)
- The Village's total net position is \$28.14 million as of April 30, 2013 compared to \$27.67 million as of April 30, 2012. The Village increased its total assets by \$78 thousand as a result of grant revenues which grew current assets by \$270 thousand but was offset by a decrease in capital assets of \$192 thousand. Liabilities and deferred inflows of resources decreased \$175 thousand from the payment of long term debt. After the deferred outflows of resources from the unamortized loss on the bond refundings of \$223 thousand, the Village's total net position increased by \$476 thousand, thus strengthening the Village's overall financial position by 1.7%.
- The Village's net investment in capital assets of \$21.36 million equals the capital assets net of accumulated depreciation of \$25.25 million minus \$3.89 million in outstanding related debt. This is \$171 thousand more than last year due to the reduction of outstanding debt attributed to the refinancing of the 2004 and 2006 bonds which were refunded in 2011 and 2012, respectively, to lower the net interest cost.
- Government-wide expenses were \$11.10 million, funded with program revenues of \$4.28 million and property, sales, utility, income and other taxes, interest, and miscellaneous revenues of \$7.35 million; with the difference accounting for the increase in net position during the fiscal year of \$539 thousand.
- The unrestricted net position of the primary government increased to \$5.35 million on April 30, 2013, from \$4.90 million as of April 30, 2012 as the Village utilized grant revenues to finance capital infrastructure improvements.
- The General Fund (the Village's main operating fund) had a fund balance of \$4.65 million which represents 75% 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 Position** that presents information about all of the Village's assets and liabilities, with the differences reported as net position. Over a multiyear period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village. Additionally, one would need to evaluate non-financial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

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

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

The Village's financial reporting includes the funds of the Village primary government. *The government-wide financial statements are presented on pages 4-6 of this report.*

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

### **Fund Financial Statements**

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

*Governmental funds.* Governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Unlike the government-wide financial statements, governmental fund financial information focuses on near-term *flow* of spendable resources, as well as on *the balance* of spendable resources available at the end of the fiscal year. It is useful to compare the information presented for governmental *funds* with similar information presented for governmental *activities* in the government-wide financial statements. The governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental *funds* and governmental *activities*. *The basic governmental fund financial statements can be found on pages 7-10 of this report.*

The Village of Lake Bluff has 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and the Redevelopment funds because they are major funds. Major funds are defined as those governmental or enterprise funds' whose total assets, liabilities, revenues, and expenditures/expenses are at least 10% of the totals for all funds of that category (governmental or enterprise) and at least 5% of the combined governmental and enterprise funds. The remaining 9 funds' data is combined into a single column labeled "nonmajor" governmental funds. *Individual fund data for these nonmajor governmental funds is shown on pages 63-68 in this report.*

The Village has adopted an annual budget for all of its funds except the Special Service Area Bonds and Special Service Area Capital Project Funds. Budgetary comparison statements have been provided to demonstrate compliance with the budget for all other funds. *The actual to budget comparison statements*

for the General Fund and all other governmental funds can be found on pages 55-62 and 69-75, respectively.

*Proprietary funds.* The Water Fund is the Village's only proprietary fund. There are two categories of proprietary funds: enterprise funds and internal service funds. The Water Fund, as an enterprise fund, reports business-type activities in the government-wide financial statements. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. An internal service fund is an accounting method used to accumulate and allocate costs internally among various governmental functions for services that predominantly benefit the government. The Village does not have any internal service funds. *The Water Fund financial activity is shown in more detail than the government-wide financial statements and can be found on pages 11-14 of this report.*

*Fiduciary funds.* The Police Pension Fund is the Village's only fiduciary fund. Fiduciary funds are not reflected in the government-wide financial statement because its resources are not available to support the Village's programs, but are used to account for resources held for the benefit of the eligible police officers. The accounting used for fiduciary funds is similar to that used for proprietary funds. *The Police Pension Fund financial statements can be found on pages 15-16 of this report.*

#### *Notes to the financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. *The notes are preceded by an index which begins on page 17 of this report.*

#### *Other information*

In addition to the basic financial statements and accompanying notes, this report also encompasses certain required supplementary information concerning the Village's funding of pension benefit obligations to its employees, other post-employment benefit (OPEB) obligations, and budget information. *Required supplementary information can be found on pages 50-54 of this report.*

Major funds are reported in the basic financial statements as discussed. *Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 63.*

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

The largest portion of the Village's net position reflects its investment in capital assets less any related outstanding debt used to acquire those assets. The Village uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. Further, the debt repayment is provided from other sources, since the capital assets cannot be used to liquidate the liabilities. **Exhibit A** on the next page presents a summary of governmental and business-type **net position** as of April 30, 2013 compared to April 30, 2012 for the primary government.

Pursuant to GASB Statements 63 and 65, unearned revenues are categorized as deferred inflows of resources and shown below the liabilities and the unamortized loss on bond issuance is presented as deferred outflows of resources. The 2013 deferred inflows of \$3,014,816 accounts for the 2012 property taxes to be billed and collected in the next fiscal year. The accounting loss on the advance refunding of the 2006 and 2004 bonds in the amounts of \$103,825 and \$119,120 are shown as a deferred outflow of resources in the Governmental and the Water activities, respectively. At the fiscal year end April 30, 2013, the total unrestricted net position for the **primary government** is \$5,352,747, which is 9% more than the unrestricted net position of \$4,905,119 at the fiscal year ended April 30, 2012. **Governmental activities restricted** net position of \$1,437,679 is for street improvements, employee benefits and pensions, public safety E911 maintenance, fire service purposes, and debt repayment. These *restricted* amounts decreased by \$142,860 from the use of grant monies and bond proceeds to complete the Waukegan Road/North Shore Drive traffic signal and roadway improvements project. The **governmental activities** unrestricted net position rose from \$3,557,045 to \$3,887,725. The **governmental activities** combined *restricted* and

Management's Discussion and Analysis – Fiscal Year Ended April 30, 2013

unrestricted net position grew 4%, or \$187,820. The **water activities** total net position increased by \$136,502 as a result of operating income of \$130,229 less \$61,421 in net interest expense plus \$67,694 in contributions from the Redevelopment Fund to complete water infrastructure improvements in conjunction with the Waukegan Road/North Shore Drive roadway project. **Exhibit B** presents a summary of governmental **revenues, expenses, and changes in net position** for the fiscal year ended April 30, 2013 compared to April 30, 2012.

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

	Governmental Activities		Water Activities		Total	
	2013	2012	2013	2012	2013	2012
Current & other assets	\$10,731,646	\$10,551,929	\$ 1,596,415	\$1,505,797	\$12,328,061	\$12,057,726
Capital assets	18,440,678	18,455,577	6,807,057	6,984,645	25,247,735	25,440,222
Total assets	29,172,324	29,007,506	8,403,472	8,490,442	37,575,796	37,497,948
Deferred Outflows	103,825	----	119,120	130,465	222,945	130,465
Long term liabilities	2,687,528	2,830,436	2,101,351	2,284,027	4,788,879	5,114,463
Other liabilities	1,583,898	1,670,987	262,524	251,652	1,846,422	1,922,639
Total liabilities	4,271,426	7,420,300	2,363,875	2,405,214	6,635,301	9,825,514
Deferred Inflows	3,014,816	2,918,877	----	----	3,014,816	2,918,877
<b>Net position:</b>						
Net investment in capital assets	\$16,664,503	\$16,449,622	\$ 4,693,695	\$4,737,154	\$21,358,198	\$21,186,776
Restricted	1,437,679	1,580,539	----	----	\$ 1,437,679	1,580,539
Unrestricted	3,887,725	3,557,045	1,465,022	1,348,074	5,352,747	4,905,119
<b>Total net position</b>	<b>\$21,989,907</b>	<b>\$21,587,206</b>	<b>\$ 6,158,717</b>	<b>\$6,085,228</b>	<b>\$28,148,624</b>	<b>\$27,672,434</b>

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

	Governmental Activities		Water (Business-Type)		Total	
	2013	2012	2013	2012	2013	2012
<b>Revenues:</b>						
Program revenues						
Charge for services	\$ 1,265,422	\$ 1,177,238	\$ 1,447,150	\$ 1,229,799	\$ 2,712,572	\$ 2,407,037
Operating grants and contributions	187,962	198,800	----	----	187,962	198,900
Capital grants/donations	1,386,979	499,915	----	----	1,386,979	499,915
General revenues						
Property taxes	2,903,873	2,847,986	----	----	2,903,873	2,847,986
Sales taxes	2,541,332	2,562,532	----	----	2,541,332	2,562,532
Other taxes	1,544,420	1,460,475	----	----	1,544,420	1,460,475
Interest/Invest Income	15,768	18,023	2,820	2,572	18,588	20,595
Miscellaneous/Transfers	270,289	201,805	75,441	433	345,730	202,238
<i>Subtotal general revenue</i>	<i>7,275,682</i>	<i>7,090,821</i>	<i>78,261</i>	<i>3,005</i>	<i>7,353,943</i>	<i>7,093,826</i>
Total revenues	10,116,045	8,966,874	1,525,411	1,232,804	11,641,456	10,199,678
<b>Expenses:</b>						
General government	1,749,648	1,677,840	----	----	1,749,648	1,677,840
Public safety	4,208,309	4,105,315	----	----	4,208,309	4,105,315
Public works	3,693,891	2,985,744	----	----	3,693,891	2,985,744
Debt service interest	61,496	88,316	----	----	61,496	88,316
Water	----	----	1,388,909	1,218,425	1,388,909	1,218,425
Total expenses	9,713,344	8,857,215	1,388,909	1,218,425	11,102,253	10,075,640
<b>Increase in net position</b>	<b>402,701</b>	<b>109,659</b>	<b>136,502</b>	<b>14,379</b>	<b>539,203</b>	<b>124,038</b>
Net position – May 1, 2012	\$21,587,206	\$21,477,547	\$6,085,228	\$6,070,849	\$27,672,434	\$27,548,396
Prior Period Adjustment	----	----	(63,013)	----	(63,013)	----
Net position–April 30, 2013	\$21,989,907	\$21,587,206	\$6,158,717	\$6,085,228	\$28,148,624	\$27,672,434

Governmental Activities

Total governmental revenues rose by \$1,149,171 or 12.8% due to the receipt of the capital grant proceeds and total expenses increased by 9.7% or \$856,129 from the expenditure of funds North Shore Drive roadway improvements which were not capitalized because the roadway is State-owned and from the 32% increase in OPEB liability. This resulted in a positive change in the net position of \$402,701 as of April 30, 2013 compared to an increase in net position of \$109,659 as of April 30, 2012.

*Program Revenues*

Charge for services in the governmental activities includes: building permits and related fees; fines and forfeitures; vehicle, business, and other licenses; sewer charge; and police and fire protection services provided to local unincorporated areas. Overall, this category increased by 7.5% or \$88,184 mostly attributed to rental income increases due to the revised AT&T tower land lease agreement. Building permit fees were down slightly from the prior year as housing development continues to struggle. 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. Capital grants increased \$887,064 or 177% due to the receipt of monies from the State for the Routes 41/176 interchange reconfiguration study, the final balance of the Waukegan Rd/North Shore Drive traffic signal project and a FEMA grant for firefighter self-contained breathing apparatus replacements.

*Governmental Revenues*

Village tax revenues are derived from a combination of the following sources: real estate, sales and local use, utility, personal property replacement, and motor fuel taxes. Property taxes continue to be the most significant part of the Village's revenue structure, accounting for 32% of the total governmental revenues. Property tax revenue from the 2011 tax levy increased by 5.3%, despite a decline of 7% in the equalized assessed value of taxable property, from the impact of the 1.5% Consumer Price Index (CPI) factor and the addition of new property to the tax rolls. Sales taxes (including the home rule sales tax), which comprise the second largest source of governmental revenues at 28.6%, declined by .05% or \$15,137.

Other taxes category includes state shared income, personal property replacement, demolition, prepared food and beverage, telecommunications, and utility taxes. In the aggregate these revenues increased by \$6,238 or 1.1%. Telecommunications, natural gas and electric utility taxes declined by 8.3% or \$62,532 from the prior fiscal year from a combination of user conservation efforts and lower natural gas prices. Income taxes increased by 9.9% or \$46,426 from consistent (rather than seasonal) growth in revenue. Municipalities receive one-tenth of the State's income tax receipts on a per capita basis. Prepared food and beverage tax revenue increased by 27.6% or \$14,625. The miscellaneous revenue line in Exhibit B includes the transfer from the governmental activities to the Water activities of \$67,694 from grant funds used to improve water infrastructure related to the North Shore Drive traffic signal addition and related roadway improvements. This fiscal year, the Village received a contribution of \$185,000 for the addition to the public safety building for a bunk room for the volunteer firefighters which will be constructed next fiscal year.

*Governmental Expenses*

Total governmental expenses increased by \$856,129 or 9.6% due to the rise in expenses for public works roadway improvements that were required to be completed in conjunction with the North Shore Drive traffic signal installation. Most of these costs were not capitalized as the roadway is the property of the State. Direct personnel costs for salaries, benefits, insurance, and pension expenses represent 46% of the total governmental expenses; a decline from 49% in the prior fiscal year. Compensated absences, net pension obligation and OPEB expenses of \$303,401 represent 3% of the total expenses. Commodities and contractual costs reflect 31% and non-capitalized improvement costs and depreciation represent 20% of the total governmental expenses.

The general government expenses include the costs of the Administrator's Office, Finance, Engineering/Community Development, and Boards and Commissions departments. This category of expenses increased 4.3% or \$71,808 from the payout of excess accrued vacation time as the Village changed its personnel policy to limit the amount of unused accrued vacation.

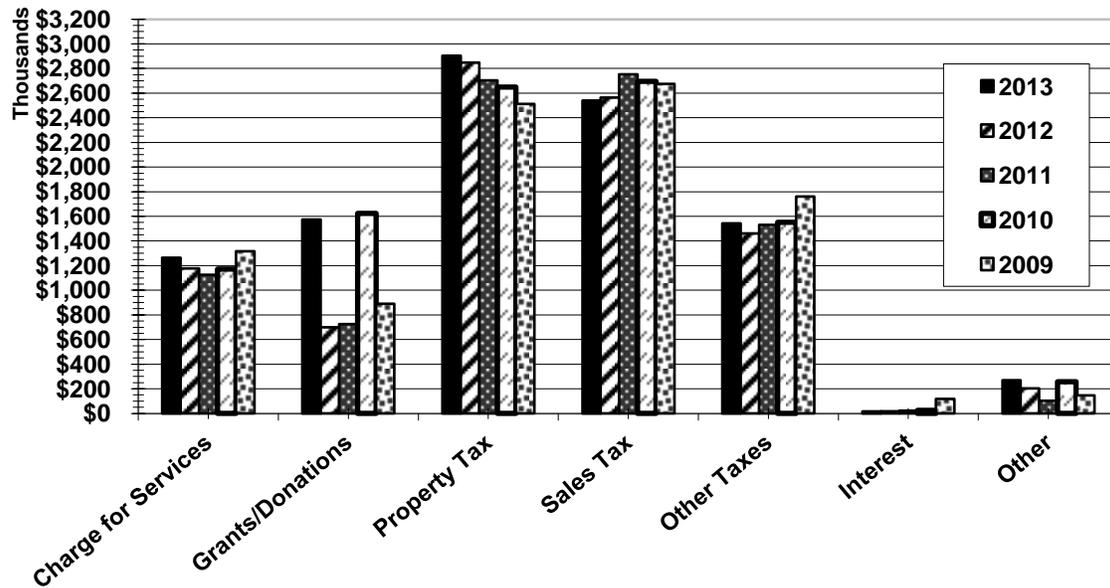
The public safety expenses are for the police sworn, dispatch, and fire departments. The Public Safety expenses increased 2.5% or \$102,994 predominately due to the recruitment costs associated with filling two vacant police officer positions in March 2013, the payout of accrued time for the Commander who retired in December 2012 after 30 years, and the increase in depreciation expense.

