

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED APRIL 30, 2007**

Prepared by the  
Finance Department

Patricia Wesolowski  
Director of Finance/Treasurer

VILLAGE OF LIBERTYVILLE, ILLINOIS

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of Libertyville including: Letter of Transmittal from the Director of Finance/Treasurer, List of Principal Officials, Organizational Chart, and Certificate of Achievement for Excellence in Financial Reporting.

June 20, 2007

To the Citizens of the Village of Libertyville:

The comprehensive annual financial report of the Village of Libertyville for the fiscal year ended April 30, 2007 is hereby submitted. This report consists of the Village of Libertyville management staff's representations concerning the finances of the Village of Libertyville. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of Libertyville's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Village of Libertyville's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

In 1999, the Governmental Accounting Standards Board (GASB) adopted Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – For State and Local Governments*. Beginning with the April 30, 2004 financial statements, the Village of Libertyville was required to comply with GASB 34. As such, the reader will notice many changes in scope, approach and presentation with reports after this date as compared to financial statements prior to this date.

The Village of Libertyville's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Libertyville for the fiscal year ended April 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village of Libertyville's financial statements for the fiscal year ended April 30, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical (unaudited). GAAP requires that management provide a narrative introduction,

overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD &A). This letter of transmittal is designed to complement the MD & A and is meant to be read in conjunction with it. The Village's MD &A can be found immediately following the report of the independent auditors.

### **Profile of the Village of Libertyville**

The Village of Libertyville, incorporated in 1882, is located in Lake County and lies approximately thirty-five miles north of the City of Chicago and seven miles west of Lake Michigan. The Village covers an area of approximately nine square miles with unincorporated areas to the north and northwest. The Village has good transportation links to the Chicago metropolitan area and the interstate highway system. The Village is within one-half mile of Interstate 94 (Tri-State Tollway), the highway which connects the Chicago metropolitan area to Milwaukee. Located within commuting distance of Chicago, the Village has experienced strong growth in taxable valuation and new residential, commercial and industrial construction. Socioeconomic indices highlight the affluent character of the community with home values a third higher than the regional norm and per capita income almost double the state average. Although much of the Village is developed, there is open space bordering the corporate limits with the potential for further annexation.

The Village is governed by a President and Board of six trustees. Policy making and legislative authority are vested in the Village Board. The Village Board is responsible for passing ordinances, adopting the budget, appointing committees and hiring the Village's Administrator and Attorney. The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board and for overseeing the day-to-day operations of the Village. The Village President and Village Board are elected at large on a non-partisan basis to four-year staggered terms.

The Village provides a full range of services, including police, fire protection and paramedic services, parks and recreation, maintenance of streets, bridges and sewers, building and zoning, code enforcement, water distribution and waste water treatment. The financial reporting entity of the Village of Libertyville, as defined by Governmental Accounting Standards Board Statement No. 14, is comprised of all the funds and account groups of the primary government (i.e., the Village of Libertyville as legally defined). The Intergovernmental Personnel Benefit Cooperative (IPBC) and the Intergovernmental Risk Management Agency (IRMA) are defined as public entity risk pools and are accounted for accordingly.

The annual budget serves as the foundation for the Village's financial planning and control. During the month of October, the Village Board meets to review the status of goals and priorities from the previous year and to develop goals for the upcoming year. These goals and priorities are distributed to the department heads as they prepare their budget proposals. All departments of the Village are required to submit their budget requests to the Village Administrator during the first week of January each year. The Village Administrator and Finance Director use these requests to develop the proposed budget which is presented to the Village Board during the second week of February. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget no later than April 30<sup>th</sup> of each year.

## **Economic Condition and Outlook**

The Village continues to maintain a favorable financial position, with sizable fund balances in relation to revenues and substantial taxing margin still available for general operations. During this past year, the Village has seen some improvement in the local economy similar to what has been experienced in the State of Illinois and Lake County. With the improvement in the economy, sales tax revenues increased this fiscal year due to increases in consumer purchases such as food, furniture and clothing. Auto dealerships account for approximately 65% of sales tax receipts and the Village expects this revenue source to be stable over the next several years. The Village has also seen an increase in State of Illinois shared taxes which have helped to generate a \$1,083,162 surplus in the Village's general fund. Overall, the Village's increasing wealth and income levels are reflected in a substantial tax base which continues to appreciate in value. The Village's strong financial condition is recognized by Moody's Investors Service with a recent rating upgrade to Aa1.

## **Major Initiatives**

During the 2006-2007 fiscal year, the Village Board worked with a design firm in order to develop a new "brand" for the Village. As part of the branding of the Village a new logo was unveiled during the Libertyville Days festival in June of 2006. This new logo includes the words – "Spirit of Independence" and will be used to help market the Village to residents and businesses. .

During the 2006-07 fiscal year, over \$1,000,000 in improvements and repairs were made to the Village's water and sanitary sewer system. This included repairing and repainting of a water storage tower with the Village's new logo.

As part of the Mayor and Village Board's economic development strategy, the newly created economic development coordinator worked with businesses to retain existing ones and attract new business to the Village.

The Village Board approved a single waste hauler contract with Mundelein Disposal. This enabled the Village to eliminate all costs associated with waste disposal for all Village facilities and provided the option for residents to request covered recycling carts to maximize the amount of materials recycled. During this fiscal year the Village received approximately \$16,000 in revenue from an intergovernmental agreement with the Solid Waste Agency of Lake County (SWALCO) and the Recycle America Alliance in rebates for the amount of materials that were recycled from the community.

For the Future - For 2007, the Village will continue its emphasis on infrastructure and capital improvements. The 2007-08 budget includes \$985,000 in the Motor Fuel Tax and Capital Improvement Funds for asphalt resurfacing, \$2.25 million in water main, sanitary sewer and wastewater treatment plant improvements, and \$321,500 for park and playground improvements. Overall, the Village has budgeted over \$7.3 million in capital expenditures for 2006-07.

The Village Board recently entered into an agreement to purchase the Trimm Property and is working on negotiating a development agreement for this site. This will allow the Village to move forward on relocating the downtown train station to the west of the current location and to redevelop the existing parking lot. This will help alleviate traffic congestion along Milwaukee Avenue in the downtown area.

Village entered into a contract with Ehlers and Associates to work with Staff to extend a portion of the current Tax Increment Financing District (TIF) in order to construct a parking garage for the downtown central business district area. Staff is also working on establishing a Special Service Area for the downtown area in order to provide funding for maintenance and improvements to the downtown area once the original TIF expires in 2009.

With the near completion of the Butler Lake ecosystem project, the Village is planning to improve the ponds on the west side of the Lake and portions of Bull Creek that flow through the Village. Plans are to replace deteriorated shoreline areas and may include additional dredging of these areas.

### **Financial Information**

Management of the Village is responsible for establishing and maintaining internal controls designed to ensure that the assets of the government 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 generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Cash Management - Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, money market accounts, commercial paper, United States Agency obligations and obligations of the United States Treasury. As of April 30, 2007, the average yield on General Fund investments was 4.97%. The Police and Firefighters' pension funds realized a yield of 9.63% and 9.54% respectively for this same period. Including the pension funds, the Village earned 2.5 million on all investments for the year ended April 30, 2007. The Village of Libertyville has developed a comprehensive written investment policy, following these certain cash management and investment principles:

- Safety of principal is of foremost importance to the Village of Libertyville. Each investment transaction will seek first to ensure that capital losses are avoided whether they are from securities defaults or erosion of market value.
  
- Diversification of investments plays an important part in guaranteeing asset safety. The Village maintains diversity in its investments to avoid incurring unreasonable risks from concentrating investments in specific security types and/or particular financial institutions.

- The investment program must serve operating needs of the Village. The Village's investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated in any Village fund.

- Public confidence in the investment program and practices is essential. In managing its investment portfolio, the Village will avoid any transaction that might impair public confidence in the governing body. Investments shall be made based upon standards of care which would, under then current circumstances, be utilized by reasonable, prudent persons in the management of their own affairs. Such standards emphasize proper investment, rather than speculation. Therefore, the safety of capital is more critical to a determination of appropriate investment than the probable income to be derived.

Risk Management - The Village of Libertyville is a member of the Intergovernmental Risk Management Agency (IRMA), which is an organization of sixty-eight municipalities and five special districts in the six-county collar area around Chicago, which have joined together to pool insurance risk, cost, and coverage. IRMA, through its risk-sharing provisions, provides the Village with coverage for liability, property damage, automobile, and worker's compensation insurance. The Village's successful loss control efforts are reflected in its loss experience, which continues to be below the IRMA average. This positive loss experience will help to minimize the rate of increase of the Village's annual IRMA contribution. The Village recently joined a new intergovernmental cooperative, the Intergovernmental Public Benefit Cooperative (IPBC), to provide health and life insurance benefits for employees.

Pension and Other Post-Employment Benefits - The Village sponsors a single-employer defined benefit pension plan for its police and fire officers. Each year, an independent actuary engaged by the Village and the pension plans calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Village fully funds each year's annual required contribution to the respective pension plans as determined by the actuary. As a result of the Village's conservative funding policy, the Village has succeeded as of April 30, 2007, in funding 63.0% of the Police Pension and 77.1% of the Firefighter's Pension actuarial accrued liabilities. The remaining unfunded liability is being systematically funded through 2033 as part of the annual required contribution calculated by the actuary.

The Village also provides pension benefits for its non-public safety employees. These benefits are provided through a statewide plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its contractual payments to IMRF.

Additional information on the Village's pension arrangements can be found in the notes in the financial statements.

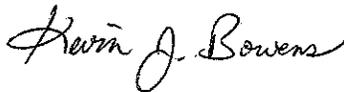
Awards and Acknowledgments - The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Libertyville for its comprehensive annual financial report for the fiscal year ended April 30, 2006. This was the fourteenth consecutive year the Village received this prestigious award. In order to be

awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

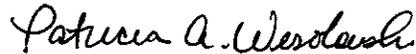
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department and in particular the efforts of the Senior Accountant, Ariel Tax. We would like to express our sincere appreciation to all, as well as the Mayor and Board of Trustees who encourage and insist upon the highest standards of excellence in planning and conducting the financial operations of the Village.

Sincerely,



Kevin J. Bowens  
Village Administrator



Patricia A. Wesolowski  
Director of Finance

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## List of Principal Officials

April 30, 2007

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### LEGISLATIVE

Village President: Jeffrey A. Harger

Village Clerk: Sally Kowal

Village Attorney: David L. Pardys

### BOARD OF TRUSTEES

Dean Larson

David A. Giza

Robert Peron

William J. Westerman

Debbie Weber

Luke Lukens

### ADMINISTRATIVE

Village Administrator

Kevin J. Bowens

Director of Finance/Treasurer

Patricia A. Wesolowski

Director of Public Works

Steven R. Magnusen

Community Development

John P. Spoden

Chief of Police

Patrick W. Carey

Fire Chief

Richard Carani

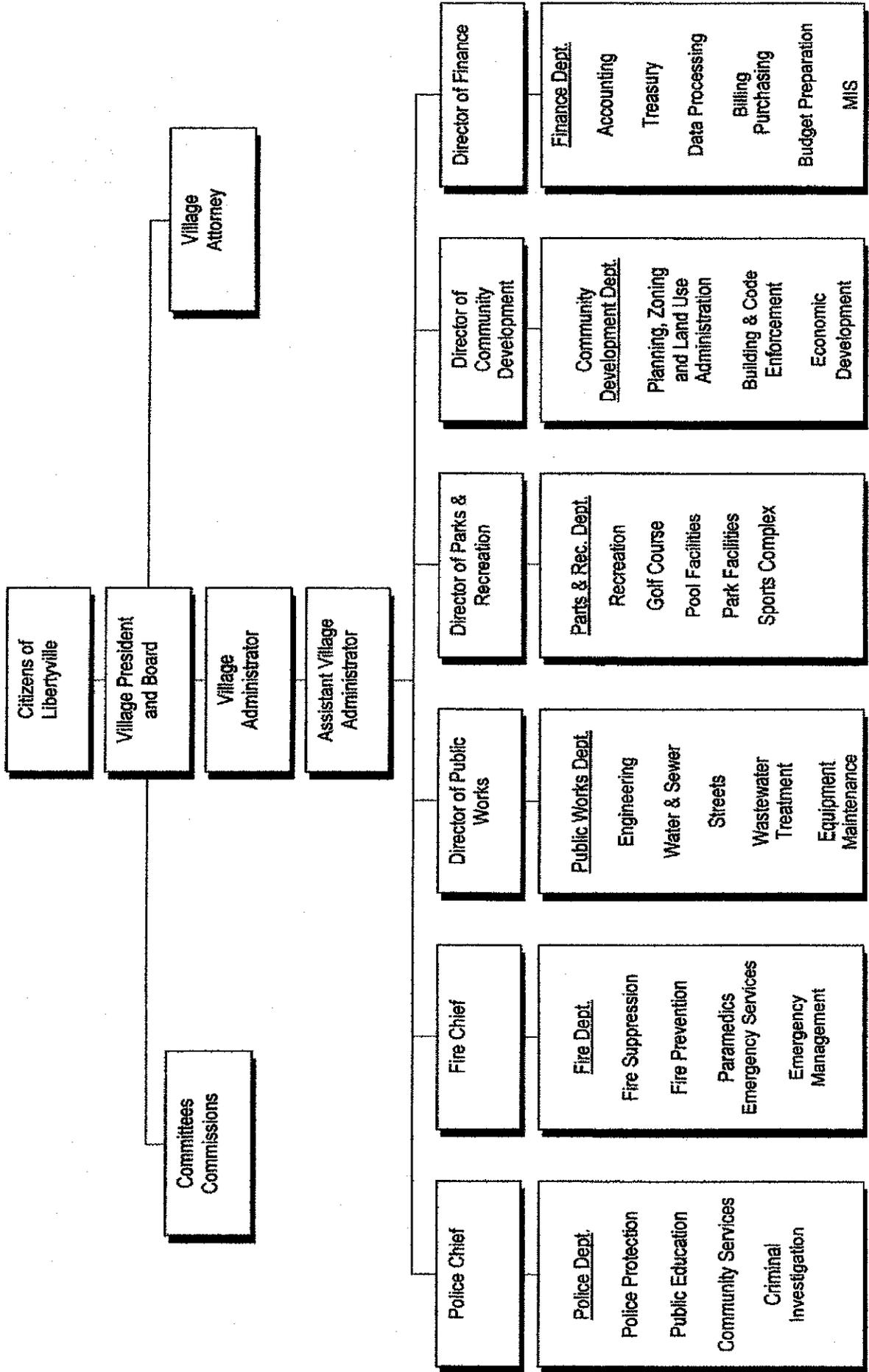
Director of Parks and Recreation

James Zych

Assistant Administrator

Kelly Amidei

# Village of Libertyville Organizational Chart



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Libertyville  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2006

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



President

Executive Director

## **FINANCIAL SECTION**

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Schedules

## **INDEPENDENT AUDITORS' REPORT**

This section includes the opinion of the Village's independent auditing firm.

**INDEPENDENT AUDITORS' REPORT**

June 20, 2007

The Honorable Village President  
Members of the Board of Trustees  
Village of Libertyville, Illinois

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Libertyville, Illinois as of and for the year ended April 30, 2007, which collectively comprise the Village of Libertyville's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Libertyville, Illinois' management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Libertyville, Illinois as of April 30, 2007, and the respective changes in financial position and the cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund schedules, as well as the information listed as supplemental and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Libertyville, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

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

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

*Lauterbach + Amen LLP*

LAUTERBACH & AMEN, LLP

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **Village of Libertyville, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2007**

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Our discussion and analysis of the Village of Libertyville's financial performance provides an overview of the Village of Libertyville's financial activities for the fiscal year ended April 30, 2007. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, readers are urged to consider the information presented here in conjunction with additional information that is furnished in the letter of transmittal (beginning on page i) and the Village's financial statements which begin on page 18.

#### **FINANCIAL HIGHLIGHTS**

- The Village of Libertyville's net assets exceeded its liabilities as of April 30, 2007, by \$183,304,791. Net assets of governmental activities amounts to \$164,563,965 and for business activities are \$18,740,826.
- The Village of Libertyville's total net assets increased by \$6,729,435 with the general governmental activities net assets increasing by \$6,848,140 and the business-type activities net assets decreasing by \$118,705.
- Total revenues for governmental activities increased by \$4,121,190 or 16.22% while expenses for governmental activities decreased by \$1,321,102 or 5.51%
- Revenues for business-type activities increased by \$606,593 or 6% while expenses for these activities decreased \$408,655 or 4%.
- As of April 30, 2007, the unreserved fund balance for the governmental funds was \$17,705,299 or approximately 78% of total the governmental fund expenditures.
- The Village of Libertyville issued a \$3,000,000 water and sewer alternate revenue source bond during this fiscal year. Total bonded debt increased by \$350,648 to \$35,373,578 due to scheduled debt maturities.

#### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 18 - 21) provide information about the activities of the Village of Libertyville as a whole and present a longer-term view of the Village of Libertyville's finances. Fund financial statements begin on page 22. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village of Libertyville's operation in more detail than the government-wide statements by providing information about the Village of Libertyville's most significant funds. The report also contains other supplementary and statistical information in addition to the basic financial statements themselves.

## **Village of Libertyville, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2007**

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#### **Government-Wide Financial Statements**

The government-wide financial statements provide readers with a broad overview of the Village of Libertyville's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 18 - 21 of this report.

The Statement of Net Assets reports information on all of the Village of Libertyville's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village of Libertyville is improving or deteriorating. Consideration of other nonfinancial factors, such as changes in the Village of Libertyville's property tax base and the condition of the Village of Libertyville's roads, is needed to assess the overall health of the Village of Libertyville.

The Statement of Activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Village of Libertyville that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village of Libertyville include general government, public safety, highways and streets, community development, economic development, and parks and recreation. The business-type activities of the Village of Libertyville include waterworks and sewerage and the Libertyville Sports Complex, which includes an indoor recreation center, golf learning center and family entertainment center.

The government-wide financial statements include only the financial activities of the Village of Libertyville. The government-wide statements do not include the Police Pension and Fire Pension Funds as they are considered blended component units. There are no component units such as affiliated school or library districts.

#### **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 of Libertyville, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village of Libertyville can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## **Village of Libertyville, ILLINOIS**

### **Management's Discussion and Analysis April 30, 2007**

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#### **Governmental Funds**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village of Libertyville's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both 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 Village of Libertyville maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, the Capital Improvements Fund, and the Tax Increment Financing District Construction Fund, all of which are considered major funds. Data from the other governmental fund, Commuter Parking, is listed as a Nonmajor Fund.

The Village of Libertyville adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22 – 27 of this report.

#### **Proprietary Funds**

The Village of Libertyville maintains two different types of proprietary funds: enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village of Libertyville utilizes enterprise funds to account for its waterworks and sewerage, and the Libertyville Sports Complex. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village of Libertyville's various functions.

## **Village of Libertyville, ILLINOIS**

### **Management's Discussion and Analysis**

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The Village of Libertyville uses internal service funds to account for its fleet of vehicles and construction equipment and for its technology costs. Because both of these services predominantly benefit governmental rather than business-type functions, they have been consolidated into the governmental column when presented in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund and for the Libertyville Sports Complex Fund, both of which are considered to be major funds of the Village of Libertyville. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28 - 31 of this report.

#### **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village of Libertyville's own programs. The accounting use for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on pages 32 - 33 of this report.

#### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34 - 75 of this report.

#### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village of Libertyville's I.M.R.F. and police and firefighters employee pension obligations. Required supplementary information can be found on pages 76 - 81 of this report. The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 82 - 132 of this report.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Village of Libertyville, assets exceeded liabilities by \$183.3 million. Net assets increased 3.8%, from \$176,575,356 to \$183,304,791. Total net assets for governmental activities increased by \$6,840,140. For business-type activities, net assets decreased by \$118,705 (.6%).

Exhibit 1

Government-wide Financial Analysis Worksheet

Account	Governmental Activities				Business-type Activities				Total Primary Government			
	Current Year	Prior Year	Change	% Chg	Current Year	Prior Year	Change	% Chg	Current Year	Prior Year	Change	% Chg
<b>Statement of Net Assets</b>												
Capital assets	\$ 150,623,008	150,710,369	-87,361	-0.06%	45,844,775	46,043,888	-199,113	-0.43%	196,467,783	196,754,257	-286,474	-0.15%
Current and other assets	30,494,968	24,522,931	5,972,037	24.35%	4,145,429	2,541,015	1,604,414	63.14%	34,640,397	27,063,946	7,576,451	27.99%
<b>Total assets</b>	<b>181,117,976</b>	<b>175,233,300</b>	<b>5,884,676</b>	<b>3.36%</b>	<b>49,990,204</b>	<b>48,584,903</b>	<b>1,405,301</b>	<b>2.89%</b>	<b>231,108,180</b>	<b>223,818,203</b>	<b>7,289,977</b>	<b>3.26%</b>
Long-term liabilities	5,372,652	6,743,060	-1,370,408	-20.32%	28,488,903	26,958,830	1,530,073	5.68%	33,861,555	33,701,690	159,865	0.47%
Other Liabilities	11,181,359	10,774,415	406,944	3.78%	2,760,475	2,766,542	-6,067	-0.22%	13,941,834	13,540,957	400,877	2.96%
<b>Total Liabilities</b>	<b>16,554,011</b>	<b>17,517,475</b>	<b>-963,464</b>	<b>-5.50%</b>	<b>31,249,378</b>	<b>29,725,372</b>	<b>1,524,006</b>	<b>5.13%</b>	<b>47,803,389</b>	<b>47,242,647</b>	<b>560,542</b>	<b>1.19%</b>
<b>Net assets:</b>												
Invested in capital assets, net of related debt	145,149,599	143,929,297	1,220,302	0.85%	16,156,591	18,046,127	-1,889,536	-10.47%	161,306,190	161,975,424	-669,234	-0.41%
Restricted	1,298,287	1,206,999	91,288	7.56%	-	-	-	-	1,298,287	1,206,999	91,288	-
Unrestricted	18,116,079	12,579,529	5,536,550	44.01%	2,584,235	813,404	1,770,831	217.71%	20,700,314	13,392,933	7,307,381	54.56%
<b>Total net assets</b>	<b>164,563,965</b>	<b>157,715,825</b>	<b>6,848,140</b>	<b>4.34%</b>	<b>18,740,826</b>	<b>18,859,531</b>	<b>-118,705</b>	<b>-0.63%</b>	<b>183,304,791</b>	<b>176,575,356</b>	<b>6,729,435</b>	<b>3.81%</b>

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Principal Payment on Debt – which will reduce current assets and reduce long-term debt, and reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

## Village of Libertyville, ILLINOIS

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By far the largest portion of the Village of Libertyville's net assets, which is 88 percent, reflects its investment in capital assets (for example, land, buildings, machinery, and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Village of Libertyville uses these capital assets to provide services to citizens'; consequently, these assets are not available for future spending. Although the Village of Libertyville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion or 1 percent of the Village of Libertyville's net assets represents resources that are subject to external restrictions on how they may be used. The remaining 11 percent, or \$20.7 million, represents unrestricted net assets and may be used to meet the village's ongoing obligations to citizens and creditors.

Net assets of the Village of Libertyville's governmental activities increased by 4.34% (\$164,563,965 compared to \$157,715,825). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, total \$18,116,079. As of April 30, 2007, the unrestricted net assets amounts to 80% of operating expenses (\$22,674,371) of governmental activities.

During the 2006-07 fiscal year, net assets of business-type activities decreased by .63% percent (\$18,740,826 compared to \$18,859,531). This decrease, however, cannot be offset by the increase reported in governmental activities. The Village of Libertyville generally can only use these net assets to finance the continuing operations of governmental activities of the Village. Excluding depreciation both the Waterworks and Sewage and the Libertyville Sports Complex generated an operating income this fiscal year. When depreciation and interest expenditures are added, both funds experienced a net loss. This is the fifth year of operation for the Sports Complex and the Village had anticipated the complex would begin to break even after the third year of operations, however there have been losses since the complex opened. The Village has made adjustments to the last several budgets for the Sports Complex in order to break even or generate a small surplus; however, the large amount of debt expense has continued to cause a net loss for the complex. The Village Board has authorized staff to sell a portion of the property that the Family Entertainment Center is located on. Once this property is sold, the proceeds will be used to pay off a portion of debt in order to reduce annual debt expenditures so the Complex is able to break even or generate a surplus.

Total revenues (excluding special items) increased from \$ \$35,558,015 to \$40,285,798 or 13.37%. The total cost of all programs and services decreased from \$35,433,724 to \$33,556,363 or 5.3%. Exhibit #2 compares the revenue and expenses for the current and prior fiscal years.

# Village of Libertyville, ILLINOIS

## Management's Discussion and Analysis April 30, 2007

### Exhibit 2

#### Government-wide Financial Analysis Worksheet

Account	Governmental Activities			Business-type Activities			Total Primary Government		
	Current Year	Prior Year	Change	Current Year	Prior Year	Change	Current Year	Prior Year	Change
<b>Statement of Activities</b>									
Program revenues	\$								
General Government	4,109,949	3,272,877	837,072	-	-	-	4,109,949	3,272,877	837,072
Community Development	423,194	330,339	92,855	-	-	-	423,194	330,339	92,855
Public Safety	2,773,671	2,656,464	117,207	-	-	-	2,773,671	2,656,464	117,207
Public Works	601,837	669,307	-67,470	-	-	-	601,837	669,307	-67,470
Parks & Recreation	1,291,404	1,320,083	-28,679	-	-	-	1,291,404	1,320,083	-28,679
Waterworks and Sewerage	-	-	-	7,499,594	6,911,448	588,146	7,499,594	6,911,448	588,146
Libertyville Sports Complex	-	-	-	3,075,067	3,223,825	-148,758	3,075,067	3,223,825	-148,758
General revenues									
Taxes	7,299,285	6,835,123	464,162	31,542	26,784	4,758	7,330,827	6,861,907	468,920
Intergovernmental	9,793,635	9,394,765	398,870	-	-	-	9,793,635	9,394,765	398,870
Interest Income	837,852	431,533	406,319	252,059	90,327	161,732	1,089,911	521,860	568,051
Miscellaneous	2,288,709	387,140	1,901,569	8,000	8,000	-	2,296,709	395,140	1,901,569
Total Revenues	<u>29,419,536</u>	<u>25,297,631</u>	<u>4,121,905</u>	<u>10,866,262</u>	<u>10,260,384</u>	<u>605,878</u>	<u>40,289,798</u>	<u>35,558,015</u>	<u>4,727,783</u>
Program Expenses									
General Government	2,468,057	2,594,575	-126,518	-	-	-	2,468,057	2,594,575	-126,518
Community Development	1,136,810	1,034,897	101,913	-	-	-	1,136,810	1,034,897	101,913
Public Safety	11,073,209	13,666,355	-2,593,146	-	-	-	11,073,209	13,666,355	-2,593,146
Public Works	3,730,768	3,225,742	505,026	-	-	-	3,730,768	3,225,742	505,026
Parks & Recreation	3,091,115	3,080,371	10,744	-	-	-	3,091,115	3,080,371	10,744
Economic Development	939,443	124,291	815,152	-	-	-	939,443	124,291	815,152
Interest on Long-term Debt	234,969	269,242	-34,273	-	-	-	234,969	269,242	-34,273
Waterworks & Sewerage	-	-	-	7,047,807	7,303,198	-255,391	7,047,807	7,303,198	(255,391)
Libertyville Sports Complex	-	-	-	3,834,185	3,987,449	-153,264	3,834,185	3,987,449	(153,264)
Total Expenses	<u>22,674,371</u>	<u>23,995,473</u>	<u>-1,321,102</u>	<u>10,861,992</u>	<u>11,290,647</u>	<u>-408,655</u>	<u>33,556,363</u>	<u>35,433,724</u>	<u>-1,729,757</u>
Increase (Decrease) In Net Assets Before Transfers	6,745,165	1,302,158	5,443,007	-15,730	-1,030,263	1,014,533	6,729,435	271,895	6,457,540
Transfers	102,975	103,690	-715	-102,975	-103,690	715	-	-	-
Change in Net assets	6,848,140	1,405,848	5,442,292	-118,705	-1,133,953	1,015,248	6,729,435	271,895	6,457,540
Net Assets - Beginning as Restated	157,715,825	143,080,978	14,634,847	18,859,531	19,993,484	-1,133,953	176,575,366	163,074,462	13,500,894
Net Assets - Ending	\$ <u>164,563,965</u>	<u>144,486,826</u>	<u>20,077,139</u>	<u>18,740,826</u>	<u>18,859,531</u>	<u>-118,705</u>	<u>183,304,791</u>	<u>198,780,081</u>	<u>19,958,434</u>

### Governmental Activities

For the fiscal year ended April 30, 2007, revenues from governmental activities increased from \$25,297,631 to \$29,419,536 (16.3%). Intergovernmental Revenues, which consist of sales tax and state income taxes, which comprise the largest segment of governmental revenues increased 4.2% from \$9,394,765 to \$9,793,635. The largest increase is in the miscellaneous revenue category which increased \$1,901,569 (491%) due to the sale of Village owned property to the Hummel Group for the redevelopment of School Street.

Taxes, which is mainly comprised of property taxes, increased by \$464,162 (6.8%) to \$7,299,285. Taxes comprise 25% of the total governmental activities revenue. The Village's 2005 levy year equalized assessed valuation increased 8.9%, while the property tax rate for the village decreased from .474 to .454 per \$100 of equalized assessed valuation for tax year 2005.

## Village of Libertyville, ILLINOIS

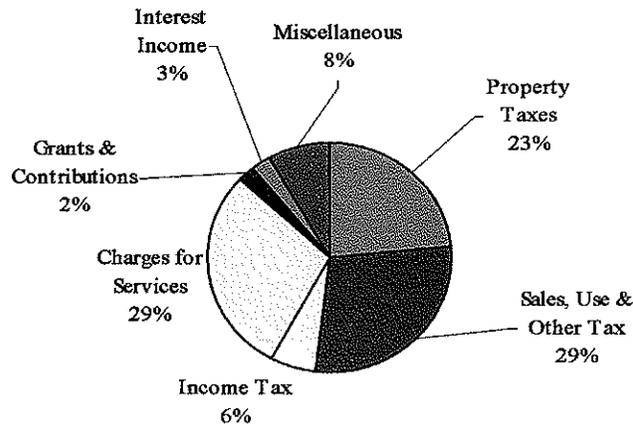
### Management's Discussion and Analysis April 30, 2007

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Program revenues, which include fire district payments, building fees, and parks and recreation fees, amounted to \$9,200,055 or 31% of governmental revenues. This revenue source increased \$1,553,385 (20%) from the previous fiscal year due to building permit and impact fees generated by several new developments approved in the Village.

Sales tax revenues increased \$398,870 (4%) compared to the previous year and also ended the year slightly below final budget. Some revenue sources fell short of the final budget estimates, but overall revenues were above the final budget. Due to higher interest rates, investment income increased 94% from the previous year

**Revenues by Source - Governmental Activities**



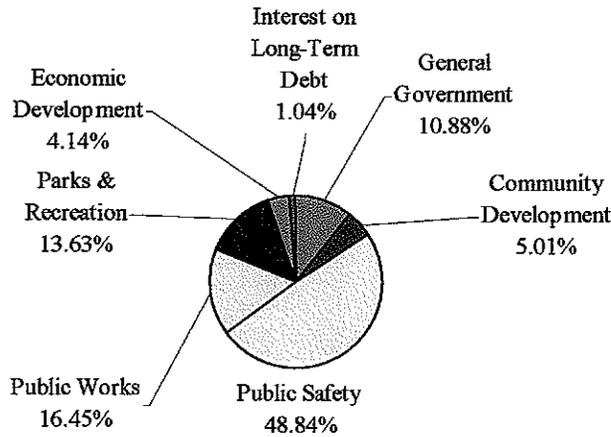
The above table graphically depicts the major revenue sources of the Village of Libertyville. It very clearly shows the reliance of sales and property taxes to fund governmental activities. Approximately 65% of sales tax revenue is generated from auto dealerships. This is down from 70% in previous years due to increased competition from new car dealerships in other surrounding towns and the automotive industry as a whole. The Village' newly hired economic development coordinator is working with businesses to attain and attract businesses to the Village of Libertyville.

The cost of all governmental activities this year was \$22,674,371 compared to \$23,995,473 last fiscal year. Due to competition in the local area for qualified employees, the Village did grant a 3.25% salary range adjustment this fiscal year for its union and non-union employees. Expenditures for governmental funds were below budgeted amounts. The majority of the decrease in expenditures is due to a reduction in capital projects undertaken this fiscal year along with the postponement of roadway reconstruction work due to high fuel costs. Total expenditures for governmental funds were below budgeted amounts.