The public works expenses include the costs related to the maintenance of streets, bridges, sewers, street lights, forestry infrastructure, parkways, and the sanitation and recycling collection. The PW expenses increased by 23.7% or \$708,147 due to costs of the North Shore Drive roadway improvements which were not capitalized because the roadway is owned by the State. The Village capitalized the cost associated with the traffic signal as this will be maintained by the Village per agreement with the State.

Interest on long term debt decreased by \$26,820 or 30% due to the reduction in costs attributed to the advance refunding of the 2006 G.O. bond debt.

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

Village of Lake Bluff Governmental Revenues – Exhibit C



Water - Proprietary Activities

The water activities include the costs of purchasing and distributing potable water to the Village's 2,000 residential and business customers; reading the meters; billing and collections; and maintaining the related infrastructure. The Village purchases water from the Central Lake County Joint Action Water Agency (CLCJAWA) at a rate of \$2.65 per 1,000 gallons up from \$2.52 last year. Water purchases expense was \$176,633 more than the prior year of which an increase in water volume accounted for \$142,356 of the rise in purchases and \$34,277 was attributed to the wholesale water rate increase.

The revenues reflect the sale of the water, connection fees, meter sales, and other miscellaneous fees. The Village charges its customers at a rate of \$6.45 per thousand gallons of water used, up from \$6.20 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 18% or \$217,230 from the prior fiscal year. The retail water rate change of \$0.25 accounted for \$52,783 of the increase in water sales revenue with the balance attributed to the growth in consumption. Water consumption is impacted by the spring and summer weather as usage increases during months with warmer temperatures and rainfall amounts. The debt service is for the interest expense associated with the issuance, in 2004, of \$3.06 million in alternate revenue bonds to finance water infrastructure improvement projects. The Village advance

refunded this debt in October 2011 resulting. The outstanding principal balance of this debt is \$2.175 million at fiscal year-end.

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

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

The focus of the Village's governmental funds is to provide information on current inflows, outflows, and balances of non-capital assets. Unrestricted fund balance serves as a useful measure of the Village's net resources available for spending at the end of the year. The governmental activities' total fund balance is \$6,470,746. The total fund balances grew by \$130,875 from 2012 to 2013 from reduced personnel and associated retirement funding costs. On page 8 of the financial statements is a reconciliation of the differences between the net position and the fund balance. Generally, the fund balance does not include capital assets, long term debt payable, net pension and OPEB obligations, and the loss on refunding bonds. Capital expenditures reduce the fund balance but depreciation is not an expenditure in governmental funds.

**Exhibit D** is a chart showing the governmental fund balances as of April 30, 2013 compared to April 30, 2012 with the dollar and percentage change.

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

		Governmental Activities		Increase/Decrease from 2012	
		2013	2012	Percentage	Dollars
General	Major	\$ 4,659,810	\$ 4,385,105	6.3%	\$ 274,705
Redevelopment	Major	443,033	741,750	(40.3)	(298,717)
Motor Fuel Tax	Nonmajor	120,801	769	156.1	120,032
Vehicle Replacement	Nonmajor	361,581	362,283	(.1)	(702)
IL Municipal Retirement	Nonmajor	269,008	260,006	3.5	9,002
Federal Social Security	Nonmajor	264,506	245,436	7.8	19,070
E-911	Nonmajor	285,957	278,751	2.6	7,206
Fire Dept. Special	Nonmajor	37,901	37,366	1.4	535
SSA Bonds	Nonmajor	13,426	13,414	0.1	12
2006/2012 G.O. Bonds	Nonmajor	965	1,245	(22.5)	(280)
SSA Capital Projects	Nonmajor	13,758	13,746	0.1	12
Total		\$ 6,470,746	\$ 6,339,871	2.1%	\$ 130,875

Governmental Funds – Major and Nonmajor

The General fund balance of \$4,659,810 reflects the available resources to finance the main operations of the Village of Lake Bluff. This fund balance exceeds the Village's policy of maintaining an amount equal to at least 30% of operating expenditures. The \$274,705 increase was the result of excess revenues over expenditures of \$953,247 but offset by total other financing uses (transfers to other funds) of \$678,542. Other financing uses rose from the prior year by \$49,459 or 7.7% as the Village supplemented the motor fuel tax allotments to increase spending on road paving projects. Total revenues increased from the prior year by \$334,687 or 4.2% while expenditures (not including other financing uses) increased by \$179,816 or 2.5%. The other major fund is the Redevelopment Fund which was created to account for capital projects financed by bond proceeds and/or capital grants. Currently the major expenditures were for the North Shore Drive/Waukegan Road traffic signal and roadway improvements and the Routes 41/176 interchange reconfiguration study. The fund balance declined as the cash was used to complete these projects.

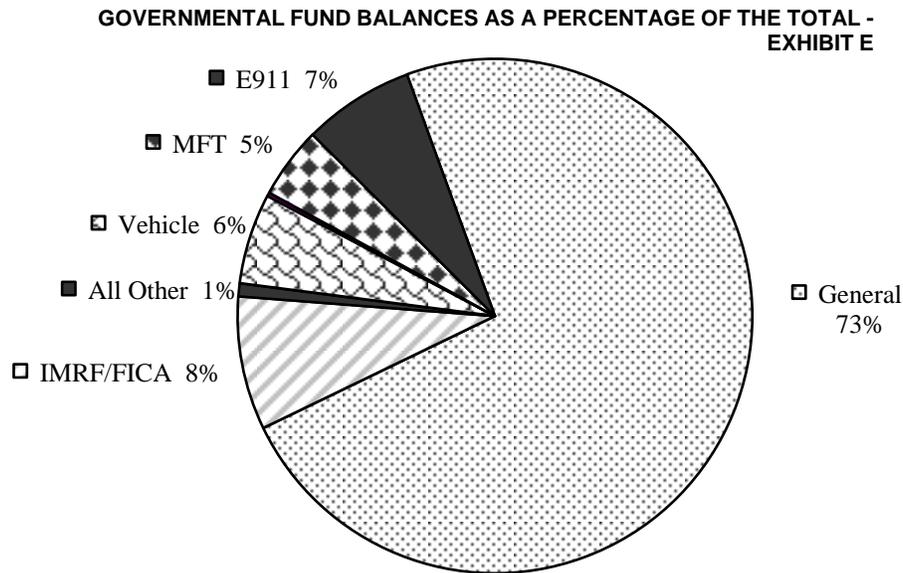
The other governmental funds fund balances are required to be spent for their intended purpose. With the exception of some slight decreases in two of the governmental funds, the remaining funds had increases in the fund balance. Specifically, the Motor Fuel Tax Fund monies are required to be utilized exclusively for maintenance of streets. The IMRF and Social Security Pension Funds, The E911 fund is for the maintenance of the Village's police telecommunications system and accumulated resources will be used to

replace the system when necessary. The Vehicle Replacement Fund fund balance is reserved for replacement of capital vehicles and equipment. The principal and interest payments for the 2006/2012 G.O. 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. The General Fund supplemented the MFT by \$325 thousand with a goal to spend \$475 thousand each year to repave streets pursuant to the annual condition assessment. Repaving contract costs were less than anticipated this fiscal year resulting in a fund balance of \$120 thousand.
- ❖ Illinois Municipal Retirement Fund fund balance grew in order to provide a reserve for anticipated rate increases due to heavy investment losses in 2008 and from the expectation that long term employees’ may retire over the next 3-5 years.
- ❖ Social Security/FICA Fund fund balance increased due property tax revenue exceeding budgeted expenditures.

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



General Fund Budgetary Highlights

The budget was not modified during the year and actual expenditures did not exceed the budget. As predicted, the recovery from what is now called the Great Recession has been weak and irregular. 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 transfers to other funds by \$749,830 to utilize excess fund balance reserves to maintain the Village’s capital assets. Actual revenues for the fiscal year were \$387,569 or 4.5% less than projected. The General Fund expenditures were less than budgeted by \$1,153,836, or 13.6% 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 \$194,000 contingency budget.

Water - Proprietary Fund

The Water Fund had operating income of \$130,229 compared to operating income of \$63,422 in the prior fiscal year. The Village sets a rate each year that is intended to cover the operating costs including depreciation. Actual operating revenues increased 18.3% or \$224,665 and the increase of 13.5% or \$157,858 in operating expenses correlates to the rise in revenues as water purchases rose to meet demand.

Capital Assets and Debt Administration

*Capital Assets.* The Village's investment in capital assets, net of accumulated depreciation, for governmental activities was \$18,440,678 in fiscal year 2013 down from \$18,455,577 in fiscal year 2012. This decrease is attributable to the depreciation exceeding the investment in capital assets during the year. The net realizable capital asset investment for the Water Fund declined this fiscal year to \$6,807,057 from \$6,984,645 in fiscal year 2012 because the depreciation exceeded the investment in capital assets during the year. *Additional information regarding the Village's capital assets is presented in the footnotes on pages 31-32.*

*Long-Term Debt.* At April 30, 2013, the Village had three outstanding bond issues with a total principal balance of \$4.055 million outstanding. In August 2006, the Village issued \$2.1 million in G.O. Bonds to finance the cost of roadway improvements and street amenities in the downtown; a stop light on Waukegan Road and North Shore Drive; and other roadway and pedestrian access improvements. In 2012, these bonds were advance refunded to achieve a lower net interest cost with no changes to the original retirement date of December 2020. The outstanding principal balance on the original issue is \$195 thousand and \$1.685 million on the 2012 issue. These bond payments are paid from General Fund operating revenues. In June 2004, the Village issued \$3.06 million in alternate water revenue bonds to finance the cost of water infrastructure improvements previously scheduled to be accomplished over 10 years. In October 2011, these bonds were advance refunded to achieve a lower net interest cost with no changes to the original retirement date of the bonds. The outstanding principal balance on the 2011 Refunding Bonds is \$2.175 million; the bonds mature in December 2024, and will continue to be repaid with water revenues.

As a home rule unit of government, the Village does not have a statutory debt limit but has observes a very conservative policy, as evidenced by the fact that the Village first issued bonds in 1987, has never carried debt in excess of \$10 million, and has a direct debt burden of 0.8% versus the median of 2.1%. The Village's outstanding general obligation debt principal represents 0.4% of 2012 EAV. *Additional information regarding the Village's debt is presented in the footnotes on pages 34-36, detailed schedules are shown on pages 78-80, and additional information is included in the statistical section on pages 99-103.*

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

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

*Economic Factors*

- Pension obligations will continue to grow as a percentage of the organization's expenses.
- Health insurance costs are projected to rise by 10% next year.
- Slight growth in sales, income, and utility tax receipts are projected as certain sectors of the economy begin to recover.
- Building and development revenues are expected to remain flat as the housing market isn't showing signs of a sustained recovery.
- The first contract with the Illinois Council of Police (ICOPs) for the three Sergeants and the Fraternal Order of Police (FOP) contract for the patrol officers will expire at the end of the next fiscal year.
- Short-term interest rates below 2% will continue to adversely affect interest earnings.

- Wholesale water rate decrease from CLCJAWA of \$0.09 per thousand gallons from \$2.65 to \$2.56.
- Retail water rate rise from \$6.45 to \$6.60 per thousand gallons as water consumption is projected to remain flat or decline slightly next year.
- Consumer Price Index-Urban (CPI-U) factor for the 2012 property tax levy is 3% with a projected decline in total equalized assessed value of 6% and minimal new construction added to the tax rolls.
- Home rule provides financial flexibility for the Village and provides some opportunities to mitigate potential revenue losses from the effects of state-wide budget constraints.

All of these factors were considered when preparing the fiscal year 2013-14 annual budget.

**Contacting the Village's Financial Management**

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

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2013

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 6,594,180	\$ 889,477	\$ 7,483,657
Receivables, net of allowance for uncollectibles			
Property taxes	3,014,816	-	3,014,816
Other taxes	865,540	-	865,540
Other receivables	259,935	401	260,336
Accounts	68,845	274,544	343,389
Intergovernmental	335,610	-	335,610
Accrued interest	213	-	213
Prepaid items	9,300	-	9,300
Inventory	15,200	-	15,200
Due to/from other funds	(180,802)	180,802	-
Advance to/from other funds	(251,191)	251,191	-
Capital assets			
Capital assets not being depreciated	2,284,977	-	2,284,977
Capital assets being depreciated, net	16,155,701	6,807,057	22,962,758
<b>Total assets</b>	<b>29,172,324</b>	<b>8,403,472</b>	<b>37,575,796</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized charge on refunding	103,825	119,120	222,945
<b>Total deferred outflows of resources</b>	<b>103,825</b>	<b>119,120</b>	<b>222,945</b>
<b>Total assets and deferred outflows of resources</b>	<b>29,276,149</b>	<b>8,522,592</b>	<b>37,798,741</b>
<b>LIABILITIES</b>			
Accounts payable	516,012	47,302	563,314
Accrued payroll	142,545	8,665	151,210
Interest payable	12,694	22,479	35,173
Other liabilities	92,153	-	92,153
Due to other governments	116	-	116
Due to fiduciary fund	2,213	-	2,213
Other unearned revenue	137,235	-	137,235
Deposits payable	355,810	7,403	363,213
Noncurrent liabilities			
Due within one year	325,120	176,675	501,795
Due in more than one year	2,687,528	2,101,351	4,788,879
<b>Total liabilities</b>	<b>4,271,426</b>	<b>2,363,875</b>	<b>6,635,301</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned property taxes	3,014,816	-	3,014,816
<b>Total deferred inflows of resources</b>	<b>3,014,816</b>	<b>-</b>	<b>3,014,816</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>7,286,242</b>	<b>2,363,875</b>	<b>9,650,117</b>
<b>NET POSITION</b>			
Net investment in capital assets	16,664,503	4,693,695	21,358,198
Restricted for			
Employee benefits	533,514	-	533,514
Specified purpose	3,047	-	3,047
Highways and streets	120,801	-	120,801
Public safety	323,858	-	323,858
Debt service	13,426	-	13,426
Capital outlay	443,033	-	443,033
Unrestricted	3,887,725	1,465,022	5,352,747
<b>TOTAL NET POSITION</b>	<b>\$ 21,989,907</b>	<b>\$ 6,158,717</b>	<b>\$ 28,148,624</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 1,749,648	\$ 931,338	\$ -	\$ -
Public safety	4,208,309	139,005	24,316	169,684
Public works	3,693,891	195,079	163,646	1,217,295
Interest on long-term debt	61,496	-	-	-
Total governmental activities	9,713,344	1,265,422	187,962	1,386,979
Business-Type Activities				
Water	1,388,909	1,447,150	-	-
Total business-type activities	1,388,909	1,447,150	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 11,102,253</b>	<b>\$ 2,712,572</b>	<b>\$ 187,962</b>	<b>\$ 1,386,979</b>