**Village of Libertyville, ILLINOIS**

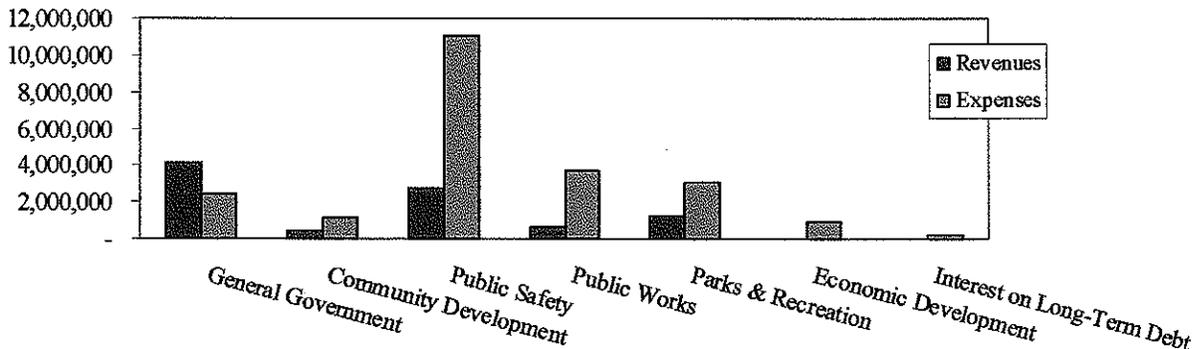
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**Governmental Activities Expenditures**



The expenses and program revenues table below identifies those governmental functions where program expenses exceed revenues. Most governmental activities do not generate sufficient program revenues to fund operations. These activities are normally financed through general property and sales tax revenues.

**Expenses and Program Revenues - Governmental Activities**



**Village of Libertyville, ILLINOIS**

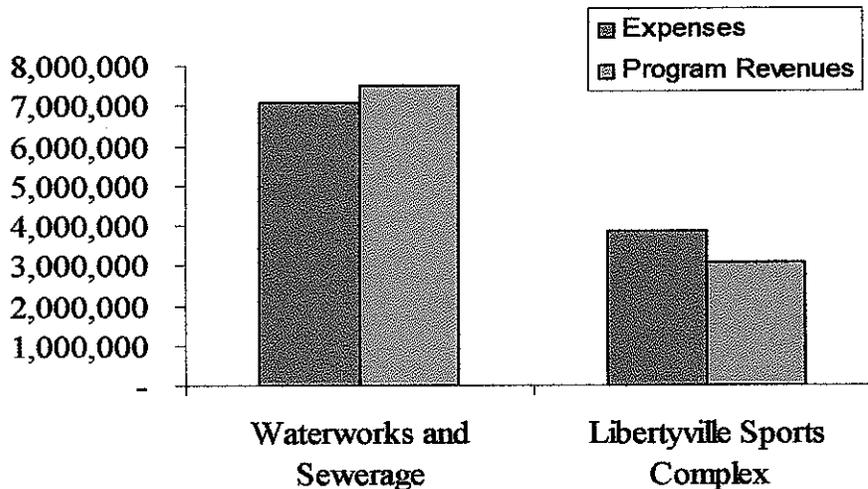
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**Business-type activities**

Revenues of the Village's business-type activities increased by 6% (\$10,260,384 in 2006 compared to \$10,866,262 in 2007) and expenses decreased by 42% (\$11,290,647 in 2006 and \$10,881,992 in 2007). Key factors behind these results include:

- The waterworks and sewerage system increased revenues from additional connection charges due to new construction along with increased interest revenue. Excluding depreciation, this fund had a change in net assets of \$1,694,715. Once depreciation of \$1,054,302 is included, this becomes a change in net assets of \$640,413. Expenses before depreciation amounted to \$5,993,505 compared to \$6,231,653 in 2006. This change is attributable to less water used and purchased during the summer months than in the previous year which had an extremely dry summer.
- The Libertyville Sports Complex had an operating income of \$417,669 compared to last year's income of \$438,584. With the addition of depreciation and debt expense, the complex had a net loss or decrease in net assets of \$759,188. Operating expenses before depreciation and debt expense amounted to \$2,179,769 compared to \$2,307,613 in 2006.

**Expenses and Program Revenues - Business-Type Activities**



The above graph compares program expenses to revenues for waterworks and sewerage operations, and The Libertyville Sports Complex. The Village Board has authorized the sale of a portion of Sports Complex property where the current Family Entertainment Center is located since the underlying property is more valuable than the cash flows generated by the Family Entertainment Center. The proceeds will be used to reduce the amount of debt and to refund the current bonds outstanding. Projections have shown the complex will break even or generate a profit once this is completed

## **Village of Libertyville, ILLINOIS**

### **Management's Discussion and Analysis**

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#### **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted earlier, the Village of Libertyville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

##### **Governmental funds**

The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$20,584,109, which is 36% above last year's total of \$15,100,701. Approximately 86% of the governmental fund balance total constitutes unreserved fund balance, which is available for spending at the village's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay debt service (\$961,581), 2) to fund specific programs (\$1,319,481), or 3) for prepaid insurance premiums and special purposes (\$597,748).

The General fund is the chief operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the general fund was \$10,658,159, while total fund balance reached \$11,627,731. This is slightly above last year's total fund balance of \$10,544,569. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 52% of total general fund expenditures, while total fund balance represents 56% of that same amount.

The Debt Service Fund has a total fund balance of \$961,581, all of which is reserved for the payment of debt service. The fund balance increased \$16,526 from the previous fiscal year mainly due to increased earnings on investments.

The Capital Improvement Fund provides funding for capital projects of the Village of Libertyville which are not normal operating or maintenance type expenditures reportable within the general fund or other governmental funds. The total fund balance as of April 30, 2007 is \$2,433,476, of which 100% is unreserved. The Capital Improvement Fund balance increased by \$1,447,913 this fiscal year due to additional funds available for transfer from the General Fund to the Capital Improvement Fund.

The Tax Increment Financing Construction (TIF) Fund provides funding for the redevelopment of the Village's downtown area. The TIF is due to expire in 2009, although the Village is currently studying the possibility of extending a portion of the TIF in order to complete additional parking improvements for this area. The total fund balance increased by \$2,751,692 to \$4,650,576 as of April 30, 2007 due to the sale of property to the Hummel Group for the redevelopment of School Street.

## **Village of Libertyville, ILLINOIS**

### **Management's Discussion and Analysis**

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The Commuter Parking Fund is included as a governmental fund but is considered a nonmajor fund. Fund balance increased by \$184,115 to \$910,745. The Village is working with the owners of the Trimm property in order to increase the size of the commuter parking facility and is planning on using a portion of this fund balance for the redevelopment of the train station area.

#### **Proprietary Funds**

The Village of Libertyville's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The Village reports the Waterworks and Sewerage Fund and Sports Complex Fund as major proprietary funds. These funds account for all of the operations of the municipal water and sewer system and the sports complex. Water is purchased from the Central Lake County Joint Action Water Agency (CLCJAWA) at a rate of \$2.15 per thousand gallons. Water is sold to all municipal customers at a rate of \$4.60 per thousand gallons. For users connected to the Village's sewage system, the charge is \$4.40 per thousand gallons for the first 4,000 gallons. For each additional 1,000 gallons, the charge is \$2.60. The spread between purchase and sale rates is intended to finance the operations of the waterworks and sewerage system, including labor costs, supplies, and infrastructure maintenance. The Village Board did approve a rate increase to fund future improvements subsequent to the date of this report.

The Village intends to run the fund at a breakeven rate. Periodically, there will be an annual surplus or draw down due to timing of capital projects. The profit during the current fiscal year was \$640,413 which includes \$1,054,302 of depreciation. Net assets of the water and sewer fund at the end of the year amounted to \$25,443,380 compared to \$24,802,967 in 2006.

Net assets for the Libertyville Sports Complex Fund amounted to (\$6,702,554) compared to (\$5,943,436) at the end of 2006. The loss for 2007 amounts to \$759,118 which includes \$477,629 in depreciation expense. As mentioned elsewhere in this report, this fund was anticipated to have a loss for the first three years of operation. Due to continued losses in the fourth and fifth years, the Village Board has authorized the sale of a portion of the property where the Family Entertainment Center is located. The proceeds of this sale will be used to pay a portion of the debt in order to reduce the amount of debt and interest expenses.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The 2006-2007 expenditure budget was revised once at the end of the fiscal year. The increases include:

- \$70,785 in the General Government budget to reflect additional Vehicle Maintenance Costs, litigation, unexpected additional building maintenance items and the increased costs for a contractor to perform plumbing inspections due to the retirement of a plumbing inspector.
- \$11,170 in Community Development due to additional plumbing inspection consultant fees due to the retirement of a plumbing inspector.

## Village of Libertyville, ILLINOIS

### Management's Discussion and Analysis April 30, 2007

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- \$114,540 in Public Safety for purchases made with unexpected grants received.
- \$342,455 in Fire Services due to various additional projects completed with unexpected grants received.
- \$62,040 in Parks and Recreation to cover additional expenses due to the breakdown of various pieces of equipment
- \$872,900 in the Tax Increment Financing (TIF) Fund due to the purchase of property located in the TIF area.
- \$60,000 in the Water Fund to cover costs for bond interest on a bond that was issued during the fiscal year.

Revenues in the general fund were \$22,324,600, which was \$1,896,815 above budget. The final expense budget amounted to \$20,990,841, a \$594,555 variance from the original budget of \$20,396,286. Actual expenses were below the final budget by \$304,403. Budgeted State Income Tax revenues were \$105,507 above amounts budgeted due to increased collections from the State of Illinois. Grant revenue ended the fiscal year \$336,029 above the \$10,000 budgeted. This necessitated the above mentioned expenditure budget adjustments to account for the items purchased with grant revenues. Licenses and Permits revenues were \$782,135 above budget due to increased building activity within the Village. The Village also received a surplus distribution of \$446,488 which is \$346,488 above what was budgeted, from two insurance pools the Village was a member of.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

The Village of Libertyville's investment in capital assets for its governmental and business type activities as of April 30, 2007 was \$196.5 million (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, land improvements, vehicles, machinery and equipment, park facilities, roads, sidewalks, and bridges. The Village of Libertyville had a decrease of \$286,475 in its capital assets for the current fiscal year despite the addition of \$3,357,186 in assets this fiscal year. Funds were also expended to maintain the Village's infrastructure assets, however, maintenance costs are not included as an increase to a capital asset.

This year's major additions included \$871,900 in land, \$1,521,575 in roadway and storm sewer additions, \$609,604 in sanitary sewer additions and \$758,364 in watermain additions.

The governmental activities net capital assets decreased from last year by \$87,361 net of depreciation. This is attributable to the fact that the depreciation was greater than the amount of assets added this year. Depreciation increased by \$2,563,692 to a total of \$44,036,297.

## Village of Libertyville, ILLINOIS

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For Business-type activities, the net capital assets decreased by \$199,114. A total of \$1,367,968 was added in water and sewer improvements, \$81,713 in assets were sold or disposed of and \$1,531,931 was expensed as depreciation. Additional information on the Village of Libertyville's capital assets can be found in note 3 on pages 54 – 55 of this report.

#### Debt Outstanding

At year-end, the Village of Libertyville had total outstanding bonded debt of \$35.4 million as compared to \$35.0 million the previous year, an increase of 1%. The following is a comparative statement of outstanding debt:

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General Obligation Bonds	\$ 4,940,000	6,155,000	28,560,000	26,735,000	33,500,000	32,890,000
IEPA Loans Payable	-	-	1,312,876	1,466,703	1,312,876	1,466,703
Installment Contracts	533,409	626,072	27,293	40,155	560,702	666,227
Total	5,473,409	6,781,072	29,900,169	28,241,858	35,373,578	35,022,930

The Village issued a \$3 million water and sewer general obligation alternate revenue bond this fiscal year.

As of April 30, 2007, the Village of Libertyville maintained an Aa1 rating from Moody's Investors Service for general obligation debt. State statutes limit the amount of general obligation debt a non home-rule community may issue to 8.625% of total assessed value. The current debt limitation for the Village of Libertyville is \$95.2 million, which significantly exceeds the Village's outstanding general obligation debt. Additional information on the Village of Libertyville's long-term debt can be found in Note 3 on pages 57 - 64 of this report.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Village's elected and appointed officials considered many factors when setting the fiscal-year 2007-08 budget, tax rates, and fees that will be charged for its governmental and business-type activities. One of those factors is the economy. Unemployment rate for April 30, 2007 for the Village of Libertyville is 2.6 percent, which is under the state unemployment rate of 4.7 percent and the national unemployment rate, which is also, 4.7 percent.

## **Village of Libertyville, ILLINOIS**

### **Management's Discussion and Analysis**

**April 30, 2007**

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Inflation increases in the Midwest area is somewhat lower than the national Consumer Price Index (CPI) increases. The Midwest CPI increase was 2.8 percent for fiscal year 2005-06 compared with the average national rate of 3.5 percent.

These indicators were taken into account when adopting the General Fund budget for 2007-08. Amounts available for appropriation in the General Fund budget are \$20,879,900, an increase of \$452,115 over the final 2006-07 budget of \$20,427,785. Budgeted expenditures are expected to decrease \$125,301, from \$20,990,841 to \$20,865,540. The Village has seen the economy improving and added an additional fire and police officer position to the 2007-08 budget along with a small number of capital purchases that had been delayed due to budget shortfalls.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Libertyville finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Office of the Finance Director, Village of Libertyville, 118 W. Cook Ave., Libertyville, IL 60048.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds
  - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Net Assets  
April 30, 2007**

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**See Following Page**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Net Assets  
April 30, 2007**

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 17,217,070	5,831,552	23,048,622
Receivables - Net	9,549,286	1,277,881	10,827,167
Internal Balances	3,097,125	(3,097,125)	-
Prepaid Items/Inventories	631,487	133,121	764,608
	<u>30,494,968</u>	<u>4,145,429</u>	<u>34,640,397</u>
Capital Assets			
Land	98,301,694	7,043,248	105,344,942
Buildings and Improvements	16,810,256	31,463,721	48,273,977
Machinery and Equipment	6,459,741	2,133,152	8,592,893
Infrastructure	73,087,614	-	73,087,614
Waterworks and Sewerage System	-	27,849,096	27,849,096
	<u>194,659,305</u>	<u>68,489,217</u>	<u>263,148,522</u>
Accumulated Depreciation	(44,036,297)	(22,644,442)	(66,680,739)
	<u>150,623,008</u>	<u>45,844,775</u>	<u>196,467,783</u>
 Total Assets	 <u>181,117,976</u>	 <u>49,990,204</u>	 <u>231,108,180</u>

The notes to the financial statements are an integral part of this statement.

	Governmental Activities	Business- Type Activities	Total
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	375,049	340,681	715,730
Accrued Payroll	535,971	114,882	650,853
Deposits Payable	969,637	34,522	1,004,159
Interest Payable	80,233	538,553	618,786
Unearned Revenues	7,426,758	216,811	7,643,569
Current Portion of Long-Term Debt	1,793,711	1,515,026	3,308,737
	<u>11,181,359</u>	<u>2,760,475</u>	<u>13,941,834</u>
<b>Noncurrent Liabilities</b>			
Net Pension Obligation	133,074	-	133,074
Compensated Absences Payable	1,247,904	252,596	1,500,500
Installment Contracts Payable	291,674	13,916	305,590
IEPA Loans Payable	-	1,154,376	1,154,376
General Obligation Bonds Payable	3,700,000	27,280,000	30,980,000
Unamortized Bond Discount	-	(211,985)	(211,985)
	<u>5,372,652</u>	<u>28,488,903</u>	<u>33,861,555</u>
Total Liabilities	<u>16,554,011</u>	<u>31,249,378</u>	<u>47,803,389</u>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	145,149,599	16,156,591	161,306,190
Restricted - Special Revenues	416,939	-	416,939
Restricted - Debt Service	881,348	-	881,348
Unrestricted	18,116,079	2,584,235	20,700,314
	<u>164,563,965</u>	<u>18,740,826</u>	<u>183,304,791</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Activities  
Year Ended April 30, 2007

	Expenses	Program Revenues	
		Charges for Services	Capital Grants/ Contributions
<b>Governmental Activities</b>			
General Government	\$ 2,850,356	4,109,949	-
Community Development	1,136,810	423,194	-
Public Safety	10,690,910	2,773,671	-
Public Works	3,730,768	-	601,837
Parks and Recreation	3,091,115	1,291,404	-
Economic Development	939,443	-	-
Interest on Long-Term Debt	234,969	-	-
Total Governmental Activities	22,674,371	8,598,218	601,837
<b>Business-Type Activities</b>			
Waterworks and Sewerage	7,047,807	6,803,946	695,648
Libertyville Sports Complex	3,834,185	3,075,067	-
Total Business-Type Activities	10,881,992	9,879,013	695,648
	33,556,363	18,477,231	1,297,485

General Revenues  
Taxes  
Property Taxes  
Other Taxes  
Intergovernmental - Unrestricted  
Sales and Use Taxes  
Income Taxes  
Other  
Interest Income  
Miscellaneous  
Transfers - Internal Activity

Change in Net Assets

Net Assets - Beginning as Restated

Net Assets - Ending

The notes to the financial statements are an integral part of this statement.