	<u>Net (Expense) Revenue and Change in Net Position</u>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
	\$ (818,310)	\$ -	\$ (818,310)
	(3,875,304)	-	(3,875,304)
	(2,117,871)	-	(2,117,871)
	(61,496)	-	(61,496)
	<u>(6,872,981)</u>	<u>-</u>	<u>(6,872,981)</u>
	-	58,241	58,241
	-	58,241	58,241
	<u>(6,872,981)</u>	<u>58,241</u>	<u>(6,814,740)</u>
General Revenues			
Taxes			
Property tax	2,903,873	-	2,903,873
Utility tax	749,319	-	749,319
Replacement taxes	52,065	-	52,065
Sales tax	2,541,332	-	2,541,332
Wireless surcharge	57,600	-	57,600
Other taxes	169,766	-	169,766
Shared income tax	515,670	-	515,670
Miscellaneous	337,983	7,747	345,730
Investment income	15,768	2,820	18,588
Transfers	(67,694)	67,694	-
Total	<u>7,275,682</u>	<u>78,261</u>	<u>7,353,943</u>
CHANGE IN NET POSITION	<u>402,701</u>	<u>136,502</u>	<u>539,203</u>
NET POSITION, MAY 1	21,587,206	6,085,228	27,672,434
Prior period adjustment	<u>-</u>	<u>(63,013)</u>	<u>(63,013)</u>
NET POSITION, MAY 1, RESTATED	<u>21,587,206</u>	<u>6,022,215</u>	<u>27,609,421</u>
NET POSITION, APRIL 30	<u>\$ 21,989,907</u>	<u>\$ 6,158,717</u>	<u>\$ 28,148,624</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2013

	General Fund	Redevelopment Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 4,821,025	\$ 134,876	\$ 1,638,279	\$ 6,594,180
Receivables, net				
Property taxes	2,645,071	-	369,745	3,014,816
Other taxes	855,699	-	9,841	865,540
Other receivables	259,935	-	-	259,935
Accounts	61,638	-	7,207	68,845
Intergovernmental	-	335,610	-	335,610
Accrued interest	213	-	-	213
Prepaid items	9,300	-	-	9,300
Inventory	15,200	-	-	15,200
Due from other funds	16,286	-	-	16,286
<b>TOTAL ASSETS</b>	<b>\$ 8,684,367</b>	<b>\$ 470,486</b>	<b>\$ 2,025,072</b>	<b>\$ 11,179,925</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 468,612	\$ 27,453	\$ 19,947	\$ 516,012
Accrued payroll	142,545	-	-	142,545
Other liabilities	92,153	-	-	92,153
Due to other governments	116	-	-	116
Other unearned revenue	137,235	-	-	137,235
Deposits payable	355,810	-	-	355,810
Due to other funds	180,802	-	16,286	197,088
Due to fiduciary fund	2,213	-	-	2,213
Advance from other funds	-	-	251,191	251,191
<b>Total liabilities</b>	<b>1,379,486</b>	<b>27,453</b>	<b>287,424</b>	<b>1,694,363</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	2,645,071	-	369,745	3,014,816
<b>Total deferred inflows of resources</b>	<b>2,645,071</b>	<b>-</b>	<b>369,745</b>	<b>3,014,816</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>4,024,557</b>	<b>27,453</b>	<b>657,169</b>	<b>4,709,179</b>
<b>FUND BALANCES</b>				
Nonspendable prepaid items	9,300	-	-	9,300
Nonspendable inventory	15,200	-	-	15,200
Restricted for employee benefits	-	-	533,514	533,514
Restricted for specific purpose	3,047	-	-	3,047
Restricted for highways and streets	-	-	120,801	120,801
Restricted for public safety	-	-	323,858	323,858
Restricted for debt service	-	-	13,426	13,426
Restricted for capital outlay	-	443,033	-	443,033
Unrestricted				
Assigned for debt service	-	-	965	965
Assigned for Fire Bunk Area	185,000	-	-	185,000
Assigned for capital outlay	300,000	-	375,339	675,339
Unassigned	4,147,263	-	-	4,147,263
<b>Total fund balances</b>	<b>4,659,810</b>	<b>443,033</b>	<b>1,367,903</b>	<b>6,470,746</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,684,367</b>	<b>\$ 470,486</b>	<b>\$ 2,025,072</b>	<b>\$ 11,179,925</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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

April 30, 2013

---

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 6,470,746
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	18,440,678
The charge on refunding bonds is capitalized and amortized over the life of the bonds on the statement of net position	103,825
Interest payable is accrued as incurred in the statement of activities as opposed to when paid in governmental funds	(12,694)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(1,880,000)
Compensated absences payable	(380,583)
Net pension obligation	(211,928)
Net other postemployment benefit	<u>(540,137)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 21,989,907</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, 2013

	General Fund	Redevelopment Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 2,470,621	\$ -	\$ 433,252	\$ 2,903,873
Other taxes	3,503,891	-	39,443	3,543,334
Licenses, permits and fees	734,119	-	-	734,119
Intergovernmental	724,695	1,177,952	245,562	2,148,209
Charges for services	420,880	-	-	420,880
Fines and forfeitures	79,573	-	-	79,573
Investment income	13,541	452	1,775	15,768
Miscellaneous	307,167	13,892	763	321,822
<b>Total revenues</b>	<b>8,254,487</b>	<b>1,192,296</b>	<b>720,795</b>	<b>10,167,578</b>
<b>EXPENDITURES</b>				
Current				
General government	1,607,178	-	110,141	1,717,319
Public safety	3,852,451	-	297,003	4,149,454
Public works	1,795,730	-	454,176	2,249,906
Capital outlay	-	1,467,312	159,925	1,627,237
Debt service				
Principal	45,000	-	185,000	230,000
Interest and fiscal charges	881	23,701	54,586	79,168
<b>Total expenditures</b>	<b>7,301,240</b>	<b>1,491,013</b>	<b>1,260,831</b>	<b>10,053,084</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>953,247</b>	<b>(298,717)</b>	<b>(540,036)</b>	<b>114,494</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of capital assets	-	-	16,161	16,161
Issuance of refunding bonds	-	-	1,685,000	1,685,000
Payment to escrow agent	-	-	(1,684,780)	(1,684,780)
Transfers in	16,044	-	694,586	710,630
Transfers (out)	(694,586)	-	(16,044)	(710,630)
<b>Total other financing sources (uses)</b>	<b>(678,542)</b>	<b>-</b>	<b>694,923</b>	<b>16,381</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>274,705</b>	<b>(298,717)</b>	<b>154,887</b>	<b>130,875</b>
<b>FUND BALANCES, MAY 1</b>	<b>4,385,105</b>	<b>741,750</b>	<b>1,213,016</b>	<b>6,339,871</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 4,659,810</b>	<b>\$ 443,033</b>	<b>\$ 1,367,903</b>	<b>\$ 6,470,746</b>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2013

---

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 130,875
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	797,862
Transfers to business-type activities	(67,694)
Depreciation expense	(745,329)
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	262
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase in principal outstanding on the statement of net position	(1,685,000)
The payment to escrow agent for the refunding of long-term debt is reported as an other financing use in the governmental funds but as	
A decrease of principal outstanding in the statement of net position	1,590,000
A decrease of discount outstanding in the statement of net position	(9,045)
Charge on refunding amortized over the life of the bonds	103,825
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	230,000
The change in compensated absences does not require a current financial resource	91,866
Interest costs are recognized when paid in governmental funds but when incurred on the statement of activities	17,672
The change in the net pension obligation is not a source or use of a financial resource	79,471
The change in the net other postemployment benefit is not a source or use of a financial resource	(132,064)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 402,701</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUND

April 30, 2013

<b>CURRENT ASSETS</b>	
Cash and cash equivalents	\$ 889,477
Receivables	
Accounts, net of allowance for uncollectible accounts	274,544
Other	401
Due from other funds	<u>180,802</u>
Total current assets	<u>1,345,224</u>
<b>NONCURRENT ASSETS</b>	
Advance to other funds	251,191
Capital assets, net of accumulated depreciation	<u>6,807,057</u>
Total noncurrent assets	<u>7,058,248</u>
Total assets	<u>8,403,472</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Unamortized charge on refunding	<u>119,120</u>
Total deferred outflows of resources	<u>119,120</u>
Total assets and deferred outflows of resources	<u>8,522,592</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	47,302
Accrued payroll	8,665
Accrued interest payable	22,479
Deposits held	7,403
Compensated absences payable	21,675
General Obligation (Alternate Revenue Source) bonds payable	<u>155,000</u>
Total current liabilities	<u>262,524</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated absences payable	23,869
General Obligation (Alternate Revenue Source) bonds payable	<u>2,077,482</u>
Total noncurrent liabilities	<u>2,101,351</u>
Total liabilities	<u>2,363,875</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,693,695
Unrestricted	<u>1,465,022</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 6,158,717</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2013

<b>OPERATING REVENUES</b>	
Water sales	\$ 1,427,329
Meter sales	3,746
Tap-on and connection fees	16,075
Miscellaneous	<u>7,747</u>
Total operating revenues	<u>1,454,897</u>
<b>OPERATING EXPENSES</b>	
Administrative and finance	373,590
Water purchases	698,717
Depreciation	<u>252,361</u>
Total operating expenses	<u>1,324,668</u>
<b>OPERATING INCOME</b>	<u>130,229</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	2,820
Gain on disposal of capital assets	7,079
Interest expense	<u>(71,320)</u>
Total nonoperating revenues (expenses)	<u>(61,421)</u>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS</b>	<u>68,808</u>
<b>CONTRIBUTIONS</b>	<u>67,694</u>
<b>CHANGE IN NET POSITION</b>	<u>136,502</u>
<b>NET POSITION, MAY 1</b>	6,085,228
Prior period adjustment	<u>(63,013)</u>
<b>NET POSITION, MAY 1, RESTATED</b>	<u>6,022,215</u>
<b>NET POSITION, APRIL 30</b>	<u><u>\$ 6,158,717</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CASH FLOWS  
PROPRIETARY FUND

For the Year Ended April 30, 2013

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CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,469,972
Payments to suppliers	(767,298)
Payments to employees	<u>(322,376)</u>
Net cash from operating activities	<u>380,298</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund activity	(348,935)
Increase in advance to other funds	<u>(7,500)</u>
Net cash from noncapital financing activities	<u>(356,435)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>2,821</u>
Net cash from investing activities	<u>2,821</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Payments of principal	(140,000)
Interest and fiscal charges paid on capital debt	<u>(73,863)</u>
Net cash from capital and related financing activities	<u>(213,863)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(187,179)
CASH AND CASH EQUIVALENTS, MAY 1	<u>1,076,656</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 889,477</u></u>

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
PROPRIETARY FUND

For the Year Ended April 30, 2013

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CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 130,229
Adjustments to reconcile operating income to net cash from operating activities	
Depreciation	252,361
(Increase) decrease in Receivables	15,625
Increase (decrease) in Accounts payable	1,939
Deposits payable	(550)
Accrued payroll	1,001
Compensated absences payable	<u>(20,307)</u>
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 380,298</u>
SCHEDULE OF NONCASH TRANSACTIONS	
Contributed capital assets	<u>\$ 67,694</u>
Total noncash transactions	<u>\$ 67,694</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUND

April 30, 2013

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	<u>Police Pension Fund</u>
<b>ASSETS</b>	
Cash	\$ 64,645
Investments (at fair value)	
Certificates of deposit	100,000
U.S. Government obligations	1,126,439
Mutual funds	6,407,894
Accrued interest receivable	10,871
Due from Village	<u>2,213</u>
 Total assets	 <u>7,712,062</u>
<b>LIABILITIES</b>	
Accounts payable	<u>14,571</u>
 Total liabilities	 <u>14,571</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u>7,697,491</u>
 TOTAL NET POSITION	 <u><u>\$ 7,697,491</u></u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE PENSION FUND

For the Year Ended April 30, 2013

<b>ADDITIONS</b>	
Contributions	
Employer	\$ 554,148
Plan members	<u>117,048</u>
Total contributions	<u>671,196</u>
Investment income	
Net appreciation in fair value of investments	457,427
Interest	<u>118,624</u>
Total investment income	576,051
Less investment expense	<u>(21,521)</u>
Net investment income	<u>554,530</u>
Total additions	<u>1,225,726</u>
<b>DEDUCTIONS</b>	
Pension benefits and refunds	658,269
Administrative expenses	<u>31,927</u>
Total deductions	<u>690,196</u>
<b>NET INCREASE</b>	535,530
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	
May 1	<u>7,161,961</u>
April 30	<u>\$ 7,697,491</u>

See accompanying notes to financial statements.

VILLAGE OF LAKE BLUFF, ILLINOIS

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April 30, 2013

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VILLAGE OF LAKE BLUFF, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2013

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village was incorporated on September 26, 1895, and is a municipal corporation governed by an elected seven-member board. The Village operates under a President/Administrator form of government and provides the following services as authorized by its charter: public safety (police and fire); highways and streets; health, social and cultural services; water and sanitation; public improvements; planning and zoning and general administration services. Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statement No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable for.

b. Fund Accounting

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

c. Government-Wide and Fund Financial Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major and only proprietary fund:

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

The Village reports the following fiduciary fund:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal period (60 days for property taxes). Expenditures generally are recorded when the related fund liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded when payment is due.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

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

f. Receivables

The recognition of receivables associated with 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.

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Interfund Receivables/Payables

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

j. Capital Assets

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

Capital assets are defined by the Village as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure acquired prior to the implementation of GASB Statement No. 34, *Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments*, is included in these financial statements.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Compensated Absences

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

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

In the event of termination, an employee is reimbursed for accumulated vacation days up to a maximum of 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 the unamortized loss on refunding, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The unamortized loss on refunding is reported as a deferred outflow of resources.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Fund Balances/Net Position

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Deferred Outflows/Inflows of Resources

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

o. Interfund Transactions

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

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

p. Accounting Estimates

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

2. PROPERTY TAXES

Property taxes for 2012 attach as an enforceable lien on January 1, 2012 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, 2013. These 2012 taxes are intended to finance the 2014 fiscal

2. PROPERTY TAXES (Continued)

year and are not considered available or earned for current operations and are, therefore, reported as deferred/unearned revenue. The 2013 tax levy has not been recorded as a receivable at April 30, 2013, as the tax attached as a lien on property as of January 1, 2013; however, the tax will not be levied until December 2013 and, accordingly, is not measurable at April 30, 2013.

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.

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

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

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

3. CASH AND INVESTMENTS (Continued)

Village Deposits with Financial Institutions

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

Village Investments

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

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

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

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

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

3. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments

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

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
FHLB	\$ 524,318	\$ 360,230	\$ 164,088	\$ -	\$ -
FHLMC	104,640	-	104,640	-	-
FNMA	470,927	-	470,927	-	-
FFCB	26,554	-	26,554	-	-
Negotiable CDs	100,000	100,000	-	-	-
<b>TOTAL</b>	<b>\$ 1,226,439</b>	<b>\$ 460,230</b>	<b>\$ 766,209</b>	<b>\$ -</b>	<b>\$ -</b>

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

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

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

3. CASH AND INVESTMENTS (Continued)

Police Pension Fund Investments (Continued)

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%

At April 30, 2013, the Police Pension Fund had greater than 55% of its investment portfolio invested in equity securities, in excess of the statutory limit.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2013 was as follows:

	Balances May 1	Additions	Disposals	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 2,284,977	\$ -	\$ -	\$ 2,284,977
Total capital assets not being depreciated	<u>2,284,977</u>	<u>-</u>	<u>-</u>	<u>2,284,977</u>
Capital assets being depreciated				
Buildings and improvements	5,663,219	50,678	-	5,713,897
Equipment	5,302,955	408,121	327,638	5,383,438
Infrastructure	16,669,722	271,369	-	16,941,091
Total capital assets being depreciated	<u>27,635,896</u>	<u>730,168</u>	<u>327,638</u>	<u>28,038,426</u>
Less accumulated depreciation for				
Buildings and improvements	2,260,873	136,738	-	2,397,611
Equipment	3,183,172	353,369	326,645	3,209,896
Infrastructure	6,021,251	255,222	1,255	6,275,218
Total accumulated depreciation	<u>11,465,296</u>	<u>745,329</u>	<u>327,900</u>	<u>11,882,725</u>
Total capital assets being depreciated, net	<u>16,170,600</u>	<u>(15,161)</u>	<u>(262)</u>	<u>16,155,701</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 18,455,577</u>	<u>\$ (15,161)</u>	<u>\$ (262)</u>	<u>\$ 18,440,678</u>

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

4. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 36,862
Public safety	291,555
Public works	<u>416,912</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 745,329</u>

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets being depreciated				
Water systems/lines	\$ 9,164,722	\$ 67,694	\$ 544	\$ 9,231,872
Water tower	1,817,314	-	-	1,817,314
Vehicles	101,345	-	-	101,345
Total capital assets being depreciated	<u>11,083,381</u>	<u>67,694</u>	<u>544</u>	<u>11,150,531</u>
Less accumulated depreciation for				
Water system/lines	3,204,281	197,304	7,623	3,393,962
Water tower	813,786	50,631	-	864,417
Vehicles	80,669	4,426	-	85,095
Total accumulated depreciation	<u>4,098,736</u>	<u>252,361</u>	<u>7,623</u>	<u>4,343,474</u>
Total capital assets being depreciated, net	<u>6,984,645</u>	<u>(184,667)</u>	<u>(7,079)</u>	<u>6,807,057</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 6,984,645</u>	<u>\$ (184,667)</u>	<u>\$ (7,079)</u>	<u>\$ 6,807,057</u>

5. RISK MANAGEMENT

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

Intergovernmental Risk Management Agency (IRMA)

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

5. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the 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, 2013.

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

6. LEASE AND MAINTENANCE OBLIGATIONS

Commuter Station

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

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

7. LONG-TERM DEBT

A summary of changes in long-term debt reported in the governmental activities of the Village for the year ended April 30, 2013 is as follows:

a. Governmental Activities

Issue	Fund Debt Retired by	Balances May 1	Issuances	Retirements/ Refundings	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	\$ 45,000	\$ -	\$ 45,000	\$ -	\$ -
Total notes payable		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	1,970,000	-	1,775,000	195,000	195,000
\$1,685,000 General Obligation Bonds dated September 14, 2012, due in annual installments of \$25,000 to \$250,000 through December 15, 2020, interest payable each June 15 and December 15 at 0.75% to 2.35%	2012 General Obligation Bond	-	1,685,000	-	1,685,000	25,000
Less deferred amounts for issuance discounts		(9,045)	-	(9,045)	-	-
Compensated absences	General	472,449	490,743	582,609	380,583	105,120
Net Pension obligation	General	291,399	-	79,471	211,928	-
Net other postemployment benefit obligation	General	408,073	132,064	-	540,137	-
TOTAL GOVERNMENTAL ACTIVITIES		\$ 3,177,876	\$ 2,307,807	\$ 2,473,035	\$ 3,012,648	\$ 325,120

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	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	\$ 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	-	10,000	2,175,000	155,000
Compensated absences	Waterworks	65,851	25,786	46,093	45,544	21,675
Unamortized premium	Waterworks	62,956	-	5,474	57,482	-
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>		<b>\$ 2,443,807</b>	<b>\$ 25,786</b>	<b>\$ 191,567</b>	<b>\$ 2,278,026</b>	<b>\$ 176,675</b>

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

c. Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2014	\$ 220,000	\$ 33,850	\$ 155,000	\$ 59,944
2015	230,000	25,863	165,000	56,844
2016	230,000	23,792	165,000	53,544
2017	230,000	21,493	170,000	50,244
2018	235,000	18,616	170,000	46,844
2019	240,000	14,975	180,000	42,594
2020	245,000	10,775	180,000	37,644

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	\$ 250,000	\$ 5,875	\$ 185,000	\$ 32,469
2022	-	-	190,000	26,688
2023	-	-	200,000	20,512
2024	-	-	205,000	14,011
2025	-	-	210,000	7,350
<b>TOTAL</b>	<b>\$ 1,880,000</b>	<b>\$ 155,239</b>	<b>\$ 2,175,000</b>	<b>\$ 448,688</b>

d. Advance Refunding

On September, 2012, the Village issued \$1,685,000 Series 2012 General Obligation Refunding Bonds, to advance refund, \$1,590,000 of the General Obligation Bonds, Series 2006. The proceeds of the bonds were placed in an irrevocable trust to provide all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements. The defeased bonds will be called and retired on December 15, 2013. As a result of the refunding, the Village achieved a cash flow savings of \$99,035 and an economic gain on the refunding of \$92,352.

8. INDIVIDUAL FUND DISCLOSURES

a. Interfund Transactions

Due from/to other funds at April 30, 2013 consist of the following:

Receivable Fund	Payable Fund	Amount
Water	General	\$ 180,802
General	Nonmajor Governmental	16,286
<b>TOTAL</b>		<b>\$ 197,088</b>
Police Pension	General	\$ 2,213

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

- \$180,802 owed to the Water Fund from the General Fund is for interfund operations. Repayment is expected within one year.
- \$16,286 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, 2013 consist of the following:

Receivable Fund	Payable Fund	Amount
Water	Vehicle/Equipment Replacement (Nonmajor governmental)	\$ 251,191
TOTAL		<u>\$ 251,191</u>

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

- \$251,191 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	\$ 16,044	\$ 694,586
Nonmajor governmental	694,586	16,044
Governmental Activities	-	67,694
Business-Type Activities	67,694	-
TOTAL ALL FUNDS	<u>\$ 778,324</u>	<u>\$ 778,324</u>

The purposes of significant transfers are as follows:

- \$694,586 was transferred to the Nonmajor Governmental Funds from the General Fund. \$130,000 was transferred to the Vehicle/Equipment Replacement Fund for the replacement of vehicles. \$239,586 was transferred to the 2006 General Obligation Bond Fund for funding of nonproperty tax debt and \$325,000 was transferred to the Motor Fuel Tax Fund to provide supplemental funding for the street repaving project.
- \$67,694 was transferred to the Business-Type Activities from the Governmental Activities to transfer capital assets purchased by governmental activities to the Water Fund.

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, 2013 is \$1,169,180.

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, 2013 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, and adopts by-laws, rules and regulations. The Village has no explicit and measurable equity interest in CLCJAWA, although there does exist a residual interest in CLCJAWA's assets upon dissolution of the joint venture. The Village has an ongoing financial responsibility for its share of CLCJAWA's liabilities. Each participant is liable for its share of any agency contracts entered into while bound by the intergovernmental agreement, until those contracts are paid off. Additionally, the Village has an ongoing financial responsibility to purchase water from CLCJAWA.

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

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

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 \$698,717 to CLCJAWA for fiscal year 2013, 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, 2013, 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.

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.

10. JOINT VENTURES (Continued)

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

The obligation of the Village to make all payments as required by this contract is unconditional and irrevocable without regard to performance or nonperformance by 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, 2013.

11. DEFINED BENEFIT PENSION PLANS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund (IMRF)

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years and 2% for each year thereafter.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (IMRF) (Continued)

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 2012 and 2013 were 11.99% and 12.44%, 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.

At April 30, 2013, 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	2
	<hr/>
TOTAL	<u>26</u>

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2013, the Village's contribution was 46.26% of covered payroll.

11. DEFINED BENEFIT PENSION PLANS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

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

Administrative Costs

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

c. Significant Investments

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

d. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2010	April 30, 2012
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	21 Years, Closed

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

d. Annual Pension Costs (Continued)

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

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

		Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2011	\$ 257,778	\$ 428,641
	2012	225,785	469,547
	2013	249,935	474,677
Actual contribution	2011	\$ 257,778	\$ 440,214
	2012	225,785	496,129
	2013	249,935	554,148
Percentage of APC contributed	2011	100.00%	102.70%
	2012	100.00%	105.66%
	2013	100.00%	116.74%
Net pension obligation (NPO)	2011	\$ -	\$ 317,981
	2012	-	291,399
	2013	-	211,928

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

d. Annual Pension Costs (Continued)

The APC and NPO for the Police Pension Fund as of and for the year ended April 30, 2013 was calculated as follows:

Annual required contribution	\$ 474,353
Interest on net pension obligation	21,126
Adjustment to annual required contribution	<u>(20,802)</u>
Annual pension cost	474,677
Contributions made	<u>554,148</u>
Increase (decrease) in net pension obligation (asset)	(79,471)
Net pension obligation (asset), beginning of year	<u>291,399</u>
NET PENSION OBLIGATION (ASSET), END OF YEAR	<u>\$ 211,928</u>

e. Funded Status

The funded status of the plans as of April 30, 2013 (December 31, 2012 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)	\$ 5,737,351	\$ 13,349,050
Actuarial value of plan assets	4,284,986	7,516,073
Unfunded actuarial accrued liability (UAAL)	1,452,365	5,832,977
Funded ratio (actuarial value of plan assets/AAL)	74.69%	56.30%
Covered payroll (active plan members)	\$ 2,048,768	\$ 1,197,849
UAAL as a percentage of covered payroll	70.89%	486.95%

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

12. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

b. Benefits Provided

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

c. Membership

At April 30, 2013, membership consisted of:

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

d. Funding Policy

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

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligations

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2011	\$ 175,433	\$ 26,921	15.35%	\$ 269,794
April 30, 2012	177,908	26,921	15.13%	408,073
April 30, 2013	163,378	31,314	19.17%	540,137

The net OPEB obligation as of April 30, 2013 was calculated as follows:

Annual required contribution	\$ 168,257
Interest on net OPEB obligation	20,403
Adjustment to annual required contribution	<u>(25,282)</u>
Annual OPEB cost	163,378
Contributions made	<u>31,314</u>
Increase in net OPEB obligation	132,064
Net OPEB obligation, beginning of year	<u>408,073</u>
<b>NET OPEB OBLIGATION, END OF YEAR</b>	<b><u>\$ 540,137</u></b>

Funded Status and Funding Progress: The funded status and funding progress of the Plan as of April 30, 2013 was as follows:

Actuarial accrued liability (AAL)	\$ 1,962,515
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,962,515
Funded ratio (actuarial value of plan assets/AAL)	0.0%
Covered payroll (active plan members)	\$ 2,456,430
UAAL as a percentage of covered payroll	79.89%

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

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

In the April 30, 2013 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0% 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, 2013 was 30 years.

13. RESTATEMENT

Net position of business-type activities has been restated by \$(63,013) due to the implementation of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. With the implementation of GASB Statement No. 65, the Village is required to write off previous bond issuance costs which were being amortized over the life of the bonds and to expense these amounts in the year of issuance.

**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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 2,478,615	\$ 2,470,621	\$ (7,994)
Other taxes	3,559,195	3,503,891	(55,304)
Licenses, permits and fees	694,751	734,119	39,368
Intergovernmental grants and reimbursements	1,380,970	724,695	(656,275)
Charges for services	355,830	420,880	65,050
Fines and forfeitures	72,825	79,573	6,748
Investment income	14,490	13,541	(949)
Miscellaneous	85,380	307,167	221,787
Total revenues	<u>8,642,056</u>	<u>8,254,487</u>	<u>(387,569)</u>
<b>EXPENDITURES</b>			
Current			
General government	1,878,275	1,607,178	(271,097)
Public safety	3,775,550	3,852,451	76,901
Public works	2,755,370	1,795,730	(959,640)
Debt service			
Principal	45,000	45,000	-
Interest	881	881	-
Total expenditures	<u>8,455,076</u>	<u>7,301,240</u>	<u>(1,153,836)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>186,980</u>	<u>953,247</u>	<u>766,267</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	1,500	-	(1,500)
Transfers in	17,770	16,044	(1,726)
Transfers (out)	(720,894)	(694,586)	26,308
Total other financing sources (uses)	<u>(701,624)</u>	<u>(678,542)</u>	<u>23,082</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (514,644)</u>	<u>274,705</u>	<u>\$ 789,349</u>
<b>FUND BALANCE, MAY 1</b>		<u>4,385,105</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 4,659,810</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

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)
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%
2012	4,284,986	5,737,351	74.69%	1,452,365	2,048,768	70.89%

Schedule of Employer Contribution

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2013	249,935	249,935	100.00%

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
POLICE PENSION FUND

April 30, 2013

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)
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%
2013	7,516,073	13,349,050	56.30%	5,832,977	1,197,849	486.95%

Schedule of Employer Contribution

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Obligation/ (Asset)
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
2013	554,148	474,353	116.82%	211,928

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

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
2013	-	1,962,515	0.00%	1,962,515	2,456,430	79.89%

Schedule of Employer Contributions

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
2013	31,314	168,257	18.61%	540,137

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, 2013

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1. BUDGETS

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

- a. At the Village Board finance committee meeting in March, the Village Administrator submits to the Board of Trustees a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means of financing them. The operating budget can be amended by the Village Board by a two-thirds majority of the corporate authorities, but no revision of the budget shall be made increasing the budget in the event that funds are not available.
- b. Public hearings are conducted to obtain citizen comments.
- c. The budget and appropriation ordinances are legally enacted through action of the Board of Trustees.
- d. Expenditures cannot legally exceed the total appropriate amounts at the fund level. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, expenditures in excess of the budgeted amounts at the fund level must be approved by the Board of Trustees. No supplemental appropriations were required for the year ended April 30, 2013. There were no additional budget modifications.
- e. Budgets have been adopted for the general, special revenue, debt service, capital projects, enterprise, and pension trust funds, except for those funds noted below. The basis of the budget is the same as GAAP.

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

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 accounted for in another fund.  
The General Fund is the general operating fund of the Village.