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
1,259,593	-	1,259,593
(713,616)	-	(713,616)
(7,917,239)	-	(7,917,239)
(3,128,931)	-	(3,128,931)
(1,799,711)	-	(1,799,711)
(939,443)	-	(939,443)
(234,969)	-	(234,969)
(13,474,316)	-	(13,474,316)
-	451,787	451,787
-	(759,118)	(759,118)
-	(307,331)	(307,331)
(13,474,316)	(307,331)	(13,781,647)
6,868,027	31,542	6,899,569
431,258	-	431,258
7,569,381	-	7,569,381
1,748,207	-	1,748,207
476,047	-	476,047
837,852	252,059	1,089,911
2,288,709	8,000	2,296,709
102,975	(102,975)	-
20,322,456	188,626	20,511,082
6,848,140	(118,705)	6,729,435
157,715,825	18,859,531	176,575,356
164,563,965	18,740,826	183,304,791

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Balance Sheet - Governmental Funds  
April 30, 2007**

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	<u>General</u>
<b>ASSETS</b>	
Cash and Investments	\$ 7,619,478
Receivables - Net of Allowances	
Property Taxes	4,729,050
Other Taxes	1,795,554
Accounts	312,827
Accrued Interest	38,285
Due from Other Funds	3,097,125
Prepays	<u>552,633</u>
 Total Assets	 <u><u>18,144,952</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts Payable	304,987
Accrued Payroll	515,749
Deposits Payable	967,435
Unearned/Deferred Revenues	<u>4,729,050</u>
Total Liabilities	<u>6,517,221</u>
Fund Balances	
Reserved - Prepays	552,633
Reserved - Special Revenues	416,939
Reserved - Debt Service	-
Reserved - Nonmajor Special Revenues	-
Unreserved	<u>10,658,159</u>
Total Fund Balances	<u>11,627,731</u>
 Total Liabilities and Fund Balances	 <u><u>18,144,952</u></u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Improvement	Tax Increment Financing Construction	Nonmajor Commuter Parking	Total
760,206	2,346,449	4,591,996	902,240	16,220,369
225,562	-	2,027,940	-	6,982,552
201,376	-	-	-	1,996,930
-	113,785	5,207	-	431,819
-	1,957	17,470	5,912	63,624
-	-	-	-	3,097,125
-	-	36,912	8,203	597,748
<u>1,187,144</u>	<u>2,462,191</u>	<u>6,679,525</u>	<u>916,355</u>	<u>29,390,167</u>
-	26,513	1,009	3,045	335,554
-	-	-	2,565	518,314
-	2,202	-	-	969,637
225,563	-	2,027,940	-	6,982,553
<u>225,563</u>	<u>28,715</u>	<u>2,028,949</u>	<u>5,610</u>	<u>8,806,058</u>
-	-	36,912	8,203	597,748
-	-	-	-	416,939
961,581	-	-	-	961,581
-	-	-	902,542	902,542
-	2,433,476	4,613,664	-	17,705,299
<u>961,581</u>	<u>2,433,476</u>	<u>4,650,576</u>	<u>910,745</u>	<u>20,584,109</u>
<u>1,187,144</u>	<u>2,462,191</u>	<u>6,679,525</u>	<u>916,355</u>	<u>29,390,167</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Reconciliation of Total Governmental Fund Balance to the  
Statement of Net Assets - Governmental Activities**

**April 30, 2007**

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**Total Governmental Fund Balances** **\$ 20,584,109**

Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not financial  
resources and therefore, are not reported in the funds. 147,939,624

Internal service funds are used by the Village to charge the costs of vehicle  
and equipment management and technology services to individual funds.  
The assets and liabilities of the internal service funds are included  
in the governmental activities in the Statement of Net Assets. 2,723,637

Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.

Pension Obligation Payable	(133,074)
Compensated Absences Payable	(1,530,098)
General Obligation Bonds Payable	(4,940,000)
Accrued Interest Payable	<u>(80,233)</u>

**Net Assets of Governmental Activities** **164,563,965**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds**  
**April 30, 2007**

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**See Following Page**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2007**

	<u>General</u>
<b>Revenues</b>	
Taxes	\$ 5,138,723
Licenses and Permits	1,615,635
Intergovernmental	8,834,956
Charges for Services	5,366,573
Fines and Forfeits	186,834
Interest	571,467
Miscellaneous	610,412
Total Revenues	<u>22,324,600</u>
<b>Expenditures</b>	
Current	
General Government	2,277,783
Community Development	1,136,810
Public Safety	12,393,135
Public Works	2,075,338
Parks and Recreation	2,803,372
Economic Development	-
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>20,686,438</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,638,162</u>
<b>Other Financing Sources (Uses)</b>	
Transfers In	-
Transfers Out	<u>(555,000)</u>
	<u>(555,000)</u>
Net Change in Fund Balances	1,083,162
Fund Balances - Beginning	<u>10,544,569</u>
Fund Balances - Ending	<u><u>11,627,731</u></u>

The notes to the financial statements are an integral part of this statement.

Debt Service	Capital Improvement	Tax Increment Financing Construction	Nonmajor Commuter Parking	Total
228,378	-	1,932,184	-	7,299,285
-	852,800	-	-	2,468,435
809,351	601,837	149,328	-	10,395,472
-	256,754	-	319,622	5,942,949
-	-	-	-	186,834
13,644	38,974	161,739	30,098	815,922
-	11,888	1,666,409	-	2,288,709
1,051,373	1,762,253	3,909,660	349,720	29,397,606
-	-	-	165,605	2,443,388
-	-	-	-	1,136,810
-	-	-	-	12,393,135
-	-	-	-	2,075,338
-	-	-	-	2,803,372
-	-	939,443	-	939,443
-	764,755	-	-	764,755
1,215,000	-	-	-	1,215,000
245,932	-	-	-	245,932
1,460,932	764,755	939,443	165,605	24,017,173
(409,559)	997,498	2,970,217	184,115	5,380,433
426,085	530,000	-	-	956,085
-	(79,585)	(218,525)	-	(853,110)
426,085	450,415	(218,525)	-	102,975
16,526	1,447,913	2,751,692	184,115	5,483,408
945,055	985,563	1,898,884	726,630	15,100,701
961,581	2,433,476	4,650,576	910,745	20,584,109

The notes to the financial statements are an integral part of this statement.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities - Governmental Activities

Year Ended April 30, 2007

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Net Change in Fund Balances - Total Governmental Funds \$ 5,483,408

Amounts reported for governmental activities in the Statement of Activities  
are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities the cost of those assets is allocated over their estimated  
useful lives and reported as depreciation expense.

Capital Outlays	2,625,535
Depreciation Expense	(2,181,226)

The net effect of various transactions involving capital assets  
is to decrease net assets.

Disposals - Cost	(387,154)
Disposals - Accumulated Depreciation	2,367

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

Reductions to Net Pension Obligation	7,398
Additions to Compensated Absences Payable	(83,370)
Retirement of Debt	1,215,000

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

10,963

Internal service funds are used by the Village to charge the costs of vehicle  
and equipment management and technology services to individual funds.  
The net revenue of certain activities of internal service funds is  
reported with governmental activities.

155,219

**Changes in Net Assets of Governmental Activities**

6,848,140

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Net Assets - Proprietary Funds  
April 30, 2007**

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**See Following Page**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Net Assets - Proprietary Funds  
April 30, 2007**

	<u>Business-Type Activities - Enterprise</u>			<u>Governmental</u>
	<u>Waterworks and Sewerage</u>	<u>Libertyville Sports Complex</u>	<u>Total</u>	<u>Activities Internal Service</u>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Investments	\$ 5,831,552	-	5,831,552	996,701
Receivables - Net of Allowances				
Property Taxes	26,784	-	26,784	-
Accounts	1,166,541	72,449	1,238,990	65,914
Accrued Interest	12,107	-	12,107	8,447
Due from Other Funds	951,273	-	951,273	-
Inventories	-	31,080	31,080	23,896
Prepays	54,466	47,575	102,041	9,843
	<u>8,042,723</u>	<u>151,104</u>	<u>8,193,827</u>	<u>1,104,801</u>
<b>Capital Assets</b>				
Land	2,272,080	4,771,168	7,043,248	-
Buildings and Improvements	14,016,621	17,447,100	31,463,721	-
Machinery and Equipment	1,684,716	448,436	2,133,152	5,845,834
Waterworks System	13,648,356	-	13,648,356	-
Sewerage System	14,200,740	-	14,200,740	-
	<u>45,822,513</u>	<u>22,666,704</u>	<u>68,489,217</u>	<u>5,845,834</u>
Accumulated Depreciation	(20,972,743)	(1,671,699)	(22,644,442)	(3,162,450)
	<u>24,849,770</u>	<u>20,995,005</u>	<u>45,844,775</u>	<u>2,683,384</u>
Total Assets	<u>32,892,493</u>	<u>21,146,109</u>	<u>54,038,602</u>	<u>3,788,185</u>

The notes to the financial statements are an integral part of this statement.

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Libertyville Sports Complex	Total	Activities Internal Service
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	262,807	77,874	340,681	39,495
Accrued Payroll	67,854	47,028	114,882	17,657
Deposits Payable	34,065	457	34,522	-
Accrued Interest Payable	113,041	425,512	538,553	-
Due to Other Funds	-	4,048,398	4,048,398	-
Unearned Revenues	128,000	88,811	216,811	444,205
Compensated Absences Payable	55,628	7,521	63,149	5,956
Installment Contract Payable	-	13,377	13,377	241,735
IEPA Loans Payable	158,500	-	158,500	-
General Obligation Bonds Payable	365,000	915,000	1,280,000	-
	<u>1,184,895</u>	<u>5,623,978</u>	<u>6,808,873</u>	<u>749,048</u>
<b>Noncurrent Liabilities</b>				
Compensated Absences Payable	222,511	30,085	252,596	23,826
Installment Contract Payable	-	13,916	13,916	291,674
IEPA Loans Payable	1,154,376	-	1,154,376	-
General Obligation Bonds Payable	4,920,000	22,360,000	27,280,000	-
Unamortized Bond Discount	(32,669)	(179,316)	(211,985)	-
	<u>6,264,218</u>	<u>22,224,685</u>	<u>28,488,903</u>	<u>315,500</u>
<b>Total Liabilities</b>	<u>7,449,113</u>	<u>27,848,663</u>	<u>35,297,776</u>	<u>1,064,548</u>
<b>NET ASSETS</b>				
<b>Invested in Capital Assets - Net of Related Debt</b>				
Unrestricted	18,284,563	(2,127,972)	16,156,591	2,149,975
	<u>7,158,817</u>	<u>(4,574,582)</u>	<u>2,584,235</u>	<u>573,662</u>
<b>Total Net Assets</b>	<u>25,443,380</u>	<u>(6,702,554)</u>	<u>18,740,826</u>	<u>2,723,637</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds  
Year Ended April 30, 2007

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Libertyville Sports Complex	Total	Activities Internal Service
Operating Revenues				
Charges for Services	\$ 6,192,661	3,075,067	9,267,728	-
Interfund Services	-	-	-	1,680,487
Total Operating Revenues	6,192,661	3,075,067	9,267,728	1,680,487
Operating Expenses				
Operations	5,686,072	2,179,769	7,865,841	1,201,192
Depreciation	1,054,302	477,629	1,531,931	382,466
Total Operating Expenses	6,740,374	2,657,398	9,397,772	1,583,658
Operating Income (Loss)	(547,713)	417,669	(130,044)	96,829
Nonoperating Revenues (Expenses)				
Interest Income	252,059	-	252,059	21,930
Connection Fees	611,285	-	611,285	-
Property Tax	31,542	-	31,542	-
Other Income	8,000	-	8,000	77,372
Loss on Disposal of Capital Assets	(35,151)	-	(35,151)	-
Interest Expense and Fiscal Charges	(272,282)	(1,176,787)	(1,449,069)	(40,912)
	595,453	(1,176,787)	(581,334)	58,390
Income (Loss) Before Contributions and Transfers	47,740	(759,118)	(711,378)	155,219
Capital Contributions	695,648	-	695,648	-
Transfers Out	(102,975)	-	(102,975)	-
Change in Net Assets	640,413	(759,118)	(118,705)	155,219
Net Assets - Beginning	24,802,967	(5,943,436)	18,859,531	2,568,418
Net Assets - Ending	25,443,380	(6,702,554)	18,740,826	2,723,637

The notes to the financial statements are an integral part of this statement.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Cash Flows - Proprietary Funds  
Year Ended April 30, 2007

	Business-Type Activities - Enterprise Funds			Governmental
	Waterworks and Sewerage	Libertyville Sports Complex	Total	Activities Internal Service
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 6,938,502	2,988,356	9,926,858	-
Receipts from Interfund Services	-	-	-	1,747,222
Payments to Employees	(1,480,068)	(1,003,350)	(2,483,418)	(331,904)
Payments to Suppliers	(4,403,730)	(235,357)	(4,639,087)	(943,160)
	<u>1,054,704</u>	<u>1,749,649</u>	<u>2,804,353</u>	<u>472,158</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(102,975)	-	(102,975)	-
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(672,321)	-	(672,321)	(235,583)
Issuance of Capital Debt	3,000,000	-	3,000,000	126,890
Interest on Capital Debt	(272,282)	(1,176,787)	(1,449,069)	(40,912)
Principal on Capital Debt	(768,827)	(572,862)	(1,341,689)	(219,553)
	<u>1,286,570</u>	<u>(1,749,649)</u>	<u>(463,079)</u>	<u>(369,158)</u>
Cash Flows from Investing Activities				
Interest Received	252,059	-	252,059	21,930
Net Change in Cash and Cash Equivalents	2,490,358	-	2,490,358	124,930
Cash and Cash Equivalents - Beginning	3,341,194	-	3,341,194	917,460
Cash and Cash Equivalents - Ending	<u>5,831,552</u>	<u>-</u>	<u>5,831,552</u>	<u>1,042,390</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(547,713)	417,669	(130,044)	96,829
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization Expense	1,054,302	477,629	1,531,931	382,466
Other Income	650,827	-	650,827	77,372
(Increase) Decrease in Current Assets	95,014	(86,711)	8,303	(10,637)
Increase (Decrease) in Current Liabilities	(197,726)	941,062	743,336	(73,872)
Net Cash Provided by Operating Activities	<u>1,054,704</u>	<u>1,749,649</u>	<u>2,804,353</u>	<u>472,158</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Net Assets - Fiduciary Funds  
April 30, 2007**

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	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 3,956,735
Investments	
State and Local Obligations	805,861
U.S. Government and Agency Obligations	14,287,349
Mutual Funds	14,764,925
Receivables	
Accrued Interest	<u>167,471</u>
Total Assets	<u>33,982,341</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>13,212</u>
<b>NET ASSETS</b>	
Net Plan Assets Held in Trust for Pension Benefits (A schedule of funding progress is presented following the notes to the financial statements.)	<u>33,969,129</u>

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended April 30, 2007**

	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 1,348,147
Contributions - Plan Members	<u>552,867</u>
Total Contributions	<u>1,901,014</u>
Investment Income	
Interest Earned	1,452,425
Net Change in Fair Value	<u>1,542,404</u>
	2,994,829
Less Investment Expenses	<u>(64,351)</u>
	<u>2,930,478</u>
Total Additions	<u>4,831,492</u>
<b>Deductions</b>	
Administration	60,903
Benefits and Refunds	<u>1,633,487</u>
Total Deductions	<u>1,694,390</u>
<b>Change in Net Assets</b>	3,137,102
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>30,832,027</u>
Ending	<u><u>33,969,129</u></u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

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**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
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# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Libertyville, Illinois, incorporated in 1882, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, water and sanitary sewer services, recreation services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

#### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of Libertyville
Blended Component Units:	Police Pension Employees Retirement System Firefighters' Pension Employees Retirement System

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

*Blended Component Units* - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the Component unit provides services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

---

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### REPORTING ENTITY – Continued

#### Blended Component Unit

##### Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

##### Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a pension trust fund.

## BASIS OF PRESENTATION

### Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Government-Wide Statements – Continued

The Village's police and fire safety, highway and street maintenance and reconstruction, parks and recreation, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage services and sports complex are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (general government, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc).

The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid through the General Fund

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net assets resulting from the current year's activities.

#### Fund Financial Statements

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

#### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

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

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village has one nonmajor special revenue fund.

**Debt service funds** are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and accounts for the payment of interest and principal on the long-term general obligation debt.

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Governmental Funds – Continued

The Village maintains two major capital projects fund, the Capital Improvements Fund and the Tax Increment Financing Construction Fund, and two nonmajor capital projects fund. The Capital Improvements Fund accounts for the purchase or construction of major capital facilities that are not financed by proprietary funds. The Tax Increment Financing District Construction Fund accounts for resources to acquire property and construct certain improvements in the Tax Increment Financing District.

#### Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary funds of the Village:

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains two major enterprise funds, the Waterworks and Sewerage Fund and the Libertyville Sports Complex Fund. The Waterworks and Sewerage Fund accounts for the provision of water and sewer service to the residents of the Village. The Libertyville Sports Complex Fund accounts for all activities associated with the complex, including, but not limited to, purchase of land, construction of facilities, operations, maintenance and all related debt service for the 48-acre site.

**Internal service funds** are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains two internal service funds. The Vehicle Maintenance and Replacement Service Fund accounts for costs associated with maintaining and replacing motor vehicles in all Village departments. The Technology Equipment and Replacement Service Fund accounts for acquiring, maintaining, and updating management information systems including computers, communications, software, etc. in all Village departments. The Village's internal service funds are presented in the proprietary funds financial statements. Because the principal users of the internal services are the Village's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the cost of these services is reported in the appropriate functional activity (general government, public safety, public works, etc.).

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### BASIS OF PRESENTATION – Continued

#### Fund Financial Statements – Continued

#### Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

**Pension Trust Funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police and Firefighters' Pension Funds account for the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the Village through an annual property tax levy.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

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## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

#### Measurement Focus – Continued

All proprietary and pension trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets.

#### Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

##### Basis of Accounting – Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Village's enterprise funds, and of the Village's internal service funds are charges to customers for sales and services. The Village also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

##### Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued**

**Prepays**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids.

**Receivables**

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$25,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	20 - 30 Years
Buildings and Improvements	10 - 50 Years
Machinery and Equipment	3 - 30 Years
Infrastructure	40 - 50 Years

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Capital Assets – Continued

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the 2004 fiscal year. Infrastructure assets include roads, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period; the Village has elected to implement retroactive infrastructure reporting in the current year.

##### Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

##### Long-Term Obligations

In the government-wide financial statements, and proprietary fund types 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 type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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 debt service expenditures.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

---

### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

##### Unearned/Deferred Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

##### Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

Invested in capital assets, net of related debt—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets—Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

#### BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for budgets to the government’s administrator so that a budget may be prepared. The budget is prepared by fund and includes information on the past year, current year estimates, and requested budgets for the next fiscal year. The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

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**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued**

**BUDGETARY INFORMATION – Continued**

The administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year several supplementary appropriations were necessary.

**EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS**

The following fund had an excess of actual expenditures/expenses, exclusive of depreciation, over budget as of the date of this report:

<u>Fund</u>	<u>Excess</u>
Police Pension	\$ 8,282
Firefighters' Pension	27,418

**DEFICIT FUND EQUITY**

The following funds had deficit fund equity as of the date of this report:

<u>Fund</u>	<u>Deficit</u>
Libertyville Sports Complex	\$ 6,702,554
Technology Equipment and Replacement Service	266,591

**NOTE 3 – DETAIL NOTES ON ALL FUNDS**

**DEPOSITS AND INVESTMENTS**

The Village maintains a cash and investment pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust funds are held separately from those of other funds.

## VILLAGE OF LIBERTYVILLE, ILLINOIS

### Notes to the Financial Statements

April 30, 2007

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

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

Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code. IMET is 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 the share price, the price for which the investment could be sold.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

##### Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$5,150,211 and the bank balances totaled \$5,291,006.

*Investments.* The Village has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
Federal Home Loan Bank	\$ 2,977,009	2,428,725	548,284	-
Federal Home Loan Mortgage Corp	249,613	249,613	-	-
Federal National Mortgage Association	1,320,149	1,071,009	249,140	-
Illinois Metropolitan Investment Trust	4,518,286	4,518,286	-	-
Illinois Funds	8,383,520	8,383,520	-	-
US Treasury Notes	449,834	199,726	250,108	-
	17,898,411	16,850,879	1,047,532	-

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity).

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy further states investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. At year-end, the Village's investments U.S. Government Agencies are all rated AAA by Standard & Poor's, and the Village's investment in the Illinois Funds and the Illinois Metropolitan Investment Fund were rated AAAM by Standard & Poor's.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that deposits in excess of FDIC or SAIF insurable limits be secured by some form of collateral or insurance. Every pledge of collateral will be documented by an approved written security and pledge agreement.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements

April 30, 2007

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### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

#### DEPOSITS AND INVESTMENTS – Continued

#### Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Eligible collateral or insurance instruments and collateral ratios (market value divided by deposit) are as follows:

a) U.S. Government Securities	110%
b) Obligations of Federal Agencies	110%
c) Obligations of Federal Instrumentalities	110%
d) Obligations of the State of Illinois	110%
e) General Obligation Bonds of the Village	110%
f) Surety Bond issued by the Municipal Bond Investment Assurance (MBIA) or other Village approved issuer	110%

Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations: a Federal Reserve Bank or its branch office, at another custodial facility – generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved, or by an escrow agent of the pledging institution. Safekeeping will be documented by an approved written agreement. At year-end, the entire amount of the bank balance of deposits was covered by federal depository collateral or equivalent insurance.

For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy states that third party safekeeping is preferred for all securities. To accomplish this, the securities can be held at the following locations: a Federal Reserve Bank or its branch office, at another custodial facility – generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved, by an escrow agent of the pledging institution, or at a financial institution on the Illinois State Treasurer's approved list of safekeeping banks. Safekeeping will be documented by an approved written agreement. At year-end, the Village's investments in U.S. Government Agencies are all insured or registered with the Village or its agent in the Village's name and the Village's investment in the Illinois Fund and the Illinois Metropolitan Investment Trust are noncategorizable.

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities. In order to reduce the risk of default, the investment portfolio of the Village shall not exceed the following diversification limits unless specifically authorized by the Board of Trustees:

- No financial institution shall hold more than 40% of the Village's investment portfolio, exclusive of U.S. Treasury securities in safekeeping.
- Monies deposited at a financial institution shall not exceed 75% of the capital stock and surplus of that institution.
- Commercial paper shall not exceed 10% of the Village's investment portfolio.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**DEPOSITS AND INVESTMENTS – Continued**

**Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

- Deposits in the Illinois Public Treasurer’s Investment Pool shall not exceed 50% of the Village’s investment portfolio.
- Brokered certificates of deposit shall not exceed 25% of the Village’s investment portfolio.

At year-end, the Village’s investment in the Illinois Fund and the Illinois Metropolitan Investment Trust represents more than 5 percent of the total cash and investment portfolio. At year-end, the Village has over 5 percent of the total cash and investment portfolio (other than U.S. Government guaranteed obligations) invested in the Illinois Funds and the Illinois Metropolitan Investment Fund.

**Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$804,280 and the bank balances totaled \$804,280.

*Investments.* The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More than 10
Treasury Notes	\$ 2,118,178	-	-	2,118,178	-
Federal Home Loan Bank	2,728,530	400,376	1,412,940	915,214	-
Federal Home Loan Mortgage Corp	1,320,491	493,560	368,650	441,846	16,435
Federal Farm Credit Bank	1,808,723	-	1,240,097	568,626	-
Government National Mortgage Association	29,908	-	7,918	21,990	-
Municipal Bonds	800,037	-	-	702,147	97,890
	<u>8,805,867</u>	<u>893,936</u>	<u>3,029,605</u>	<u>4,768,001</u>	<u>114,325</u>

*Interest Rate Risk.* The Fund’s investment policy states that the investment portfolio shall remain sufficiently liquid to pay all benefit payments as well as any operating requirements, which may be reasonably anticipated. Specifically, in no case will the Fund purchase securities with maturities of more than 20 years from the date of purchase.

*Credit Risk.* The Fund’s investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund’s investments in U.S. Government and Agency securities and as municipal bonds were all rated AAA rated by Standard & Poor’s.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

**Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Custodial Credit Risk.* The Fund’s investment policy does not address custodial credit risk. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund’s investment in U.S. Treasury and Agency securities as well as municipal bonds are categorized as insured, registered, or held by the Fund or its agent in the Fund’s name.

*Concentration Risk.* The Fund’s investment policy states that not more than 10% of the Pension Fund monies shall be invested in any one financial institution. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$8,633,791 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in the Dodge and Cox Stock Fund (\$1,507,394), Enterprise Group Funds (\$1,307,212) and Vanguard (\$2,527,978).

**Firefighters’ Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk**

*Deposits.* At year-end, the carrying amount of the Fund’s deposits totaled \$2,892,689 and the bank balances totaled \$2,892,669.

*Investments.* The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less Than 1	1 to 5	6 to 10
Federal Home Loan Bank	\$ 2,475,138	648,791	1,826,347	-
Federal Home Loan Mortgage Corp	1,245,538	300,095	945,443	-
Federal Farm Credit Bank	399,032	198,157	200,875	-
Federal National Mortgage Association	2,166,046	771,426	1,394,620	-
Government National Mortgage Association	1,589	-	949	640
IMET	259,766	259,766	-	-
	<u>6,547,109</u>	<u>2,178,235</u>	<u>4,368,234</u>	<u>640</u>

## VILLAGE OF LIBERTYVILLE, ILLINOIS

### Notes to the Financial Statements April 30, 2007

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#### NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

##### DEPOSITS AND INVESTMENTS – Continued

##### **Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued**

*Interest Rate Risk.* The Fund's investment policy states that the investment portfolio shall remain sufficiently liquid to pay all benefit payments as well as any operating requirements, which may be reasonably anticipated. Specifically, in no case will the Fund purchase securities with maturities of more than 20 years from the date of purchase.

*Credit Risk.* The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund's investments in U.S. Government and Agency securities and as municipal bonds were all rated AAA rated by Standard & Poor's.

*Custodial Credit Risk.* The Fund's investment policy does not address custodial credit risk. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's investment in U.S. Treasury and Agency securities as well as municipal bonds are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

*Concentration Risk.* The Fund's investment policy states that not more than 10% of the Pension Fund monies shall be invested in any one financial institution. At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$6,131,134 invested in mutual funds. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in the Dodge and Cox Stock Fund (\$898,879), Fidelity (\$1,165,307), T Rowe Price (\$1,638,154) and Vanguard (\$2,345,662).

##### **PROPERTY TAXES**

Property taxes for 2006 attach as an enforceable lien on January 1, 2006, 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 Lake County and are payable in two installments, on or about May 1, 2007 and September 1, 2007. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS**

**Governmental Activities**

Governmental capital asset activity for the year was as follows:

	Beginning Balances as Restated	Increases	Decreases	Ending Balances
<b>Capital Assets- Not Being Depreciated</b>				
Land	\$ 97,812,093	871,900	382,299	98,301,694
<b>Other Capital Assets</b>				
Buildings and Improvements	16,628,146	182,110	-	16,810,256
Machinery and Equipment	6,221,208	285,533	47,000	6,459,741
Infrastructure	71,570,894	1,521,575	4,855	73,087,614
	<u>94,420,248</u>	<u>1,989,218</u>	<u>51,855</u>	<u>96,357,611</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	7,423,950	503,470	-	7,927,420
Machinery and Equipment	2,980,718	440,894	47,000	3,374,612
Infrastructure	31,117,304	1,619,328	2,367	32,734,265
	<u>41,521,972</u>	<u>2,563,692</u>	<u>49,367</u>	<u>44,036,297</u>
<b>Total Other Capital Assets</b>	<u>52,898,276</u>	<u>(574,474)</u>	<u>2,488</u>	<u>52,321,314</u>
<b>Total Capital Assets</b>	<u>150,710,369</u>	<u>297,426</u>	<u>384,787</u>	<u>150,623,008</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 72,100
Public Safety	165,953
Public Works	1,655,430
Culture and Recreation	287,743
Internal Service	382,466
	<u>2,563,692</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**CAPITAL ASSETS – Continued**

**Business-Type Activities**

Business-type capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital Assets - Not Being Depreciated</b>				
Land	\$ 7,043,248	-	-	7,043,248
<b>Other Capital Assets</b>				
Buildings and Improvements	31,463,721	-	-	31,463,721
Machinery and Equipment	2,133,152	-	-	2,133,152
Waterworks System	12,930,848	758,364	40,856	13,648,356
Sewerage System	13,631,993	609,604	40,857	14,200,740
	<u>60,159,714</u>	<u>1,367,968</u>	<u>81,713</u>	<u>61,445,969</u>
<b>Less Accumulated Depreciation</b>				
Buildings and Improvements	7,512,833	757,488	-	8,270,321
Machinery and Equipment	1,390,897	95,316	-	1,486,213
Waterworks System	5,846,991	331,729	31,241	6,147,479
Sewerage System	6,408,353	347,398	15,321	6,740,430
	<u>21,159,074</u>	<u>1,531,931</u>	<u>46,562</u>	<u>22,644,443</u>
Total Other Capital Assets	<u>39,000,640</u>	<u>(163,963)</u>	<u>35,151</u>	<u>38,801,526</u>
Total Capital Assets	<u>46,043,888</u>	<u>(163,963)</u>	<u>35,151</u>	<u>45,844,774</u>

Depreciation expense was charged to business-type as follows:

Waterworks and Sewerage	\$ 1,054,302
Libertyville Sports Complex	<u>477,629</u>
	<u>1,531,931</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Interfund Balances**

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Libertyville Sports Complex	\$ 3,097,125
Waterworks and Sewerage	Libertyville Sports Complex	<u>951,273</u>
		<u><u>4,048,398</u></u>

Interfund balances are advances in anticipation of receipts.