### **Redevelopment Program Fund**

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

VILLAGE OF LAKE BLUFF, ILLINOIS

SCHEDULE OF DETAILED REVENUES -  
BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Taxes			
Property taxes			
General	\$ 549,745	\$ 542,939	\$ (6,806)
Waste disposal	418,330	411,316	(7,014)
Police protection	337,950	340,021	2,071
Crossing guards	4,690	5,484	794
Fire protection	297,900	298,872	972
Audit	25,000	27,421	2,421
Unemployment	5,000	5,484	484
Police pension	550,000	548,421	(1,579)
Liability insurance	290,000	290,663	663
Total property taxes	2,478,615	2,470,621	(7,994)
Other taxes			
Home rule sales tax	633,050	528,343	(104,707)
Sales tax sharing - North Chicago	12,270	9,414	(2,856)
Prepared food and beverage tax	64,800	67,687	2,887
Utility tax - natural gas	135,910	147,072	11,162
Utility tax - electricity	308,480	328,634	20,154
Telecommunications tax	246,530	273,613	27,083
Demolition tax	10,000	30,000	20,000
Road and bridge	68,880	72,079	3,199
Personal property replacement tax	25,150	37,747	12,597
Replacement tax - police pension	3,600	5,727	2,127
Sales tax	2,042,100	1,996,217	(45,883)
Sales tax - auto rental	8,425	7,358	(1,067)
Total other taxes	3,559,195	3,503,891	(55,304)
Total taxes	6,037,810	5,974,512	(63,298)
Licenses, permits and fees			
Beverage licenses	15,000	15,543	543
Farmers' market permit	9,008	9,347	339
Vehicle license fees	134,600	131,845	(2,755)
Vehicle licenses - late fees	1,500	1,388	(112)
Village lot parking fees	8,350	9,174	824

(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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES (Continued)</b>			
Licenses, permits and fees (Continued)			
Central business district (CBD) parking permits	\$ 500	\$ 3,950	\$ 3,450
Commuter lot parking fees	63,600	81,379	17,779
Bicycle licenses	-	10	10
Peddler permits	-	500	500
Contractor's business license	25,908	29,730	3,822
Business license	3,500	5,400	1,900
Building permits	266,000	248,366	(17,634)
Demolition permits	16,000	29,721	13,721
Electrical, plumbing, heating and air conditioning	10,000	7,218	(2,782)
Plan review fees - fire and building	500	-	(500)
Plan review fees - sprinkler	3,450	3,460	10
Plan review fees - elevator	500	-	(500)
Occupancy permits	7,000	2,896	(4,104)
Business occupancy permits	500	900	400
Street opening permits	5,000	9,630	4,630
Sewer permits	1,800	250	(1,550)
Other permits	2,450	1,320	(1,130)
Alarm system license	9,025	9,575	550
Telecom franchise fees	8,000	8,476	476
PEG access fees	17,000	28,230	11,230
Cable franchise fees	85,560	95,811	10,251
	<u>694,751</u>	<u>734,119</u>	<u>39,368</u>
Intergovernmental			
State income taxes	453,180	515,670	62,490
Federal grants	893,928	175,163	(718,765)
State grants	33,862	33,862	-
	<u>1,380,970</u>	<u>724,695</u>	<u>(656,275)</u>
Charges for services			
Public works			
Sewer charge	181,800	192,829	11,029
Stormwater ordinance review	1,000	900	(100)
Public safety			
Fire protection district and police services	27,980	29,930	1,950

(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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES (Continued)			
Charges for services (Continued)			
General government			
Photo copy sales	\$ 500	\$ 601	\$ 101
Maps and publications	50	15	(35)
Other services	1,000	-	(1,000)
Zoning application fees	500	3,100	2,600
Rental income	143,000	193,505	50,505
Total charges for services	355,830	420,880	65,050
Fines and forfeitures			
Public safety			
Court fines	44,000	46,901	2,901
Alarm system fines	1,500	2,675	1,175
Parking fines	21,000	23,902	2,902
Vehicle sticker fines	2,000	2,175	175
Nuisances fines	1,300	1,935	635
Animal impoundment fee	525	635	110
General government			
Other fines/building code fines	2,500	1,350	(1,150)
Total fines and forfeitures	72,825	79,573	6,748
Investment income	14,490	13,541	(949)
Miscellaneous			
Police training refunds	2,000	-	(2,000)
Restitution/claims and judgments	-	19,554	19,554
Contributions/donations	-	505	505
Tree sharing program	-	75	75
Recycling rebates	28,610	14,163	(14,447)
Naperville contributions/impact fee	-	17,260	17,260
Tree permit and mitigation fee	12,240	34,761	22,521
Miscellaneous income	1,500	190,589	189,089
IRMA rebate	41,030	30,260	(10,770)
Total miscellaneous	85,380	307,167	221,787
TOTAL REVENUES	\$ 8,642,056	\$ 8,254,487	\$ (387,569)

(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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT</b>			
Administrator's office			
Personnel	\$ 363,900	\$ 367,686	\$ 3,786
Contractual services/commodities	472,495	449,738	(22,757)
Contingency	194,000	-	(194,000)
Total administrator's office	<u>1,030,395</u>	<u>817,424</u>	<u>(212,971)</u>
Finance department			
Personnel	308,575	303,893	(4,682)
Contractual services/commodities	90,215	96,640	6,425
Total finance department	<u>398,790</u>	<u>400,533</u>	<u>1,743</u>
Boards and commissions			
Contractual services/commodities	50,100	41,761	(8,339)
Total boards and commissions	<u>50,100</u>	<u>41,761</u>	<u>(8,339)</u>
Engineering, community development			
Personnel	168,790	193,630	24,840
Contractual services/commodities	143,240	74,392	(68,848)
Total engineering, zoning and building	<u>312,030</u>	<u>268,022</u>	<u>(44,008)</u>
Village hall			
Personnel	25,060	18,428	(6,632)
Contractual services/commodities	26,700	22,594	(4,106)
Capital outlay	32,000	35,273	3,273
Total village hall	<u>83,760</u>	<u>76,295</u>	<u>(7,465)</u>
Village properties			
Contractual services/commodities	3,200	3,143	(57)
Total village properties	<u>3,200</u>	<u>3,143</u>	<u>(57)</u>
Total general government	<u>1,878,275</u>	<u>1,607,178</u>	<u>(271,097)</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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC SAFETY</b>			
Police protection			
Personnel	\$ 1,826,250	\$ 1,923,769	\$ 97,519
Police pension contribution	553,600	554,148	548
Contractual services/commodities	172,100	170,691	(1,409)
Total police protection	2,551,950	2,648,608	96,658
Police dispatch and operations			
Personnel	394,370	392,719	(1,651)
Contractual services/commodities	61,250	53,207	(8,043)
Total police dispatch operations	455,620	445,926	(9,694)
Crossing guards			
Personnel	9,400	9,420	20
Commodities	100	-	(100)
Total crossing guards	9,500	9,420	(80)
Fire protection			
Personnel	170,970	171,081	111
Contractual services/commodities	301,950	291,115	(10,835)
Capital outlay	185,000	179,611	(5,389)
Total fire protection	657,920	641,807	(16,113)
Public safety buildings			
Personnel	25,060	18,428	(6,632)
Contractual services/commodities	52,000	59,601	7,601
Capital outlay	23,500	28,661	5,161
Total public safety buildings	100,560	106,690	6,130
Total public safety	3,775,550	3,852,451	76,901

(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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC WORKS</b>			
Streets and bridges			
Personnel	\$ 326,345	\$ 331,218	\$ 4,873
Contractual services/commodities	139,855	93,328	(46,527)
Capital outlay	109,340	70,133	(39,207)
Total streets and bridges	<u>575,540</u>	<u>494,679</u>	<u>(80,861)</u>
Sanitation			
Personnel	22,830	10,864	(11,966)
Contractual services/commodities	590,150	560,378	(29,772)
Total sanitation	<u>612,980</u>	<u>571,242</u>	<u>(41,738)</u>
Forestry			
Personnel	90,450	83,858	(6,592)
Contractual services/commodities	36,250	25,065	(11,185)
Capital outlay	7,000	4,634	(2,366)
Total forestry	<u>133,700</u>	<u>113,557</u>	<u>(20,143)</u>
Parks and parkways			
Personnel	33,095	34,942	1,847
Contractual services/commodities	37,450	25,961	(11,489)
Capital outlay	708,900	18,183	(690,717)
Total parks and parkways	<u>779,445</u>	<u>79,086</u>	<u>(700,359)</u>
Street lighting			
Personnel	22,325	25,486	3,161
Contractual services/commodities	71,000	55,111	(15,889)
Total street lighting	<u>93,325</u>	<u>80,597</u>	<u>(12,728)</u>
Sewers			
Personnel	138,800	141,257	2,457
Contractual services/commodities	41,700	24,891	(16,809)
Capital outlay	215,000	122,090	(92,910)
Total sewers	<u>395,500</u>	<u>288,238</u>	<u>(107,262)</u>

(This schedule is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>PUBLIC WORKS (Continued)</b>			
Public works facility			
Personnel	\$ 24,760	\$ 18,619	\$ (6,141)
Contractual services/commodities	38,375	37,077	(1,298)
Capital outlay	38,000	43,108	5,108
Total public works facility	101,135	98,804	(2,331)
Commuter station building and lot			
Personnel	31,045	30,293	(752)
Contractual services/commodities	30,200	36,234	6,034
Capital outlay	2,500	3,000	500
Total commuter station building and lot	63,745	69,527	5,782
Total public works	2,755,370	1,795,730	(959,640)
<b>DEBT SERVICE</b>			
Principal	45,000	45,000	-
Interest	881	881	-
Total debt service	45,881	45,881	-
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,455,076</b>	<b>\$ 7,301,240</b>	<b>\$ (1,153,836)</b>

(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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental	\$ 1,000,000	\$ 1,177,952	\$ 177,952
Investment income	2,500	452	(2,048)
Miscellaneous - developer contribution	-	13,892	13,892
Total revenues	<u>1,002,500</u>	<u>1,192,296</u>	<u>189,796</u>
<b>EXPENDITURES</b>			
Capital outlay			
Infrastructure improvements	1,583,000	1,467,312	(115,688)
Debt service			
Interest and fiscal charges	-	23,701	23,701
Total expenditures	<u>1,583,000</u>	<u>1,491,013</u>	<u>(91,987)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (580,500)</u>	<u>(298,717)</u>	<u>\$ 281,783</u>
FUND BALANCE, MAY 1		<u>741,750</u>	
FUND BALANCE, APRIL 30		<u>\$ 443,033</u>	

(See independent auditor's report.)

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

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

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

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

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

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

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

### DEBT SERVICE FUNDS

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

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

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### CAPITAL PROJECTS FUNDS

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

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

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

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2013

	Special Revenue			
	Illinois Municipal Retirement Fund	Fire Department Special Fund	Federal Social Security Fund	Motor Fuel Tax Fund
ASSETS				
Cash and investments	\$ 285,023	\$ 37,901	\$ 264,506	\$ 127,246
Receivables, net				
Property taxes	172,210	-	197,535	-
Other taxes	-	-	-	9,841
Accounts	614	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 457,847</b>	<b>\$ 37,901</b>	<b>\$ 462,041</b>	<b>\$ 137,087</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 16,629	\$ -	\$ -	\$ -
Due to other funds	-	-	-	16,286
Advance from other funds	-	-	-	-
<b>Total liabilities</b>	<b>16,629</b>	<b>-</b>	<b>-</b>	<b>16,286</b>
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	172,210	-	197,535	-
<b>Total deferred inflows of resources</b>	<b>172,210</b>	<b>-</b>	<b>197,535</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>188,839</b>	<b>-</b>	<b>197,535</b>	<b>16,286</b>
FUND BALANCES				
Restricted for employee benefits	269,008	-	264,506	-
Restricted for public safety	-	37,901	-	-
Restricted for highways and streets	-	-	-	120,801
Restricted for debt service	-	-	-	-
Unrestricted				
Assigned for debt service	-	-	-	-
Assigned for capital outlay	-	-	-	-
<b>Total fund balances</b>	<b>269,008</b>	<b>37,901</b>	<b>264,506</b>	<b>120,801</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 457,847</b>	<b>\$ 37,901</b>	<b>\$ 462,041</b>	<b>\$ 137,087</b>

Special Revenue			Debt Service		
E-911 Fund	Total Nonmajor Special Revenue Funds	Special Service Area Bond Fund	2006/2012 General Obligation Bond Fund	Total Nonmajor Debt Service Funds	
\$ 279,888	\$ 994,564	\$ 13,426	\$ 965	\$ 14,391	
-	369,745	-	-	-	
-	9,841	-	-	-	
6,593	7,207	-	-	-	
<u>\$ 286,481</u>	<u>\$ 1,381,357</u>	<u>\$ 13,426</u>	<u>\$ 965</u>	<u>\$ 14,391</u>	
\$ 524	\$ 17,153	\$ -	\$ -	\$ -	
-	16,286	-	-	-	
-	-	-	-	-	
<u>524</u>	<u>33,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	369,745	-	-	-	
-	369,745	-	-	-	
<u>524</u>	<u>403,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	533,514	-	-	-	
285,957	323,858	-	-	-	
-	120,801	-	-	-	
-	-	13,426	-	13,426	
-	-	-	965	965	
-	-	-	-	-	
<u>285,957</u>	<u>978,173</u>	<u>13,426</u>	<u>965</u>	<u>14,391</u>	
<u>\$ 286,481</u>	<u>\$ 1,381,357</u>	<u>\$ 13,426</u>	<u>\$ 965</u>	<u>\$ 14,391</u>	

(This statement is continued on the following page.)