**Interfund Transfers**

Interfund transfers for the year consisted of the following:

	Transfer In		Totals
	Debt Service	Capital Improvements	
Transfer Out			
General	\$ 25,000	530,000	555,000
Capital Improvement	79,585	-	79,585
TIF Construction	218,525	-	218,525
Waterworks and Sewerage	102,975	-	<u>102,975</u>
	<u>426,085</u>	<u>530,000</u>	<u><u>956,085</u></u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT**

**General Obligation Bonds/Certificates**

The government issues general obligation bonds/certificates to provide funds for the acquisition and construction of major capital facilities. General obligation bonds/certificates are direct obligations and pledge the full faith and credit of the government. General obligation bonds/certificates currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation (Sales Tax Alternate Revenue Source) Bond Series of 1997 (\$1,000,000), due in annual installments of \$30,000 to \$75,000, including interest at 4.375% to 5.15% through December 15, 2017.	Debt Service	\$ 700,000	-	45,000	655,000
General Obligation (Sales Tax Alternate Revenue Source) Bond Series of 1998 (\$3,695,000), due in annual installments of \$305,000 to \$435,000, including interest at 3.60% to 3.75% through December 15, 2008.	Debt Service	1,255,000	-	405,000	850,000
General Obligation Limited Tax Bond Series of 2000 (\$1,800,000), due in annual installments of \$10,000 to \$215,000, including interest at 5.20% to 5.70% through December 15, 2019.	Debt Service	1,700,000	-	10,000	1,690,000

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds/Certificates – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bond Series of 2001 (\$2,600,000), due in annual installments of \$340,000 to \$405,000, including interest at 3.25% to 3.75% through December 15, 2008.	Debt Service	\$ 1,175,000	-	380,000	795,000
General Obligation Refunding Bond Series of 2003A (\$665,000), due in annual installments of \$75,000 to \$115,000, including interest at 1.50% to 2.90% through December 15, 2010.	Debt Service	495,000	-	105,000	390,000
General Obligation Refunding Bond Series of 2003B (\$1,360,000), due in annual installments of \$260,000 to \$285,000, including interest at 1.50% to 2.90% through December 15, 2008.	Debt Service	830,000	-	270,000	560,000
General Obligation Alternate Revenue Bond Series of 2000 (\$5,000,000), due in annual installments of \$180,000 to \$415,000, including interest at 5.125% to 5.15% through December 15, 2020.	Sports Complex	4,435,000	-	205,000	4,230,000

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

General Obligation Bonds/Certificates – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bond Series of 2001A (\$5,290,000), due in annual installments of \$290,000 to \$635,000, including interest at 3.20% to 4.25% through May 1, 2013.	Waterworks and Sewerage	\$ 2,900,000	-	615,000	2,285,000
General Obligation Refunding Bond Series of 2001 (\$17,800,000), due in annual installments of \$245,000 to \$1,590,000, including interest at 4.25% to 5.125% through December 15, 2020.	Sports Complex	16,965,000	-	355,000	16,610,000
General Obligation Refunding Bond Series of 2004 (\$2,435,000), due in annual installments of \$125,000 to \$250,000, including interest at 4.10% to 4.45% through December 15, 2020.	Sports Complex	2,435,000	-	-	2,435,000
General Obligation Alternate Revenue Bond Series of 2006 (\$3,000,000), due in annual installments of \$75,000 to \$330,000, including interest at 3.90% to 4.20% through May 1, 2022.	Waterworks and Sewerage	-	3,000,000	-	3,000,000
		32,890,000	3,000,000	2,390,000	33,500,000

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**IEPA Loans Payable**

The Village has entered into loan agreements with the IEPA to provide low interest financing for waterworks and sewerage improvements. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Loan Payable in Illinois Environmental Protection Agency (IEPA), due in annual installments of \$98,449, including interest at 3.015% through September 1, 2014.	Waterworks and Sewerage	\$ 1,466,703	-	153,827	1,312,876

**Installment Contracts Payable**

The balance on the installment contracts currently outstanding is as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Sports Complex installment contract dated May 24, 2002 due in annual installments of \$12,116 to \$14,000 plus interest through maturity at February 24, 2006.	Sports Complex	\$ 40,155	-	12,862	27,293
Vehicle Maintenance installment contracts due in annual installments of \$12,036 to \$117,345 plus interest through maturity at fiscal year 2005 to fiscal year 2008.	Vehicle Maintenance	619,374	126,890	212,855	533,409

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Installment Contracts Payable – Continued**

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Technology Equipment installment contract due in annual installments of \$5,320 to \$15,295 plus interest through maturity at fiscal year 2004 to fiscal year 2007.	Technology Equipment	\$ 6,698	-	6,698	-
		666,227	126,890	232,415	560,702

**Long-term Liability Activity**

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Net Pension Obligation	\$ 140,472	-	7,398	133,074	-
Compensated Absences	1,505,042	109,676	54,838	1,559,880	311,976
Installment Contracts	626,072	126,890	219,553	533,409	241,735
General Obligation Bonds	6,155,000	-	1,215,000	4,940,000	1,240,000
	8,426,586	236,566	1,496,789	7,166,363	1,793,711
<b>Business-type Activities</b>					
Compensated Absences	378,447	62,702	125,404	315,745	63,149
Installment Contracts	40,155	-	12,862	27,293	13,377
IEPA Loans Payable	1,466,703	-	153,827	1,312,876	158,500
General Obligation Bonds	26,735,000	3,000,000	1,175,000	28,560,000	1,280,000
	28,620,305	3,062,702	1,467,093	30,215,914	1,515,026

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Long-term Liability Activity – Continued**

The Libertyville Sports Complex, Vehicle Maintenance and Technology Equipment Funds make payments on the installments contracts. Payments on the IEPA bonds payable are made by the Waterworks and Sewerage Fund. The Debt Service, Waterworks and Sewerage and Sports Complex Funds make payments on the general obligation bonds. Governmental compensated absences are retired by the General and Vehicle Maintenance Funds.

**Debt Service Requirements to Maturity**

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending April 30	Governmental Activities			
	General Obligation Bonds		Installment Contracts	
	Principal	Interest	Principal	Interest
2008	\$ 1,240,000	206,724	241,735	20,488
2009	1,315,000	167,360	178,532	9,873
2010	180,000	123,398	113,142	2,585
2011	165,000	116,922	-	-
2012	195,000	110,244	-	-
2013	210,000	100,197	-	-
2014	215,000	89,322	-	-
2015	230,000	78,107	-	-
2016	245,000	65,883	-	-
2017	255,000	52,776	-	-
2018	270,000	38,902	-	-
2019	210,000	24,120	-	-
2020	210,000	12,255	-	-
<b>Total</b>	<b>4,940,000</b>	<b>1,186,210</b>	<b>533,409</b>	<b>32,946</b>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Service Requirements to Maturity – Continued

Fiscal Year Ending April 30	Business-Type Activities					
	General Obligation Bonds		IEPA Loans Payable		Installment Contracts	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 1,280,000	1,341,050	158,500	38,398	13,377	881
2009	1,675,000	1,285,573	163,315	33,583	13,916	343
2010	1,735,000	1,213,242	168,276	28,622	-	-
2011	1,810,000	1,136,247	173,388	23,510	-	-
2012	1,890,000	1,055,448	178,655	18,243	-	-
2013	1,980,000	965,693	184,081	12,816	-	-
2014	2,215,000	868,441	189,673	7,224	-	-
2015	1,930,000	771,777	96,988	1,462	-	-
2016	2,020,000	678,671	-	-	-	-
2017	2,120,000	580,844	-	-	-	-
2018	2,225,000	477,828	-	-	-	-
2019	2,335,000	369,557	-	-	-	-
2020	2,445,000	255,783	-	-	-	-
2021	2,570,000	134,458	-	-	-	-
2022	330,000	6,930	-	-	-	-
Total	28,560,000	11,141,542	1,312,876	163,858	27,293	1,224

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

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**NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued**

**LONG-TERM DEBT – Continued**

**Legal Debt Margin – Continued**

Assessed Valuation - 2006	<u>\$ 1,127,812,367</u>
Legal Debt Limit - 8.625% of Assessed Valuation	97,273,817
Amount of Debt Applicable to Debt Limit	
General Obligation Bonds of 2000	1,695,000
General Obligation Bonds of 2003A	<u>390,000</u>
Legal Debt Margin	<u>95,188,817</u>

**Bond Defeasances**

During prior years, the Village defeased general obligation and revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Since the requirements which normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Village's general purpose financial statements. Defeased bonds in the amount of \$965,000 are still outstanding as of the date of this report.

**FUND EQUITY**

**Restatements**

Beginning net assets for the governmental activities of \$144,486,826 was increased by \$13,228,999, resulting in restated beginning net assets of \$157,715,825. The increase reflects correction of an error in recognition of capital assets.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

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NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND EQUITY – Continued

Fund Balance – Reserved for Special Revenues

The following is a schedule of fund balance reservations for special or restricted revenues as of the date of this report:

	Beginning Balances	Increases	Decreases	Ending Balances
General Fund				
Emergency Telephone System 911	\$ 237,911	305,642	279,535	264,018
Foreign Fire Insurance	33,483	32,930	32,444	33,969
Tim/Creek Special Service Area	4,609	21,238	15,713	10,134
Hotel/Motel Tax	76,002	264,573	250,495	90,080
Lucerne/Interlaken Special Service Area	1,135	28,745	11,142	18,738
	353,140	653,128	589,329	416,939
Nonmajor Governmental Funds				
Commuter Parking	726,630	349,721	165,606	910,745
Total Reserved Amount	<u>1,079,770</u>			<u>1,327,684</u>

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

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### NOTE 4 – OTHER INFORMATION – Continued

#### RISK MANAGEMENT

The government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the government's employees. These risks, along with medical claims for employees and retirees, are provided for through a limited self-insurance program. The Village currently reports all its risk management activities in its General Fund.

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Each member assumes the first \$1,000 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. 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's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

Risks for medical, dental and health benefits for employees and retirees are provided through the Village's participation in the North Suburban Employee Benefit Cooperative (NSEBC). NSEBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each participating member. NSEBC maintains specific reinsurance coverage for claims in excess of \$100,000 per individual employee participant. The Village pays premiums to NSEBC based upon current employee participation and its prior experience factor with the pool. Current year coverages or underages for participation in the pool are adjusted into the subsequent year's experience factor of premiums.

For insured programs, there have been no significant reductions in insurance coverage over the prior year. For all programs, settlement amounts have not exceeded insurance coverage for the current year or for the three prior years.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements**  
**April 30, 2007**

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**NOTE 4 – OTHER INFORMATION**

**POST-EMPLOYMENT BENEFITS**

In addition to providing pension benefits, the Village provides certain health care insurance benefits for retired employees. In accordance with the personnel policy substantially all of the Village's employees may become eligible for those benefits if they reach normal retirement age while working for the Village. The retirees pay an annual premium that is equal to the actuarially determined costs for each plan year. Accordingly, no liability has been recorded for post-retirement health care benefits. The Village also provides COBRA health and dental benefits to all prior employees as required by federal law. The prior employee pays 100 percent of the premium.

**CONTINGENT LIABILITIES**

**Commitments – Central Lake County Joint Action Water Agency (CLC-JAWA)**

The government has committed to purchase water from the Central Lake County Joint Action Water Agency (CLC-JAWA). The government expects to pay the following minimum amounts:

Year Ending	Amount
2007	\$ 2,388,055
2008	2,393,129
2009	1,686,900
2010	1,602,556
2011	1,602,556
2012-2029	<u>28,846,008</u>
	<u><u>38,519,204</u></u>

These amounts have been calculated using the government's current allocation percentage in accordance with the contract. In future years this allocation percentage will be subject to change.

**Litigation**

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

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### NOTE 4 – OTHER INFORMATION – Continued

#### CONTINGENT LIABILITIES – Continued

##### 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.

##### JOINT VENTURE

##### Central Lake County Joint Action Water Agency (CLCJAWA)

The Village is a member of CLCJAWA, which consists of twelve 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, improve, extend, acquire, finance, operate, and maintain a joint water supply system to serve its members and other potential water purchasers.

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 for sale or purchase of water; adopts resolutions providing for the issuance of bonds or notes by CLCJAWA; and adopts bylaws, 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. To obtain complete government financial statements, write to: Central Lake County Joint Action Water Agency, 200 Rockland Road, Lake Bluff, Illinois 60044.

## VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

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### NOTE 4 – OTHER INFORMATION – Continued

#### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 118 West Cook Avenue, Libertyville, IL 60048-1847. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The Police and Firefighters' Pension plans also issue separate reports that may be obtained by writing the Village of Libertyville, 118 West Cook Avenue, Libertyville, Illinois 60048. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

#### Plan Descriptions, Provisions and Funding Policies

##### Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2006 was 9.81 percent.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2007

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### NOTE 4 – OTHER INFORMATION – Continued

#### Plan Descriptions, Provisions and Funding Policies – Continued

##### Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	25
Current Employees	
Vested	28
Nonvested	<u>13</u>
	<u>66</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required 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 plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Plan Descriptions, Provisions, and Funding Policies – Continued**

**Firefighters' Pension Plan**

The Firefighters' Pension Plan is a single-employer defined pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Firefighters' 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	17
Nonvested	<u>14</u>
	<u>44</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

# VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2007

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## NOTE 4 – OTHER INFORMATION – Continued

### EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

#### Plan Descriptions, Provisions, and Funding Policies – Continued

##### Firefighters' Pension Plan – Continued

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' 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 plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

#### 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 as revenues in the period in which employee services are performed. 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. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

##### Significant Investments

There are no investments (other than U.S. Government and U.S. Government - guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits for either the Police or Firefighters' Pension Plans. Information for IMRF is not available.

##### Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

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**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Annual Pension Cost and Net Pension Obligation**

The pension liability was determined in accordance with GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." There was no net pension obligation for the IMRF plan. The pension liability (asset) for the Police and Firefighters' Pension Plans is as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 719,433	527,909	1,247,342
Interest on the NPO	5,477	5,058	10,535
Adjustment to the ARC	(3,603)	(3,328)	(6,931)
Annual Pension Cost	721,307	529,639	1,250,946
Actual Contribution	724,464	533,880	1,258,344
Increase in the NPO	(3,157)	(4,241)	(7,398)
NPO Beginning of Year	73,026	67,446	140,472
NPO End of Year	69,869	63,205	133,074

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Annual Pension Cost and Net Pension Obligation – Continued**

The Village annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
<b>Contribution Rates</b>			
Employer	9.81%	23.11%	22.88%
Employee	4.50%	9.91%	9.455%
<b>Annual Pension Cost</b>	\$648,020	\$721,307	\$529,639
<b>Contributions Made</b>	\$648,020	\$798,558	\$549,589
<b>Actuarial Valuation Date</b>	12/31/2004	4/30/2006	4/30/2006
<b>Actuarial Cost Method</b>	Entry Age Normal	Entry Age Normal	Entry Age Normal
<b>Amortization Method</b>	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
<b>Remaining Amortization Period</b>	26 Years	27 Years	27 Years
<b>Asset Valuation Method</b>	5-Year Smoothed Market	Market	Market
<b>Actuarial Assumptions</b>			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
Projected Salary Increases	.4 to 11.6%	5.00%	5.00%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2007**

**NOTE 4 – OTHER INFORMATION – Continued**

**EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued**

**Trend Information**

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.

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2005	\$ 540,962	589,367	480,026
	2006	556,124	669,357	518,262
	2007	648,020	721,307	529,639
Actual Contributions	2005	540,962	670,984	519,107
	2006	556,124	724,464	533,880
	2007	648,020	798,558	549,589
Percentage of APC Contributed	2005	100.00%	113.85%	108.14%
	2006	100.00%	108.23%	103.01%
	2007	100.00%	110.71%	103.77%
Net Pension Obligation	2005	-	74,653	68,291
	2006	-	73,026	67,446
	2007	-	69,869	63,205

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Schedule of Employer Contributions
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  
- Budgetary Comparison Schedule – General Fund

### Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Schedule of Funding Progress**

**April 30, 2007**

Actuarial Valuation Date December 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2001	\$ 11,642,260	\$ 10,524,924	110.62%	\$ (1,117,336)	\$ 5,037,230	(22.18%)
2002	12,129,280	12,077,990	100.42%	(51,290)	5,696,062	(0.90%)
2003	12,983,971	13,510,740	96.10%	526,769	6,133,563	8.59%
2004	13,135,869	14,374,301	91.38%	1,238,432	6,203,695	19.96%
2005	14,438,306	15,949,450	90.53%	1,511,144	6,138,236	24.62%
2006	16,188,371	17,418,295	92.94%	1,229,924	6,605,711	18.62%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2007**

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<b>Calendar Year</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2001	\$ 301,730	\$ 301,730	100.00%
2002	314,992	314,992	100.00%
2003	389,481	389,481	100.00%
2004	540,962	540,962	100.00%
2005	556,124	556,124	100.00%
2006	648,020	648,020	100.00%

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VILLAGE OF LIBERTYVILLE, ILLINOIS

Police Pension Fund

Required Supplementary Information

Schedule of Funding Progress

April 30, 2007

Actuarial Valuation April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2001	\$ 13,401,680	\$ 19,167,003	69.92%	\$ 5,765,323	\$ 2,404,582	239.76%
2002	12,974,373	20,303,638	63.90%	7,329,265	2,584,753	283.56%
2003	12,761,516	21,076,678	60.55%	8,315,162	2,619,717	317.41%
2004	14,417,561	23,037,972	62.58%	8,620,411	2,790,845	308.88%
2005	15,268,089	24,534,390	62.23%	9,266,301	2,954,668	313.62%
2006	16,685,424	26,489,010	62.99%	9,803,586	3,134,860	312.73%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2007**

<b>Fiscal Year Ended</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2002	\$ 436,090	\$ 431,256	101.12%
2003	533,219	545,383	97.77%
2004	582,020	587,484	99.07%
2005	670,984	667,352	100.54%
2006	724,464	719,433	100.70%
2007	798,558	788,887	101.23%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Schedule of Funding Progress**

**April 30, 2007**

Actuarial Valuation April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2001	\$ 10,194,236	\$ 12,525,963	81.38%	\$ 2,331,727	\$ 1,626,096	143.39%
2002	10,186,823	13,558,360	75.13%	3,371,537	2,025,081	166.49%
2003	10,186,046	14,004,618	72.73%	3,818,572	2,063,417	185.06%
2004	11,692,117	15,393,069	75.96%	3,700,952	2,114,190	175.05%
2005	12,448,433	16,701,838	74.53%	4,253,405	2,165,528	196.41%
2006	14,146,603	18,337,848	77.14%	4,191,245	2,333,541	179.61%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Firefighters' Pension Fund**

**Required Supplementary Information**

**Schedule of Employer Contributions**

**April 30, 2007**

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<b>Fiscal Year Ended</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2002	\$ 401,189	\$ 397,622	100.90%
2003	419,493	414,572	101.19%
2004	478,900	478,147	100.16%
2005	519,107	516,428	100.52%
2006	533,880	527,909	101.13%
2007	549,589	539,085	101.95%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 5,058,485	5,058,485	5,138,723
Licenses and Permits	833,500	833,500	1,615,635
Intergovernmental	8,326,100	8,326,100	8,834,956
Charges for Services	5,428,200	5,428,200	5,366,573
Fines and Forfeits	246,000	246,000	186,834
Interest	352,000	352,000	571,467
Miscellaneous	183,500	183,500	610,412
<b>Total Revenues</b>	<u>20,427,785</u>	<u>20,427,785</u>	<u>22,324,600</u>
<b>Expenditures</b>			
General Government	2,266,191	2,336,976	2,277,783
Community Development	1,207,290	1,218,460	1,136,810
Public Safety	12,079,770	12,541,490	12,393,135
Public Works	2,045,365	2,034,205	2,075,338
Parks and Recreation	2,797,670	2,859,710	2,803,372
<b>Total Expenditures</b>	<u>20,396,286</u>	<u>20,990,841</u>	<u>20,686,438</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	31,499	(563,056)	1,638,162
<b>Other Financing (Uses)</b>			
Transfers Out	(80,000)	(555,000)	(555,000)
<b>Net Change in Fund Balance</b>	<u>(48,501)</u>	<u>(1,118,056)</u>	1,083,162
<b>Fund Balance - Beginning</b>			<u>10,544,569</u>
<b>Fund Balance - Ending</b>			<u>11,627,731</u>

## **OTHER SUPPLEMENTARY INFORMATION**

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental General, Debt Service, Capital Improvement and Tax Increment Financing Construction Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Fund
- Budgetary Comparison Schedules – Enterprise Funds
- Combining Schedules – Internal Service Funds
- Budgetary Comparison Schedules – Internal Service Funds
- Combining Schedules – Pension Trust Funds
- Budgetary Comparison Schedules – Pension Trust Funds
- Schedules of Governmental Capital Assets

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

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## **GENERAL FUND**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

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## **SPECIAL REVENUE FUND**

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes. The Village's Special Revenue Funds are all nonmajor funds.

### **Commuter Parking System Fund**

The Commuter Parking System Fund is used to account for the operations of the Village's commuter parking lot. Financing is provided by parking fees.

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## **DEBT SERVICE FUND**

The Debt Service Fund, a major fund, accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

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## **CAPITAL PROJECTS FUND**

Capital Projects Funds are created to account for all resources used for the acquisition of capital facilities by a governmental unit except those financed by Proprietary Funds.

### **Capital Improvement Fund**

The Capital Improvements Fund is used to account for the acquisition and improvement of Village property including infrastructure and general fixed assets.

### **Tax Increment Financing Construction**

The Tax Increment Financing Construction Fund is used to account for a portion of the infrastructure costs for the tax increment service area.

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

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## **ENTERPRISE FUNDS**

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 costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose. The Village's enterprise funds are both major funds.

### **Waterworks and Sewerage Fund**

The Waterworks and Sewerage Fund is used to account for the provision of potable water and wastewater treatment 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 and maintenance, financing and related debt service, billing and collection.

### **Libertyville Sports Complex Fund**

The Libertyville Sports Complex Fund is used to account for all activities associated with the complex, but not limited to, purchase of land, construction of facilities, operations, maintenance, and all related debt service for the 48-acre site.

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## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

### **Vehicle Maintenance and Replacement Service Fund**

The Vehicle Maintenance and Replacement Service Fund is used to account for costs associated with maintaining and replacing motor vehicles in all Village departments.

### **Technology Equipment and Replacement Service Fund**

The Technology Equipment and Replacement Service Fund is used to account for acquisition, maintenance and updates of management information systems including computers, communications, software, etc. in all Village departments.

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

## **TRUST AND AGENCY FUNDS**

### **PENSION TRUST FUNDS**

#### **Police Pension Fund**

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

#### **Firefighters' Pension Fund**

The Firefighters' Pension Fund is used to account for the accumulation of resources to be used for retirement annuity payments to employees on the fire department at appropriate amounts and times in the future. Resources are contributed by employees at rates fixed by law and by the Village at amounts determined by an annual actuarial study.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Taxes</b>			
Property Taxes			
General Corporate	\$ 820,000	820,000	818,978
Fire Protection	725,000	725,000	726,316
Parks	295,000	295,000	300,916
Recreation	295,000	295,000	300,916
Highway and Bridges - Village	520,000	520,000	498,874
Highway and Bridges - Township	185,000	185,000	206,439
Municipal Retirement	360,000	360,000	363,158
Police Pension	789,000	789,000	788,558
Fire Pension	540,000	540,000	539,589
Special Recreation	110,000	110,000	114,189
Concord/Interlaken Special Service Area	28,485	28,485	28,485
Timber Creek Special Service Area	21,000	21,000	21,047
Leased Car Tax	50,000	50,000	57,161
Hotel/Motel Tax	190,000	190,000	242,040
Foreign Fire Insurance Tax	32,000	32,000	32,485
Personal Property Replacement Tax			
General	78,000	78,000	79,572
Police	10,000	10,000	10,000
Fire	10,000	10,000	10,000
	<u>5,058,485</u>	<u>5,058,485</u>	<u>5,138,723</u>
<b>Licenses and Permits</b>			
Building Plan Review Fees	50,000	50,000	124,367
Building Permits	610,000	610,000	1,201,033
Zoning Fees	40,000	40,000	36,832
Fire Bureau - Permits/Fees	62,500	62,500	165,561
Liquor Licenses	58,000	58,000	56,940
Other Licenses	13,000	13,000	30,902
	<u>833,500</u>	<u>833,500</u>	<u>1,615,635</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued**  
**Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Intergovernmental</b>			
Sales Tax	\$ 6,337,700	6,337,700	6,331,313
Income Tax	1,642,700	1,642,700	1,748,207
Use Tax	244,700	244,700	279,389
Banner Program	47,000	47,000	19,250
Street/Signal Maintenance Fees	44,000	44,000	110,768
Grants	10,000	10,000	346,029
	<u>8,326,100</u>	<u>8,326,100</u>	<u>8,834,956</u>
<b>Charges for Services</b>			
Libertyville Fire Protection	2,216,170	2,216,170	2,105,192
Ambulance Fees	440,000	440,000	387,669
Golf Rentals	6,000	6,000	3,548
Recreation Fees	764,000	764,000	742,747
Green Fees	90,000	90,000	83,827
Swimming Fees	266,000	266,000	253,522
Swimming Programs	136,295	136,295	147,200
Senior Meals Fees	14,000	14,000	19,290
Parking Fees	5,000	5,000	5,095
Engineering	50,000	50,000	152,307
Burglary Fire Alarm Fees	250,000	250,000	240,613
Elevator Inspection Fees	11,500	11,500	30,274
Fire Services	-	-	14,883
Legal Fee Reimbursement	15,000	15,000	12,308
Birth/Death Certificates	123,000	123,000	128,716
Cable Franchise Fee	210,000	210,000	232,650
Telecom Infrastructure Maintenance Fee	397,500	397,500	383,419
Police Services	78,000	78,000	79,093
Damage to Village Property	-	-	(3)
Senior Center Sponsorship	14,000	14,000	4,300
Concessions - Pools	40,000	40,000	35,523
Pro Shop Merchandise	1,700	1,700	1,447
Telephone Surcharge	177,000	177,000	175,489
Wireless Surcharge	123,035	123,035	127,464
	<u>5,428,200</u>	<u>5,428,200</u>	<u>5,366,573</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Revenues - Budget and Actual - Continued  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Fines and Forfeits</b>			
Local Fines	\$ 100,000	100,000	79,478
Circuit Court Fines	140,000	140,000	101,746
DUI Fines - Senate Bill 740	6,000	6,000	5,610
	<u>246,000</u>	<u>246,000</u>	<u>186,834</u>
<b>Interest</b>			
Investment Income	352,000	352,000	571,467
<b>Miscellaneous</b>			
Park Rentals	2,000	2,000	1,505
Scholarship/Donations	15,000	15,000	21,400
Tree Program	6,000	6,000	12,417
Drug Forfeiture	500	500	650
Cash Over	-	-	509
Insurance Surplus	100,000	100,000	446,488
Miscellaneous	60,000	60,000	127,443
	<u>183,500</u>	<u>183,500</u>	<u>610,412</u>
<b>Total Revenues</b>	<u>20,427,785</u>	<u>20,427,785</u>	<u>22,324,600</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>General Government</b>			
Legislative	\$ 113,805	113,805	111,282
Administration and Finance	1,112,255	1,115,505	1,096,536
Legal	322,000	372,000	378,849
Public Buildings	172,350	179,885	182,658
Community Organization/Activities	190,400	190,400	184,773
Senior Programs	63,421	63,421	59,421
Central Business District Parking	33,970	33,970	13,769
Hotel/Motel Tax	257,990	267,990	250,495
	<u>2,266,191</u>	<u>2,336,976</u>	<u>2,277,783</u>
<b>Community Development</b>			
Planning	526,020	526,570	469,559
Building Services	681,270	691,890	662,953
Economic Development	-	-	4,298
	<u>1,207,290</u>	<u>1,218,460</u>	<u>1,136,810</u>
<b>Public Safety</b>			
Police Department			
Administration/Communication/Records	1,876,460	1,920,655	1,913,260
Patrol Services	3,734,425	3,800,800	3,786,334
Investigation	548,505	550,490	576,028
Public Education	7,080	7,080	9,377
Community Service	168,585	170,570	160,792
	<u>6,335,055</u>	<u>6,449,595</u>	<u>6,445,791</u>
Fire Services Department			
Administration	196,170	196,170	199,705
Fire Prevention	213,740	205,075	186,313
Emergency Services	4,453,890	4,627,790	4,557,064
Support Services	535,180	712,400	707,895
Foreign Fire Insurance	32,000	32,000	32,444
	<u>5,430,980</u>	<u>5,773,435</u>	<u>5,683,421</u>
Emergency Management Agency	<u>4,950</u>	<u>9,675</u>	<u>9,388</u>
Emergency Telephone System (911)	<u>308,785</u>	<u>308,785</u>	<u>254,535</u>
<b>Total Public Safety</b>	<u>12,079,770</u>	<u>12,541,490</u>	<u>12,393,135</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>Public Works</b>			
Engineering	\$ 359,945	361,335	361,847
Highways and Bridges	1,381,855	1,408,500	1,387,149
Snow Removal and Ice Control	256,365	217,170	299,486
Concord/Interlaken Special Service Area	24,000	24,000	11,143
Timber Creek Special Service Area	23,200	23,200	15,713
	<u>2,045,365</u>	<u>2,034,205</u>	<u>2,075,338</u>
<b>Parks and Recreation</b>			
Parks	1,293,255	1,354,175	1,381,849
Recreation	954,665	955,785	920,733
Libertyville Golf Course	170,190	170,190	149,491
Swimming Pool	379,560	379,560	351,299
	<u>2,797,670</u>	<u>2,859,710</u>	<u>2,803,372</u>
<b>Total Expenditures</b>	<u>20,396,286</u>	<u>20,990,841</u>	<u>20,686,438</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>General Government</b>			
<b>Legislative</b>			
Salaries	\$ 45,600	45,600	45,600
Employer Contribution - IMRF	1,680	1,680	1,646
Employer Contribution - FICA & Medicare	4,360	4,360	4,148
Travel, Training, Subscriptions and Dues	21,190	21,190	22,844
Appearance Review Committee	3,500	3,500	1,125
Board of Police and Fire Commissions	15,975	15,975	6,571
Economic Development Commission	3,000	3,000	936
Keep Libertyville Beautiful	1,500	1,500	1,271
Plan Commission/Zoning Board of Appeals	12,000	12,000	10,553
Miscellaneous	5,000	5,000	16,588
	<u>113,805</u>	<u>113,805</u>	<u>111,282</u>
<b>Administration and Finance</b>			
Salaries	606,445	606,445	587,210
Employer Contribution - IMRF	60,145	60,145	56,882
Employer Contribution - FICA & Medicare	43,940	43,940	40,356
Materials and Supplies	810	810	-
Telephone	18,390	18,390	18,317
Maintenance - Computer	200	200	-
Maintenance - Copy Machines	8,140	8,140	5,124
Maintenance - Motor Vehicles	1,600	1,925	1,925
Maintenance - Other Equipment	2,330	2,330	372
Vital Records	18,800	21,725	25,916
Insurance	108,390	108,390	102,745
Intergovernmental Risk Management Agency	111,150	111,150	119,347
Postage	18,525	18,525	15,248
Office Supplies	11,000	11,000	11,542
Audit Services	20,450	20,450	19,415
Travel, Training, Subscriptions and Dues	10,240	10,240	14,917
Technical Services	3,100	3,100	3,730
Credit Card/Bank Fees	3,500	3,500	1,265
Publication	19,050	19,050	17,538
Printing	20,600	20,600	27,134
Section 125 Administration Fees	4,500	4,500	4,724

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
General Government - Continued			
Administration and Finance - Continued			
Employee Programs	\$ 12,700	12,700	17,281
Cash Under	-	-	10
Vehicle Replacement Fees	4,250	4,250	4,250
Miscellaneous	4,000	4,000	1,288
	<u>1,112,255</u>	<u>1,115,505</u>	<u>1,096,536</u>
Legal			
Village Attorney	215,000	215,000	233,547
Village Prosecutor	45,000	45,000	41,824
Labor Counsel	25,000	25,000	20,975
Litigation	30,000	80,000	75,594
Special Projects	5,000	5,000	6,909
Miscellaneous	2,000	2,000	-
	<u>322,000</u>	<u>372,000</u>	<u>378,849</u>
Public Buildings			
Salaries	50,065	50,065	49,067
Employer Contribution - IMRF	5,005	5,005	4,810
Employer Contribution - FICA & Medicare	3,830	3,830	3,546
Materials and Supplies	-	-	37
North Shore Gas	1,500	1,500	1,209
Maintenance - Village Hall	24,000	28,000	27,466
Maintenance - Schertz Building	55,000	56,000	57,947
Maintenance - Motor Vehicle	2,635	2,635	3,170
Insurance	11,165	11,700	12,418
Intergovernmental Risk Management Agency	6,400	6,400	6,931
Uniforms	250	250	157
Civic Center	10,000	12,000	11,871
Brainerd Community Center	-	-	277
Miscellaneous	2,500	2,500	3,752
	<u>172,350</u>	<u>179,885</u>	<u>182,658</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>General Government - Continued</b>			
Community Organization/Activities			
Dial-A-Ride	\$ 17,000	17,000	11,038
Northern Illinois Special Recreation Assn.	108,500	108,500	108,491
Special Events	17,000	17,000	17,032
Spring Cleanup	23,900	23,900	23,900
Mosquito Control	24,000	24,000	23,948
Miscellaneous	-	-	364
	<u>190,400</u>	<u>190,400</u>	<u>184,773</u>
<b>Senior Programs</b>			
Salaries	24,720	24,720	26,477
Employer Contribution - IMRF	2,471	2,471	2,410
Employer Contribution - FICA & Medicare	1,890	1,890	2,025
Materials and Supplies	5,250	5,250	2,921
Meal Supplies	250	250	742
Utilities	240	240	160
Contractual Services	20,000	20,000	15,911
Senior Trips	6,500	6,500	6,269
Publicity	100	100	-
Special Events	2,000	2,000	2,095
Miscellaneous	-	-	411
	<u>63,421</u>	<u>63,421</u>	<u>59,421</u>
<b>Central Business District Parking</b>			
Materials and Supplies	1,200	1,200	40
Maintenance - Parking Lots	10,000	10,000	13,729
Rent	22,770	22,770	-
	<u>33,970</u>	<u>33,970</u>	<u>13,769</u>
<b>Hotel/Motel Tax</b>			
Libertyville Days	24,000	24,000	24,340
Cook House	8,000	8,000	7,453
Chamber Book	2,000	2,000	-
Mainstreet Libertyville	15,000	15,000	15,000
Banner Program	40,000	40,000	49,568
Village Band	2,730	2,730	3,272