VILLAGE OF LAKE BLUFF, ILLINOIS

COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2013

	Capital Projects			Total
	Special Service Area Capital Improvement Fund	Vehicle/ Equipment Replacement Fund	Total Nonmajor Capital Projects Funds	
<b>ASSETS</b>				
Cash and investments	\$ 13,758	\$ 615,566	\$ 629,324	\$ 1,638,279
Receivables, net				
Property taxes	-	-	-	369,745
Other taxes	-	-	-	9,841
Accounts	-	-	-	7,207
<b>TOTAL ASSETS</b>	<b>\$ 13,758</b>	<b>\$ 615,566</b>	<b>\$ 629,324</b>	<b>\$ 2,025,072</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 2,794	\$ 2,794	\$ 19,947
Due to other funds	-	-	-	16,286
Advance from other funds	-	251,191	251,191	251,191
<b>Total liabilities</b>	<b>-</b>	<b>253,985</b>	<b>253,985</b>	<b>287,424</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property taxes	-	-	-	369,745
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>369,745</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>-</b>	<b>253,985</b>	<b>253,985</b>	<b>657,169</b>
<b>FUND BALANCES</b>				
Restricted for employee benefits	-	-	-	533,514
Restricted for public safety	-	-	-	323,858
Restricted for highways and streets	-	-	-	120,801
Restricted for debt service	-	-	-	13,426
Unrestricted				
Assigned for debt service	-	-	-	965
Assigned for capital outlay	13,758	361,581	375,339	375,339
<b>Total fund balances</b>	<b>13,758</b>	<b>361,581</b>	<b>375,339</b>	<b>1,367,903</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 13,758</b>	<b>\$ 615,566</b>	<b>\$ 629,324</b>	<b>\$ 2,025,072</b>

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2013

	Special Revenue			
	Illinois Municipal Retirement Fund	Fire Department Special Fund	Federal Social Security Fund	Motor Fuel Tax Fund
REVENUES				
Property taxes	\$ 191,947	\$ -	\$ 241,305	\$ -
Other taxes	3,905	-	4,686	-
Intergovernmental	-	24,316	-	163,646
Investment income	287	17	277	62
Miscellaneous	-	763	-	-
Total revenues	196,139	25,096	246,268	163,708
EXPENDITURES				
Current				
General government	90,066	-	19,575	-
Public safety	44,617	24,561	174,577	-
Public works	52,454	-	33,046	368,676
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	187,137	24,561	227,198	368,676
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,002	535	19,070	(204,968)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payment to escrow agent	-	-	-	-
Transfers in	-	-	-	325,000
Transfers (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	325,000
NET CHANGE IN FUND BALANCES	9,002	535	19,070	120,032
FUND BALANCES, MAY 1	260,006	37,366	245,436	769
FUND BALANCES, APRIL 30	\$ 269,008	\$ 37,901	\$ 264,506	\$ 120,801

Special Revenue			Debt Service		
E-911 Fund	Total Nonmajor Special Revenue Funds	Special Service Area Bond Fund	2006/2012 General Obligation Bond Fund	Total Nonmajor Debt Service Funds	
\$ -	\$ 433,252	\$ -	\$ -	\$ -	
30,852	39,443	-	-	-	
57,600	245,562	-	-	-	
256	899	12	-	12	
-	763	-	-	-	
88,708	719,919	12	-	12	
-	109,641	-	500	500	
53,248	297,003	-	-	-	
-	454,176	-	-	-	
-	-	-	185,000	185,000	
-	-	-	54,586	54,586	
12,210	12,210	-	-	-	
65,458	873,030	-	240,086	240,086	
23,250	(153,111)	12	(240,086)	(240,074)	
-	-	-	-	-	
-	-	-	1,685,000	1,685,000	
-	-	-	(1,684,780)	(1,684,780)	
-	325,000	-	239,586	239,586	
(16,044)	(16,044)	-	-	-	
(16,044)	308,956	-	239,806	239,806	
7,206	155,845	12	(280)	(268)	
278,751	822,328	13,414	1,245	14,659	
\$ 285,957	\$ 978,173	\$ 13,426	\$ 965	\$ 14,391	

(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, 2013

	Capital Projects			Total
	Special Service Area Capital Improvement Fund	Vehicle/ Equipment Replacement Fund	Total Nonmajor Capital Projects Funds	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 433,252
Other taxes	-	-	-	39,443
Intergovernmental	-	-	-	245,562
Investment income	12	852	864	1,775
Miscellaneous	-	-	-	763
Total revenues	12	852	864	720,795
EXPENDITURES				
Current				
General government	-	-	-	110,141
Public safety	-	-	-	297,003
Public works	-	-	-	454,176
Debt service				
Principal	-	-	-	185,000
Interest	-	-	-	54,586
Capital outlay	-	147,715	147,715	159,925
Total expenditures	-	147,715	147,715	1,260,831
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	12	(146,863)	(146,851)	(540,036)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	16,161	16,161	16,161
Issuance of refunding bonds	-	-	-	1,685,000
Payment to escrow agent	-	-	-	(1,684,780)
Transfers in	-	130,000	130,000	694,586
Transfers (out)	-	-	-	(16,044)
Total other financing sources (uses)	-	146,161	146,161	694,923
NET CHANGE IN FUND BALANCES	12	(702)	(690)	154,887
FUND BALANCES, MAY 1	13,746	362,283	376,029	1,213,016
FUND BALANCES, APRIL 30	\$ 13,758	\$ 361,581	\$ 375,339	\$ 1,367,903

(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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 190,000	\$ 191,947	\$ 1,947
Other taxes			
Replacement taxes	3,500	3,905	405
Investment income	500	287	(213)
	<hr/>		
Total revenues	194,000	196,139	2,139
	<hr/>		
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	83,140	90,066	6,926
Public safety			
Employer contributions	57,297	44,617	(12,680)
Public works			
Employer contributions	60,165	52,454	(7,711)
	<hr/>		
Total expenditures	200,602	187,137	(13,465)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (6,602)</u>	9,002	<u>\$ 15,604</u>
FUND BALANCE, MAY 1		<u>260,006</u>	
FUND BALANCE, APRIL 30		<u>\$ 269,008</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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental			
Foreign fire insurance tax	\$ 23,000	\$ 24,316	\$ 1,316
Investment income	75	17	(58)
Miscellaneous	-	763	763
	<hr/>		
Total revenues	23,075	25,096	2,021
	<hr/>		
<b>EXPENDITURES</b>			
Public safety			
Volunteer recognition	7,500	4,596	(2,904)
Training and meetings	6,000	5,637	(363)
Uniforms	7,000	5,943	(1,057)
Postage	500	-	(500)
Community awareness	1,500	661	(839)
Donations	500	1,385	885
Smoke detector program	500	-	(500)
Minor equipment	3,000	6,339	3,339
Miscellaneous	1,000	-	(1,000)
	<hr/>		
Total expenditures	27,500	24,561	(2,939)
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (4,425)</u>	535	<u>\$ 4,960</u>
FUND BALANCE, MAY 1		<u>37,366</u>	
FUND BALANCE, APRIL 30		<u>\$ 37,901</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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Property taxes	\$ 245,000	\$ 241,305	\$ (3,695)
Other taxes			
Replacement taxes	4,000	4,686	686
Investment income	300	277	(23)
	<hr/>		
Total revenues	249,300	246,268	(3,032)
<hr/>			
<b>EXPENDITURES</b>			
Current			
General government			
Employer contributions	50,000	19,575	(30,425)
Public safety			
Employer contributions	145,225	174,577	29,352
Public works			
Employer contributions	41,100	33,046	(8,054)
	<hr/>		
Total expenditures	236,325	227,198	(9,127)
<hr/>			
NET CHANGE IN FUND BALANCE	<u>\$ 12,975</u>	19,070	<u>\$ 6,095</u>
FUND BALANCE, MAY 1		<u>245,436</u>	
FUND BALANCE, APRIL 30		<u>\$ 264,506</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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental			
Allotments earned	\$ 145,000	\$ 163,646	\$ 18,646
Investment income	100	62	(38)
Total revenues	<u>145,100</u>	<u>163,708</u>	<u>18,608</u>
<b>EXPENDITURES</b>			
Public works			
Capital outlay	475,000	368,676	(106,324)
Total expenditures	<u>475,000</u>	<u>368,676</u>	<u>(106,324)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(329,900)</u>	<u>(204,968)</u>	<u>124,932</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out to General Fund	325,000	325,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (4,900)</u>	<u>120,032</u>	<u>\$ -</u>
<b>FUND BALANCE, MAY 1</b>		<u>769</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 120,801</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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Other taxes			
Telephone surcharge	\$ 34,500	\$ 30,852	\$ (3,648)
Intergovernmental			
Wireless surcharge	43,000	57,600	14,600
Investment income	250	256	6
	<hr/>		
Total revenues	77,750	88,708	10,958
	<hr/>		
<b>EXPENDITURES</b>			
Current			
Public safety			
Miscellaneous	60,000	53,248	(6,752)
Capital outlay	14,000	12,210	(1,790)
	<hr/>		
Total expenditures	74,000	65,458	(8,542)
	<hr/>		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	3,750	23,250	19,500
	<hr/>		
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out to General Fund	(17,770)	(16,044)	1,726
	<hr/>		
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (14,020)</u>	7,206	<u>\$ 21,226</u>
<b>FUND BALANCE, MAY 1</b>		<u>278,751</u>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 285,957</u>	

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
None	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>			
General government - financing costs	500	500	-
Debt service			
Principal	185,000	185,000	-
Interest	80,894	54,586	(26,308)
Total expenditures	266,394	240,086	(26,308)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(266,394)	(240,086)	26,308
<b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of refunding bonds	-	1,685,000	1,685,000
Payment to escrow agent	-	(1,684,780)	(1,684,780)
Transfers in from General Fund	265,894	239,586	(26,308)
Total other financing sources (uses)	265,894	239,806	(26,088)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (500)</u>	(280)	<u>\$ 220</u>
FUND BALANCE, MAY 1		<u>1,245</u>	
FUND BALANCE, APRIL 30		<u>\$ 965</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, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Investment income	\$ 1,200	\$ 852	\$ (348)
Total revenues	1,200	852	(348)
<b>EXPENDITURES</b>			
Capital outlay			
General government vehicles	30,000	18,861	(11,139)
General government equipment	30,000	22,256	(7,744)
Public safety vehicles	63,000	61,816	(1,184)
Public works vehicles	47,500	44,782	(2,718)
Total expenditures	170,500	147,715	(22,785)
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(169,300)	(146,863)	22,437
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	10,000	16,161	6,161
Transfers in from			
General Fund	130,000	130,000	-
Water Fund	7,500	-	(7,500)
Total other financing sources (uses)	147,500	146,161	(1,339)
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (21,800)</u>	(702)	<u>\$ 21,098</u>
FUND BALANCE, MAY 1		<u>362,283</u>	
FUND BALANCE, APRIL 30		<u>\$ 361,581</u>	

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUND**

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

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>OPERATING REVENUES</b>			
Water sales	\$ 1,288,500	\$ 1,427,329	\$ 138,829
Meter sales	2,800	3,746	946
Tap-on fees	100	75	(25)
Water connection fees	18,000	16,000	(2,000)
Miscellaneous	450	7,747	7,297
Total operating revenues	<u>1,309,850</u>	<u>1,454,897</u>	<u>145,047</u>
<b>OPERATING EXPENSES</b>			
Administration and finance			
Personnel services	294,450	303,070	8,620
Contractual services/commodities	89,350	70,520	(18,830)
Contingency	50,000	-	(50,000)
Water purchases	615,600	698,717	83,117
Depreciation	-	252,361	252,361
Total operating expenses	<u>1,049,400</u>	<u>1,324,668</u>	<u>275,268</u>
<b>OPERATING INCOME (LOSS)</b>	<u>260,450</u>	<u>130,229</u>	<u>(130,221)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	2,400	2,820	420
Gain on disposal of capital assets	-	7,079	7,079
Interest expense	(73,864)	(71,320)	2,544
Principal expense	(140,000)	(140,000)	-
Total nonoperating revenues (expenses)	<u>(211,464)</u>	<u>(201,421)</u>	<u>10,043</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>48,986</u>	<u>(71,192)</u>	<u>(120,178)</u>
<b>TRANSFERS</b>			
Transfers (out)	(7,500)	-	7,500
Total transfers	<u>(7,500)</u>	<u>-</u>	<u>7,500</u>
<b>CONTRIBUTIONS</b>	<u>-</u>	<u>67,694</u>	<u>67,694</u>
<b>CHANGE IN NET POSITION (BUDGETARY BASIS)</b>	<u>\$ 41,486</u>	<u>(3,498)</u>	<u>\$ (112,678)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>			
Principal expense		<u>140,000</u>	
<b>TOTAL ADJUSTMENTS TO GAAP BASIS</b>		<u>140,000</u>	
<b>CHANGE IN NET POSITION GAAP BASIS</b>		<u>136,502</u>	
<b>NET POSITION, MAY 1</b>		6,085,228	
Prior period adjustment		<u>(63,013)</u>	
<b>NET POSITION, MAY 1, RESTATED</b>		<u>6,022,215</u>	
<b>NET POSITION, APRIL 30</b>		<u>\$ 6,158,717</u>	

(See independent auditor's report.)

## **FIDUCIARY FUND**

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

VILLAGE OF LAKE BLUFF, ILLINOIS

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

For the Year Ended April 30, 2013

	Original and Final Budget	Actual	Variance Over (Under)
<b>ADDITIONS</b>			
Contributions			
Employer contributions	\$ 553,600	\$ 554,148	\$ 548
Plan members contributions	120,555	117,048	(3,507)
Total contributions	674,155	671,196	(2,959)
Investment income			
Net appreciation in fair value of investments	-	457,427	457,427
Investment income	153,000	118,624	(34,376)
Total investment income	153,000	576,051	423,051
Less investment expense	(24,000)	(21,521)	2,479
Net investment income	129,000	554,530	425,530
Total additions	803,155	1,225,726	422,571
<b>DEDUCTIONS</b>			
Administration			
Fees	20,275	31,227	10,952
Miscellaneous	4,250	700	(3,550)
Disability and benefit payments	674,181	658,269	(15,912)
Total deductions	698,706	690,196	(8,510)
<b>NET INCREASE</b>	<u>\$ 104,449</u>	535,530	<u>\$ 431,081</u>
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>			
May 1		<u>7,161,961</u>	
April 30		<u>\$ 7,697,491</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, 2013

Paying Agent: JP Morgan Chase

Tax Year	Fiscal Year	Principal Payment/ Refunding	Interest Payment	Total Payment/ Refunding	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%
2011	2012-13	1,775,000	48,001	1,823,001	12/15/12	3.95%
Total payments made/refunded		1,905,000	509,819	2,414,819		
Current outstanding:						
2012	2013-14	195,000	7,800	202,800	12/15/13	4.00%
Total current outstanding		195,000	7,800	202,800		
Original Issue		\$ 2,100,000	\$ 517,619	\$ 2,617,619		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS  
SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
2011 GENERAL OBLIGATION REFUNDING BONDS

April 30, 2013

Paying Agent: Wells Fargo Bank, N.A.

Tax Year	Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Payments made:						
2011	2012-13	\$ 10,000	\$ 68,664	\$ 78,664	12/15/12	2.000%
Total payments made		<u>10,000</u>	<u>68,664</u>	<u>78,664</u>		
Current outstanding:						
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	<u>210,000</u>	<u>7,350</u>	<u>217,350</u>	12/15/24	3.500%
Total current outstanding		<u>2,175,000</u>	<u>448,688</u>	<u>2,623,688</u>		
Original Issue		<u>\$ 2,185,000</u>	<u>\$ 517,352</u>	<u>\$ 2,702,352</u>		

(See independent auditor's report.)

VILLAGE OF LAKE BLUFF, ILLINOIS  
 SCHEDULE OF LONG-TERM DEBT REQUIREMENTS  
 2012 GENERAL OBLIGATION REFUNDING BONDS

April 30, 2013

Paying Agent: Wells Fargo Bank, N.A.

Tax Year	Fiscal Year	Principal Payment	Interest Payment	Total Payment	Payment Date	Interest Rate
Current outstanding:						
2012	2013-14	\$ 25,000	\$ 26,050	\$ 51,050	12/15/13	0.750%
2013	2014-15	230,000	25,863	255,863	12/15/14	0.900%
2014	2015-16	230,000	23,792	253,792	12/15/15	1.000%
2015	2016-17	230,000	21,493	251,493	12/15/16	1.250%
2016	2017-18	235,000	18,616	253,616	12/15/17	1.550%
2017	2018-19	240,000	14,975	254,975	12/15/18	1.750%
2018	2019-20	245,000	10,775	255,775	12/15/19	2.000%
2019	2020-21	250,000	5,875	255,875	12/15/20	2.350%
Total current outstanding		<u>1,685,000</u>	<u>147,439</u>	<u>1,832,439</u>		
Original Issue		<u>\$ 1,685,000</u>	<u>\$ 147,439</u>	<u>\$ 1,832,439</u>		

(See independent auditor's report.)

## STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have been changed over time.	81-90
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	91-98
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	99-103
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	104-105
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	106-108

VILLAGE OF LAKE BLUFF, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

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

Data Source

The Village's Comprehensive Annual Financial Report

	2007	2008	2009	2010	2011	2012	2013
\$	14,636,441	\$ 15,098,822	\$ 15,359,265	\$ 16,654,652	\$ 16,433,199	\$ 16,449,622	\$ 16,664,503
	3,675,276	4,337,303	2,037,230	1,587,832	1,497,653	1,580,539	1,437,679
	2,490,696	1,982,938	3,400,024	3,774,371	3,546,695	3,557,045	3,887,725
\$	20,802,413	\$ 21,419,063	\$ 20,796,519	\$ 22,016,855	\$ 21,477,547	\$ 21,587,206	\$ 21,989,907
\$	4,812,471	\$ 4,689,723	\$ 4,574,606	\$ 4,482,081	\$ 4,398,432	\$ 4,737,154	\$ 4,693,695
	1,629,307	1,834,495	1,902,188	1,735,068	1,672,417	1,348,074	1,465,022
\$	6,441,778	\$ 6,524,218	\$ 6,476,794	\$ 6,217,149	\$ 6,070,849	\$ 6,085,228	\$ 6,158,717
\$	19,448,912	\$ 19,788,545	\$ 19,933,871	\$ 21,136,733	\$ 20,831,631	\$ 21,186,776	\$ 21,358,198
	3,675,276	4,337,303	2,037,230	1,587,832	1,497,653	1,580,539	1,437,679
	4,120,003	3,817,433	5,302,212	5,509,439	5,219,112	4,905,119	5,352,747
\$	27,244,191	\$ 27,943,281	\$ 27,273,313	\$ 28,234,004	\$ 27,548,396	\$ 27,672,434	\$ 28,148,624

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006
<b>EXPENSES</b>			
Governmental activities			
General government	\$ 2,177,082	\$ 2,429,940	\$ 2,356,150
Public safety	2,763,140	2,986,276	3,024,058
Public works	2,425,725	2,562,975	2,416,710
Interest on long-term debt	72,375	67,075	66,506
Total governmental activities expenses	7,438,322	8,046,266	7,863,424
Business-type activities			
Water and sewer	1,059,494	1,291,039	1,371,289
Total business-type activities expenses	1,059,494	1,291,039	1,371,289
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 8,497,816</b>	<b>\$ 9,337,305</b>	<b>\$ 9,234,713</b>
<b>PROGRAM REVENUES</b>			
Governmental activities			
Charges for services			
General government	\$ 1,028,039	\$ 1,162,232	\$ 1,004,652
Police 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
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 2,578,452</b>	<b>\$ 3,120,352</b>	<b>\$ 3,129,295</b>
<b>NET (EXPENSE) REVENUE</b>			
Governmental activities	\$ (5,955,951)	\$ (6,257,807)	\$ (6,257,423)
Business-type activities	36,587	40,854	152,005
<b>TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE</b>	<b>\$ (5,919,364)</b>	<b>\$ (6,216,953)</b>	<b>\$ (6,105,418)</b>

	2007	2008	2009	2010	2011	2012	2013
\$	2,814,923	\$ 2,708,645	\$ 2,423,284	\$ 1,946,291	\$ 2,062,487	\$ 1,677,840	\$ 1,749,648
	3,229,925	3,589,680	3,856,962	4,027,882	4,085,025	4,105,315	4,208,309
	3,214,011	2,116,890	3,449,586	3,174,664	3,249,937	2,985,744	3,693,891
	88,851	150,799	173,693	119,692	104,143	88,316	61,496
	9,347,710	8,566,014	9,903,525	9,268,529	9,501,592	8,857,215	9,713,344
	1,160,630	1,266,233	1,172,971	1,336,637	1,327,218	1,218,425	1,388,909
	1,160,630	1,266,233	1,172,971	1,336,637	1,327,218	1,218,425	1,388,909
\$	10,508,340	\$ 9,832,247	\$ 11,076,496	\$ 10,605,166	\$ 10,828,810	\$ 10,075,640	\$ 11,102,253
\$	1,007,518	\$ 262,970	\$ 968,602	\$ 859,253	\$ 794,571	\$ 849,175	\$ 931,338
	196,406	122,457	150,057	122,978	144,034	143,296	139,005
	212,161	220,874	196,148	189,548	187,591	184,767	195,079
	185,442	240,528	205,604	195,079	232,581	198,900	187,962
	-	-	685,500	1,429,087	492,360	499,915	1,386,979
	1,601,527	846,829	2,205,911	2,795,945	1,851,137	1,876,053	2,840,363
	1,227,045	1,326,282	1,133,555	1,071,074	1,177,545	1,229,799	1,447,150
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
	1,227,045	1,326,282	1,133,555	1,071,074	1,177,545	1,229,799	1,447,150
\$	2,828,572	\$ 2,173,111	\$ 3,339,466	\$ 3,867,019	\$ 3,028,682	\$ 3,105,852	\$ 4,287,513
\$	(7,746,183)	\$ (7,719,185)	\$ (7,697,614)	\$ (6,472,584)	\$ (7,650,455)	\$ (6,981,162)	\$ (6,872,981)
	66,415	60,049	(39,416)	(265,563)	(149,673)	11,374	58,241
\$	(7,679,768)	\$ (7,659,136)	\$ (7,737,030)	\$ (6,738,147)	\$ (7,800,128)	\$ (6,969,788)	\$ (6,814,740)

VILLAGE OF LAKE BLUFF, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

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

Note:

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

Data Source

The Village's Comprehensive Annual Financial Report

	2007	2008	2009	2010	2011	2012	2013
\$	2,244,225	\$ 2,389,677	\$ 2,510,766	\$ 2,649,929	\$ 2,704,232	\$ 2,847,986	\$ 2,903,873
	668,708	726,705	666,049	582,343	575,692	99,449	109,665
	599,742	591,601	599,663	481,233	467,150	415,787	404,618
	406,537	398,650	344,701	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	2,541,332
	90,593	157,061	108,982	143,214	142,350	131,294	169,766
	5,127	384,231	-	-	-	-	-
	-	-	-	-	-	469,244	515,670
	319,950	339,738	117,844	25,725	22,677	18,023	15,768
	110,102	84,580	146,681	257,932	101,862	201,805	337,983
	26,651	21,311	26,828	-	-	-	(67,694)
	7,761,998	8,335,835	7,194,913	7,180,194	7,111,147	7,090,821	7,275,682
	70,523	55,149	19,639	5,462	2,941	2,572	2,820
	(26,651)	(32,758)	(26,828)	-	-	-	67,694
	-	-	2,197	456	432	433	7,747
	43,872	22,391	(4,992)	5,918	3,373	3,005	78,261
\$	7,805,870	\$ 8,358,226	\$ 7,189,921	\$ 7,186,112	\$ 7,114,520	\$ 7,093,826	\$ 7,353,943
\$	15,815	\$ 616,650	\$ (502,701)	\$ 707,610	\$ (539,308)	\$ 109,659	\$ 402,701
	110,287	82,440	(44,408)	(259,645)	(146,300)	14,379	136,502
\$	126,102	\$ 699,090	\$ (547,109)	\$ 447,965	\$ (685,608)	\$ 124,038	\$ 539,203

VILLAGE OF LAKE BLUFF, ILLINOIS

PROGRAM REVENUES BY FUNCTION/PROGRAM

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>PROGRAM REVENUES</b>										
Governmental activities										
General government	\$ 1,032,801	\$ 1,283,074	\$ 1,068,130	\$ 1,008,618	\$ 308,622	\$ 990,091	\$ 859,253	\$ 819,525	\$ 849,175	\$ 931,338
Police and fire	90,724	108,208	124,571	201,674	145,026	172,938	162,147	169,083	172,238	333,005
Public works	358,846	397,177	413,300	391,235	393,181	1,042,882	1,774,545	862,529	854,640	1,576,020
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	2,840,363
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	1,447,150
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	1,447,150
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 2,578,452</b>	<b>\$ 3,120,352</b>	<b>\$ 3,129,295</b>	<b>\$ 2,828,572</b>	<b>\$ 2,173,111</b>	<b>\$ 3,339,466</b>	<b>\$ 3,867,019</b>	<b>\$ 3,028,682</b>	<b>\$ 3,105,852</b>	<b>\$ 4,287,513</b>

Note:

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

Data Source

The Village's Comprehensive Annual Financial Report

VILLAGE OF LAKE BLUFF, ILLINOIS  
 FUND BALANCES OF GOVERNMENTAL FUNDS  
 Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>GENERAL FUND</b>										
Reserved	\$ 6,439	\$ 12,912	\$ 8,496	\$ 7,950	\$ 24,022	\$ 1,599	\$ 19,944	\$ 28,969	\$ -	\$ -
Unreserved	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	24,500
Restricted	-	-	-	-	-	-	-	-	3,047	3,047
Unrestricted										
Assigned	-	-	-	-	-	-	-	-	300,000	485,000
Unassigned	-	-	-	-	-	-	-	-	4,021,571	4,147,263
<b>TOTAL GENERAL FUND</b>	<b>\$ 1,969,995</b>	<b>\$ 2,103,794</b>	<b>\$ 2,721,745</b>	<b>\$ 3,420,488</b>	<b>\$ 4,796,220</b>	<b>\$ 4,176,988</b>	<b>\$ 4,284,997</b>	<b>\$ 4,209,741</b>	<b>\$ 4,385,105</b>	<b>\$ 4,659,810</b>
<b>ALL OTHER GOVERNMENT FUNDS</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,795	\$ 1,587,832	\$ 1,497,653	\$ -	\$ -
Unreserved, reported in										
Special revenue funds	1,184,856	1,364,654	1,666,081	3,024,337	1,615,653	991,204	-	-	-	-
Capital project funds	1,231,267	1,410,409	553,791	241,763	1,088,943	1,027,231	418,785	387,502	-	-
Debt service funds	11,103	11,035	11,257	18,790	18,213	(1,780)	2,545	1,745	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	1,577,492	1,434,632
Unrestricted										
Assigned for debt service	-	-	-	-	-	-	-	-	1,245	965
Assigned for capital outlay	-	-	-	-	-	-	-	-	376,029	375,339
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 2,427,226</b>	<b>\$ 2,786,098</b>	<b>\$ 2,231,129</b>	<b>\$ 3,284,890</b>	<b>\$ 2,722,809</b>	<b>\$ 2,035,450</b>	<b>\$ 2,009,162</b>	<b>\$ 1,886,900</b>	<b>\$ 1,954,766</b>	<b>\$ 1,810,936</b>

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	2004	2005	2006
<b>REVENUES</b>			
Property taxes	\$ 2,070,250	\$ 2,147,483	\$ 2,208,571
Other taxes	3,797,667	3,826,085	4,383,990
Licenses, fees and permits	1,028,039	1,162,232	1,004,652
Fines and penalties	90,724	93,112	101,137
Intergovernmental	202,991	207,639	201,497
Sewer and other charge for service	-	208,994	237,329
Interest earnings	48,404	90,000	190,798
Grants, donations	-	-	63,478
Proceeds from sale of capital assets	-	79,351	-
Miscellaneous	430,736	374,429	289,136
<b>Total revenues</b>	<b>7,668,811</b>	<b>8,189,325</b>	<b>8,680,588</b>
<b>EXPENDITURES</b>			
General government	1,944,378	1,793,133	1,925,081
Public safety	2,344,251	2,601,782	2,773,384
Public works	2,066,087	2,122,450	2,049,407
Capital outlay	1,195,657	957,821	1,930,932
Debt service			
Principal	125,000	175,000	215,000
Interest	72,375	67,075	66,506
<b>Total expenditures</b>	<b>7,747,748</b>	<b>7,717,261</b>	<b>8,960,310</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(78,937)</b>	<b>472,064</b>	<b>(279,722)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from borrowing	-	-	315,000
Issuance of refunding bonds	-	-	-
Payment to escrow agent	-	-	-
Sale of capital assets	-	-	-
Transfers in	492,532	657,907	663,908
Transfers (out)	(488,100)	(434,272)	(636,204)
<b>Total other financing sources (uses)</b>	<b>4,432</b>	<b>223,635</b>	<b>342,704</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (74,505)</b>	<b>\$ 695,699</b>	<b>\$ 62,982</b>
<b>DEBT OF SERVICES AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	<b>3.00%</b>	<b>3.20%</b>	<b>3.80%</b>

Data Source

The Village's Comprehensive Annual Financial Report

	2007	2008	2009	2010	2011	2012	2013
\$	2,244,225	\$ 2,389,677	\$ 2,510,766	\$ 2,649,929	\$ 2,704,232	\$ 2,847,986	\$ 2,903,873
	5,032,731	5,116,298	4,378,506	4,234,619	4,272,360	3,542,130	3,543,334
	864,760	1,378,688	840,006	709,643	631,367	695,370	734,119
	182,500	96,598	92,910	64,596	83,700	82,945	79,573
	208,654	240,528	260,695	578,658	770,255	1,214,994	2,148,209
	368,825	386,087	341,089	360,549	375,830	363,625	420,880
	319,950	339,738	117,844	25,725	22,677	18,023	15,768
	-	-	-	-	-	-	-
	59,285	-	-	-	-	-	-
	50,817	84,580	36,717	72,566	97,863	197,195	321,822
	9,331,747	10,032,194	8,578,533	8,696,285	8,958,284	8,962,268	10,167,578
	2,593,866	2,645,317	2,454,769	1,879,896	2,014,495	1,726,514	1,717,319
	3,524,775	3,318,973	3,454,094	3,666,142	3,721,070	3,853,691	4,149,454
	2,249,691	2,376,196	2,160,920	2,742,566	2,407,391	2,397,227	2,249,906
	1,293,364	1,255,072	1,351,899	20,474	533,206	443,737	1,627,237
	317,497	358,989	372,126	370,119	378,246	213,023	230,000
	88,851	150,799	135,881	120,731	105,394	89,452	79,168
	10,068,044	10,105,346	9,929,689	8,799,928	9,159,802	8,723,644	10,053,084
	(736,297)	(73,152)	(1,351,156)	(103,643)	(201,518)	238,624	114,494
	2,435,930	-	-	-	-	-	-
	-	-	-	-	-	-	1,685,000
	-	-	-	-	-	-	(1,684,780)
	26,220	865,492	109,963	185,364	4,000	4,606	16,161
	754,769	909,997	772,067	465,257	583,062	669,083	710,630
	(728,118)	(888,686)	(745,239)	(465,257)	(583,062)	(669,083)	(710,630)
	2,488,801	886,803	136,791	185,364	4,000	4,606	16,381
\$	1,752,504	\$ 813,651	\$ (1,214,365)	\$ 81,721	\$ (197,518)	\$ 243,230	\$ 130,875
	4.50%	5.40%	5.90%	5.73%	5.34%	3.68%	3.34%

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
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
2013	2,903,873	2,012,989	528,343	475,706	273,613	-	279,431	6,473,955

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
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
2012	454,892,868	30,461,126	17,798,977	2,620,658	726,534	506,500,163	0.5980	1,519,652,454

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
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
2012-13 2011	0.532	0.475	0.146	2.508	1.191	0.240	0.554	0.201	0.150	0.069	0.389	0.012	0.047	0.579

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
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
2012-13												
2011	0.005	0.099	0.001	0.057	0.075	0.035	0.100	0.062	0.044	0.053	0.001	0.532

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	2013(1)			2004		
	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	\$ 5,521,861	1	1.09%	\$ 5,736,339	1	1.19%
Cantera Investors LLC	3,149,294	2	0.62%			
Profile Plastics	2,779,256	3	0.55%	1,613,173	10	0.34%
Orren Pickell Builders	2,677,728	4	0.53%			
The Taxman Corp/Carriage Way	2,336,820	5	0.46%	2,740,079	5	0.57%
Carriage Point	2,069,139	6	0.41%	2,415,564	6	0.50%
Individual Taxpayer/Zenni	2,001,018	7	0.40%			
Individual Taxpayer/Sandner	1,959,717	8	0.39%	1,741,895	9	0.36%
Buehler, Inc	1,874,514	9	0.37%	1,838,349	8	0.38%
Individual Taxpayer/Brown	1,382,240	10	0.27%			
Ohio State Teachers Retirement				3,209,118	2	0.67%
Harrison Conference Center				3,199,890	3	0.67%
Individual Taxpayer/Friedman				2,966,161	4	0.62%
Liquid Controls				2,211,775	7	0.46%
	<u>\$ 25,751,587</u>		<u>5.09%</u>	<u>\$ 27,672,343</u>		<u>5.76%</u>

Note:

(1) The taxable assessed value is for 2012 (the most available)

Data Source

Lake County Assessor

VILLAGE OF LAKE BLUFF, ILLINOIS  
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Tax levy year	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012(1)
General corporate	\$ 448,822	\$ 450,440	\$ 445,933	\$ 451,608	\$ 451,946	\$ 462,878	\$ 471,546	\$ 531,227	\$ 542,937	\$ 607,800
School crossing guard	9,067	9,584	10,370	11,433	12,382	6,429	6,287	5,838	5,484	5,065
Police protection	253,879	263,555	269,634	274,395	297,170	308,585	314,356	326,902	340,021	379,875
Fire protection	229,512	233,543	242,712	245,601	255,201	271,250	277,394	291,146	298,872	305,041
Sanitation	330,950	335,434	352,598	360,143	365,271	379,303	383,514	396,952	411,316	481,175
Auditing	22,668	23,960	25,926	28,583	30,955	32,144	25,148	23,350	27,421	25,325
Liability insurance	131,473	153,341	150,373	154,347	173,349	199,295	232,623	286,039	290,663	278,575
Illinois municipal retirement	136,007	162,925	191,855	234,379	241,451	270,012	251,485	215,989	191,947	172,210
Police pension	240,278	253,971	280,004	337,277	371,463	417,876	433,811	490,352	548,421	557,150
Public library	462,423	479,191	663,714	697,420	724,352	771,464	779,602	782,229	800,695	835,725
Social security	272,013	273,139	264,448	280,112	272,406	289,299	289,207	274,364	241,305	197,535
Unemployment insurance	4,534	4,792	10,371	11,433	12,382	12,858	18,861	5,838	5,484	5,065
<b>TOTAL</b>	<b>\$ 2,541,626</b>	<b>\$ 2,643,875</b>	<b>\$ 2,907,938</b>	<b>\$ 3,086,731</b>	<b>\$ 3,208,328</b>	<b>\$ 3,421,393</b>	<b>\$ 3,483,834</b>	<b>\$ 3,630,226</b>	<b>\$ 3,704,566</b>	<b>\$ 3,850,541</b>
<b>LEVY AS EXTENDED</b>	<b>\$ 2,548,286</b>	<b>\$ 2,650,290</b>	<b>\$ 2,912,108</b>	<b>\$ 3,086,938</b>	<b>\$ 3,253,214</b>	<b>\$ 3,447,229</b>	<b>\$ 3,496,243</b>	<b>\$ 3,643,564</b>	<b>\$ 3,723,710</b>	<b>\$ -</b>
<b>PERCENT COLLECTED</b>	<b>99.74%</b>	<b>99.76%</b>	<b>99.86%</b>	<b>99.99%</b>	<b>98.62%</b>	<b>99.25%</b>	<b>99.65%</b>	<b>99.63%</b>	<b>99.49%</b>	

Note:

(1) The 2012 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	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General merchandise	\$ -	\$ 392	\$ 249	\$ 182	\$ 925	\$ 321	\$ 265	\$ 265	\$ -	\$ -
Food	164,650	158,553	155,743	161,941	159,180	167,320	177,211	177,372	169,825	166,119
Drink, eat, rooms	13,405	15,692	28,679	34,138	33,842	36,965	46,341	69,693	62,630	65,408
Apparel	-	-	-	-	-	-	-	-	522	132
Furniture	9,530	6,424	6,196	9,883	5,396	6,831	4,336	7,862	8,932	11,142
Lumber, hardware	22,604	23,345	26,251	34,742	121,171	108,020	93,353	91,856	110,558	116,235
Auto, filling stations	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	1,331,805
Drugs, retail	78,015	92,425	102,498	100,124	127,718	133,329	130,460	127,314	53,000	56,018
Agriculture and all others	54,547	130,978	176,280	174,440	158,573	137,590	90,796	109,603	105,018	103,118
Manufacturing	46,492	31,972	35,790	40,019	43,895	31,982	20,578	32,920	15,747	(5,276)
<b>TOTAL</b>	<b>\$ 2,047,289</b>	<b>\$ 2,155,395</b>	<b>\$ 2,091,109</b>	<b>\$ 2,274,320</b>	<b>\$ 2,423,087</b>	<b>\$ 2,169,017</b>	<b>\$ 1,942,928</b>	<b>\$ 2,028,174</b>	<b>\$ 1,928,096</b>	<b>\$ 1,844,701</b>
<b>VILLAGE DIRECT SALES TAX RATE</b>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Data Source

Illinois Department of Revenue

VILLAGE OF LAKE BLUFF, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

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Calendar Year	Village Direct Rate	Village Home Rule Rate (1)	Lake County & RTA Rate	State Rate	Total
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%
2012	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				
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
2013	1,880,000	-	2,175,000	-	4,055,000	0.9%	709

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 104 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

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Fiscal Year	General Bonded Debt Outstanding		Percentage of Taxable Assessed Value of Property (1)	Per Capita (2)
	General Obligation Bonds			
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
2013	1,880,000		0.37%	328.56

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 92 for more property value information.

(2) See the schedule of Demographic and Economic Statistics on page 104 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, 2013

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	\$ 1,880	100.00%	\$ 1,880
Overlapping debt (1)			
Lake Bluff Park District	2,113	87.33%	1,845
Lake Bluff School District 65	25,725	85.52%	22,000
Lake Forest-Lake Bluff High School District 115	46,545	17.55%	8,169
Central Lake County Joint Action Water Agency (CLCJAWA)	16,350	7.78%	1,272
North Shore Sanitary District	-	6.36%	-
Lake County Community College District 532	20,535	2.18%	448
Lake County	82,955	2.07%	1,717
Lake County Forest Preserve	316,260	2.07%	6,547
Other debt			
Lake County capital leases	-	0.00%	-
Lake County - other debt	-	0.00%	-
Subtotal	510,483		41,998
TOTAL	\$ 512,363		\$ 43,878

Notes:

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

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

Data Source

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

The Village of Lake Bluff has general obligation (tax-supported) debt of \$1.88 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	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Assessed Value	\$ 454,544	\$ 480,354	\$ 519,270	\$ 571,694	N/A	N/A	N/A	N/A	N/A	N/A
Debt limit	39,204	41,431	44,787	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total net debt applicable to limit	1,650	1,475	1,260	-	-	-	-	-	-	-
LEGAL DEBT MARGIN	\$ 37,554	\$ 39,956	\$ 43,527	\$ 571,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	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 Nine 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
2013	1,454,897	130,000	3,250	296,744	4.90

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 Fiscal Years

Fiscal Year	Population	Personal Income (in thousands of dollars)	Per Capita Personal Income	Unemployment Rate
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	78,839	4.40%
2009	6,222	490,536	78,839	4.40%
2010	6,200	467,177	75,351	5.50%
2011	5,722	402,555	70,352	5.20%
2012	5,722	402,402	70,325	N/A
2013	5,722	433,271	75,720	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	2013		2004	
		Employees	Rank	Employees	Rank
Knautz Motors, Inc	BMW, Mercedes, Land Rover, Hyundai Mini & SmartCar auto dealerships	260	1	235	1
Liquid Controls Corp	Manufacture - Liquid flow meters	167	2	175	2
Buehler, Inc	Scientific instruments supplier	138	3	100	7
Lake Bluff School District 65	Elementary school district	123	4	119	6
Mariani Landscaping	Landscaping architect	105	5		
Profile Plastics	Manufacturer - plastic parts	60	6	80	10
Village of Lake Bluff	Municipal government	38	7		
Lake Forest Sports Cars	Ferrari, Maserati, Aston Martin, Lotus & McLaren Dealership	28	8		
Dominick's	Grocery store	23	9		
Chelsea & Scott, LTD	Catalog sales - children's products			145	3
Clarín/Greenwich Industries	Manufacturer - steel folding chairs			125	4
Deerpath Medical Associates	Medical clinic			125	5
Shepherd Chevrolet	Chevrolet and Geo auto dealership			95	8
Harrison Conference Center	Conference/training facility/hotel			83	9
Total		<u>942</u>		<u>1,282</u>	

Note:

Data to determine each principal employers' percentage of total employment is not available.  
For 2013, Village was unable to ascertain additional employers with more than 20 employees.

Data Source

Telephone poll of businesses.

VILLAGE OF LAKE BLUFF, ILLINOIS  
 FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>GENERAL GOVERNMENT</b>										
Administrator's Office	3.50	4.00	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Finance	3.50	3.50	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Engineering, Building and Zoning	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00
<b>PUBLIC SAFETY</b>										
Fire										
Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police										
Police sworn	16.00	16.00	17.00	17.00	17.00	17.00	15.00	15.00	14.00	15.00
Telecommunications Dispatchers	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
<b>PUBLIC WORKS</b>										
Administration, Street, Sewer	10.00	10.00	10.00	10.00	10.00	10.00	8.00	6.00	6.00	6.00
Water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Sanitation	3.50	3.50	4.00	4.00	4.00	4.00	-	-	-	-
Vehicle maintenance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total</b>	<b>48.50</b>	<b>49.00</b>	<b>51.00</b>	<b>51.00</b>	<b>50.00</b>	<b>50.00</b>	<b>42.00</b>	<b>39.00</b>	<b>37.00</b>	<b>38.00</b>

Data Source

Village budget

VILLAGE OF LAKE BLUFF, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>GENERAL GOVERNMENT</b>										
Administration										
Village Board Meetings	20	21	22	22	23	18	23	23	23	20
Other Board and commission meetings	31	46	46	46	49	24	30	38	48	33
Village newsletter mailings	4	2	5	5	5	4	5	5	5	5
Lake Bluff List Serve Subscribers	n/a	92	214	293	438	487	550	663	700	700
Finance										
Accounts payable (in thousands)	\$ 5,000	\$ 4,800	\$ 5,790	\$ 7,650	\$ 8,000	\$ 7,013	\$ 5,622	\$ 6,273	\$ 6,965	\$ 7,000
Water & Sewer invoices prepared	7,915	8,175	8,232	8,225	8,185	8,179	8,256	8,247	8,240	8,235
Engineering, Building and Zoning										
Residential building permits issued	463	491	523	464	447	418	323	378	455	430
Commercial building permits issued	32	17	25	23	14	18	14	60	9	36
Zoning petitions	24	8	22	7	9	7	8	5	8	8
<b>PUBLIC SAFETY</b>										
Police										
Number of calls	10,737	9,286	10,078	11,703	10,282	10,322	11,208	11,457	11,744	12,042
Felony offenses	56	71	77	49	52	88	66	82	101	116
Misdemeanor offenses	266	304	406	311	336	390	406	588	643	702
Auto Accident investigations	169	183	203	203	177	195	210	173	193	140
Fire										
Fire calls	24	35	52	48	37	34	41	44	43	43
Rescue/Medical transported	181	208	174	217	211	227	250	250	205	210
Rescue/Medical not transported	45	56	70	50	61	73	76	84	80	67
<b>PUBLIC WORKS</b>										
General										
Streets patching (in tons)	47	61	57	71	118	64	38	20	42	10
Street cleaned - miles	1,187	1,360	975	1,134	1,562	813	813	614	1,114	504
Compacted household refuse collected	2,542	2,704	2,620	2,678	2,223	1,911	1,850	1,850	1,500	1,978
Curbside recycling collections (tons)	710	790	715	758	1,148	1,124	1,084	1,084	1,004	1,006
Cubic yards of leaves/yard waste collected	3,512	2,498	2,500	2,512	2,658	3,560	3,432	3,432	n/a	1,106
Parkway trees planted	79	81	76	67	52	50	42	22	20	23
Parkway grass trimmed (in acres)	414	387	276	301	401	329	305	300	300	300
Sanitary sewers cleaned (in linear feet)	37,120	17,679	16,679	44,178	65,925	80,000	79,821	48,853	1,975	45,350
Storm sewers cleaned (in linear feet)	7,476	4,257	4,158	2,358	2,111	3,837	3,474	n/a	2,450	4,500
Water										
Main break repairs	8	12	18	9	16	9	5	7	13	8
JULIE utility locates	1,409	1,273	1,227	1,368	1,210	1,345	1,354	900	775	800

Data Source

Various village departments

VILLAGE OF LAKE BLUFF, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Fiscal Year	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>PUBLIC SAFETY</b>										
Police										
Patrol units	6	6	6	7	8	8	8	8	8	8
Stations	1	1	1	1	1	1	1	1	1	1
Fire										
Engines (1)	5.5	5.5	5.5	5.5	5.5	5.0	5.0	5.0	5.0	5.0
Stations	1	1	1	1	1	1	1	1	1	1
<b>PUBLIC WORKS</b>										
Streets (miles)	27.0	27.0	27.0	27.0	27.0	27.0	27.8	27.8	27.8	27.8
Sidewalks (miles)	20.0	20.3	20.3	20.3	20.3	20.6	25.9	26.0	26.0	26.0
Building facilities maintained	6	6	6	6	6	6	6	6	6	6
Sanitary sewers (miles)	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0	32.0
Storm Sewers (miles)	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
Sanitary sewer lift stations	5	6	6	6	6	6	6	6	6	6
<b>WATER - sanitary sewer</b>										
Fire hydrants	425	435	460	476	488	490	490	492	492	493
Storage capacity (thousands of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Watermains (miles)	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5

Note:

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

Data Source

Village budgets