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
General Government - Continued			
Hotel/Motel Tax - Continued			
Lake County Convention	\$ 10,000	10,000	10,000
Special Events	3,000	3,000	11,508
Sports Complex Marketing	125,000	125,000	104,801
Adler Cultural Center	14,000	24,000	23,155
Lease Payments	14,260	14,260	1,398
	<u>257,990</u>	<u>267,990</u>	<u>250,495</u>
Total General Government	<u>2,266,191</u>	<u>2,336,976</u>	<u>2,277,783</u>
Community Development			
Planning			
Salaries	347,150	347,150	323,907
Employer Contribution - IMRF	34,710	34,710	31,749
Employer Contribution - FICA & Medicare	25,730	25,730	23,613
Materials and Supplies	6,000	6,000	4,045
Telephone	4,000	4,000	3,781
Maintenance - Motor Vehicle	2,690	3,240	3,240
Insurance	65,460	65,460	50,264
Intergovernmental Risk Management Agency	6,400	6,400	7,640
Postage	3,000	3,000	2,225
Technical Services	4,000	4,000	1,685
Travel, Training, Subscriptions and Dues	4,500	4,500	5,118
Consulting Services	5,000	5,000	-
Printing and Photoprocessing	12,000	12,000	6,253
Publication Notices	-	-	50
Vehicle Replacement Fees	4,380	4,380	4,380
Miscellaneous	1,000	1,000	1,609
	<u>526,020</u>	<u>526,570</u>	<u>469,559</u>
Building Services			
Salaries	454,300	454,300	434,932
Employer Contribution - IMRF	45,330	45,330	42,636
Employer Contribution - FICA & Medicare	34,750	34,750	32,236

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Community Development - Continued			
Building Services - Continued			
Materials and Supplies	\$ 2,500	2,500	2,094
Telephone	4,000	4,000	3,575
Maintenance - Motor Vehicle	8,925	10,745	10,745
Maintenance - Other Equipment	2,100	2,100	1,963
Insurance	80,570	80,570	82,642
Intergovernmental Risk Management Agency	13,795	13,795	14,006
Office Supplies	3,500	3,500	3,545
Travel, Training, Subscriptions and Dues	5,500	5,500	3,139
Technical Services	20,000	28,800	28,797
Reimbursable Expenses	1,000	1,000	455
Printing and Publication	4,000	4,000	1,301
Miscellaneous	1,000	1,000	887
	<u>681,270</u>	<u>691,890</u>	<u>662,953</u>
Economic Development			
Economic Development Incentives	-	-	4,298
			<u>4,298</u>
Total Community Development	<u>1,207,290</u>	<u>1,218,460</u>	<u>1,136,810</u>
Public Safety			
Police Department			
Administration/Communication/Records			
Salaries - Uniformed	403,960	403,960	381,551
Salaries - Civilian	173,680	173,680	166,548
Salaries - Dispatchers	298,450	309,870	308,002
Employer Contribution - IMRF	47,035	47,035	46,413
Employer Contribution - FICA & Medicare	37,860	37,860	37,020
Contractual Services	61,000	92,790	110,989
Materials and Supplies	5,000	5,000	7,048
Telephone	20,000	20,000	18,338
Maintenance - Motor Vehicles Fees	6,460	7,445	7,775
Maintenance - Other Equipment	3,000	3,000	3,015
Insurance	656,915	656,915	648,771
Intergovernmental Risk Management Agency	122,600	122,600	138,705
Postage	4,000	4,000	2,302

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>Public Safety - Continued</b>			
<b>Police Department - Continued</b>			
<b>Administration/Communication/Records - Continued</b>			
Office Supplies	\$ 9,000	9,000	10,683
Travel, Training, Subscriptions and Dues	9,000	9,000	10,159
Medical Services	500	500	408
Photocopying	6,000	6,000	5,702
Printing and Publications	4,000	4,000	4,410
Uniforms	5,000	5,000	3,023
Capital Outlays	-	-	225
Miscellaneous	3,000	3,000	2,173
	<u>1,876,460</u>	<u>1,920,655</u>	<u>1,913,260</u>
<b>Patrol Services</b>			
Salaries - Uniformed	2,582,555	2,582,555	2,574,288
Employer Contribution - FICA & Medicare	30,930	30,930	28,948
Contractual Services	500	500	-
Materials and Supplies	23,000	23,000	21,914
Maintenance - Motor Vehicles Fees	127,870	153,735	153,881
Maintenance - Other Equipment	3,500	3,500	4,041
Squad Equipment Changeover	-	-	3,625
Travel, Training, Subscriptions and Dues	11,000	11,000	6,026
Equipment Rental and User Fees	5,080	5,080	5,005
Uniforms	30,000	30,000	28,541
Northern Illinois Crime Lab	21,000	21,000	21,000
Police Pension	798,890	798,890	798,558
Capital Outlays	-	40,510	40,507
Vehicle Replacement Fees	100,000	100,000	100,000
Miscellaneous	100	100	-
	<u>3,734,425</u>	<u>3,800,800</u>	<u>3,786,334</u>
<b>Investigations</b>			
Salaries - Uniformed	509,900	509,900	535,364
Employer Contribution - FICA & Medicare	7,395	7,395	7,634
Materials and Supplies	3,000	3,000	2,068

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Public Safety - Continued</b>			
<b>Police Department - Continued</b>			
<b>Investigations - Continued</b>			
Maintenance - Motor Vehicles Fees	\$ 9,755	11,740	11,740
Maintenance - Other Equipment	500	500	792
Travel, Training, Subscriptions and Dues	1,000	1,000	635
Uniforms	4,800	4,800	4,791
Northern Illinois Crime Lab	10,830	10,830	10,824
Drug Forfeiture Expense	500	500	195
Miscellaneous	825	825	1,985
	<u>548,505</u>	<u>550,490</u>	<u>576,028</u>
<b>Public Education</b>			
Materials and Supplies	4,000	4,000	5,349
Maintenance - Motor Vehicles Fees	2,580	2,580	3,105
Travel, Training, Subscriptions and Dues	500	500	923
	<u>7,080</u>	<u>7,080</u>	<u>9,377</u>
<b>Community Services</b>			
Salaries - Civilian	135,080	135,080	128,627
Employer Contribution - IMRF	9,840	9,840	9,031
Employer Contribution - FICA & Medicare	10,335	10,335	9,482
Materials and Supplies	600	600	130
Maintenance - Motor Vehicles Fees	8,130	10,115	9,785
Travel, Training, Subscriptions and Dues	500	500	-
Animal Care	2,000	2,000	1,737
Uniforms	2,100	2,100	2,000
	<u>168,585</u>	<u>170,570</u>	<u>160,792</u>
<b>Total Police Department</b>	<u>6,335,055</u>	<u>6,449,595</u>	<u>6,445,791</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>Fire Department</b>			
<b>Administration</b>			
Salaries - Uniformed	\$ 105,105	105,105	105,127
Salaries - Civilian	52,250	52,250	52,769
Employer Contribution - IMRF	5,225	5,225	5,173
Employer Contribution - FICA & Medicare	5,090	5,090	4,723
Telephone	20,000	20,000	22,470
Postage	500	500	1,900
Office Supplies	2,500	2,500	2,460
Travel, Training, Subscriptions and Dues	500	500	584
Photocopying	4,500	4,500	4,047
Miscellaneous	500	500	452
	<u>196,170</u>	<u>196,170</u>	<u>199,705</u>
<b>Fire Prevention</b>			
Salaries - Uniformed	94,880	94,880	91,883
Salaries - Civilian	88,455	88,455	67,262
Employer Contribution - IMRF	8,845	8,845	6,592
Employer Contribution - FICA & Medicare	6,770	6,770	5,041
Maintenance - Motor Equipment Fees	8,665	-	10,430
Maintenance - Other Equipment	100	100	-
Postage	1,000	1,000	16
Office Supplies	100	100	74
Public Education	2,200	2,200	2,779
Travel, Training, Subscriptions and Dues	2,300	2,300	2,236
Photocopying	100	100	-
Uniforms	325	325	-
	<u>213,740</u>	<u>205,075</u>	<u>186,313</u>
<b>Emergency Services</b>			
Salaries - Uniformed	2,318,740	2,318,740	2,280,681
Salaries - Paid on Call	41,520	41,520	18,352
Salaries - Dispatchers	203,615	203,615	203,263
Employer Contribution - IMRF	20,360	20,360	19,843
Employer Contribution - FICA & Medicare	46,770	46,770	42,040

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Emergency Services - Continued			
Contractual Services	\$ 645,705	645,705	640,859
Firefighter/EMS Supplies	15,500	15,500	17,251
Insurance	453,660	453,660	440,940
Intergovernmental Risk Management Agency	120,400	120,400	141,129
Office Supplies	200	200	85
Travel, Training, Subscriptions and Dues	13,720	13,720	13,570
Technical Services	20,800	20,800	12,072
Photocopying	100	100	55
Firefighters' Pension	549,000	549,000	549,589
Paid on Call Pensions	2,800	2,800	2,450
Capital Outlays	-	173,900	173,899
Miscellaneous	1,000	1,000	986
	<u>4,453,890</u>	<u>4,627,790</u>	<u>4,557,064</u>
Support Services			
Salaries - Uniformed	27,895	27,895	27,031
Employer Contribution - FICA & Medicare	-	-	373
Materials and Supplies	13,490	13,490	15,337
Firefighter/EMS Supplies	23,030	23,030	22,573
Utilities	26,500	26,500	22,816
Maintenance - Buildings	20,000	20,000	20,117
Maintenance - Grounds	2,665	2,665	2,474
Maintenance - Motor Equipment	123,000	148,050	148,050
Maintenance - Other Equipment	8,700	8,700	7,761
Uniforms	14,400	14,400	13,765
Capital Outlays	-	152,170	152,170
Vehicle Replacement Fees	275,000	275,000	275,000
Miscellaneous	500	500	428
	<u>535,180</u>	<u>712,400</u>	<u>707,895</u>
Foreign Fire Insurance			
Firefighting/EMS Equipment	32,000	32,000	32,444
	<u>32,000</u>	<u>32,000</u>	<u>32,444</u>
Total Fire Department	<u>5,430,980</u>	<u>5,773,435</u>	<u>5,683,421</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Emergency Management Agency			
Materials and Supplies	\$ 100	100	-
Electricity	500	500	163
Telephone	1,500	1,500	1,443
Maintenance - Other Equipment	1,000	1,000	2,080
Computer Equipment and Supplies	1,000	1,000	554
Office Supplies	100	100	-
Public Education	-	4,725	4,738
Travel, Training, Subscriptions and Dues	700	700	410
Photocopying	50	50	-
	<u>4,950</u>	<u>9,675</u>	<u>9,388</u>
Emergency Telephone System (911)			
Salaries	71,985	71,985	80,109
Employer Contribution - IMRF	7,200	7,200	7,853
Employer Contribution - FICA & Medicare	5,510	5,510	6,090
Materials and Supplies	500	500	336
Telephone	59,750	59,750	64,684
Maintenance - Other Equipment	15,050	15,050	12,344
Maintenance - 911 Equipment	105,000	105,000	48,510
Computer Equipment and Supplies	3,000	3,000	440
Insurance	5,695	5,695	5,658
Intergovernmental Risk Management Agency	9,595	9,595	3,076
Office Supplies	500	500	152
Travel, Training, Subscriptions and Dues	5,000	5,000	3,867
Technical Services	2,000	2,000	2,363
Uniforms	2,000	2,000	1,300
Capital Outlay	16,000	16,000	17,641
Miscellaneous	-	-	112
	<u>308,785</u>	<u>308,785</u>	<u>254,535</u>
 Total Public Safety	 <u>12,079,770</u>	 <u>12,541,490</u>	 <u>12,393,135</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Public Works			
Engineering			
Salaries	\$ 230,085	230,085	228,521
Employer Contribution - IMRF	22,510	22,510	21,875
Employer Contribution - FICA & Medicare	17,600	17,600	16,910
Materials and Supplies	1,950	1,950	1,675
Telephone	3,300	3,300	3,599
Maintenance - Vehicles	6,830	8,220	8,220
Maintenance - Other Equipment	860	860	486
Insurance	58,825	58,825	59,026
Intergovernmental Risk Management Agency	6,525	6,525	7,070
Office Supplies	5,160	5,160	5,596
Travel, Training, Subscriptions and Dues	600	600	1,017
Technical Services	200	200	1,852
Vehicle Replacement Fees	5,500	5,500	5,500
Miscellaneous	-	-	500
	359,945	361,335	361,847
Highways and Bridges			
Salaries - Administration	90,550	90,550	66,996
Salaries - Clerical	14,335	14,335	14,674
Salaries - Maintenance	354,075	354,075	336,704
Employer Contribution - IMRF	44,465	44,465	41,497
Employer Contribution - FICA & Medicare	34,220	34,220	31,018
Materials and Supplies	16,000	16,000	18,525
Streetlights - Energy	97,680	97,680	114,055
Streetlights - Maintenance	72,400	72,400	71,259
Maintenance - Buildings	9,700	9,700	7,697
Maintenance - Roadway Medians	10,000	10,000	12,844
Maintenance - Motor Equipment Fees	130,815	157,460	157,460
Maintenance - Other Equipment	1,500	1,500	2,309
Maintenance - Streets and Alleys	54,600	54,600	38,955
Maintenance - Sidewalks	45,000	45,000	45,313
Maintenance - Storm Sewers	14,000	14,000	12,423
Maintenance - Signs	10,000	10,000	8,711

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Public Works - Continued</b>			
<b>Highways and Bridges - Continued</b>			
Insurance	\$ 152,265	152,265	164,124
Intergovernmental Risk Management Agency	54,580	54,580	66,844
Refuse Disposal	-	-	498
Equipment Rental	6,500	6,500	2,581
Travel, Training, Subscriptions and Dues	400	400	351
Technical Services	500	500	1,736
Traffic Signal Maintenance	37,940	37,940	23,290
Sick Leave Buy Back	-	-	17,209
Photoprocessing	-	-	924
Uniforms	5,450	5,450	3,215
Vehicle Replacement Fees	124,680	124,680	124,680
Miscellaneous	200	200	1,257
	<u>1,381,855</u>	<u>1,408,500</u>	<u>1,387,149</u>
<b>Snow Removal and Ice Control</b>			
Salaries - Administration	17,870	17,870	12,966
Salaries - Maintenance	116,890	121,420	121,927
Employer Contribution - IMRF	13,470	13,470	13,578
Employer Contribution - FICA & Medicare	10,300	10,300	9,897
Materials and Supplies	81,300	37,575	118,874
Maintenance - Other Equipment	7,500	7,500	8,971
Intergovernmental Risk Management Agency	8,035	8,035	7,624
Contractual Service	-	-	963
Sick Leave Buy Back	-	-	3,430
Miscellaneous	1,000	1,000	1,256
	<u>256,365</u>	<u>217,170</u>	<u>299,486</u>
<b>Concord/Interlaken Special Service Area</b>			
Maintenance of Retention Pond	5,500	5,500	3,063
Landscaping	10,000	10,000	8,080
Miscellaneous	8,500	8,500	-
	<u>24,000</u>	<u>24,000</u>	<u>11,143</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>Public Works - Continued</b>			
Timber Creek Special Service Area			
Maintenance of Retention Pond	\$ 4,200	4,200	3,300
Landscaping	16,000	16,000	12,413
Miscellaneous	3,000	3,000	-
	<u>23,200</u>	<u>23,200</u>	<u>15,713</u>
 Total Public Works	 <u>2,045,365</u>	 <u>2,034,205</u>	 <u>2,075,338</u>
 <b>Parks and Recreation</b>			
Parks			
Salaries - Full Time	649,160	649,160	663,306
Salaries - Part Time	46,970	46,970	40,843
Employer Contribution - IMRF	66,210	66,210	66,405
Employer Contribution - FICA & Medicare	53,250	53,250	52,532
Contractual Services	20,710	20,710	19,542
Materials and Supplies	17,370	17,370	13,958
Electricity	6,000	6,000	5,739
North Shore Gas	1,000	1,000	2,158
Telephone	5,800	5,800	5,610
Gasoline and Oil	1,700	1,700	1,203
Maintenance - Building	12,300	18,000	18,185
Maintenance - Grounds	30,260	48,260	50,843
Maintenance - Motor Vehicles	44,280	53,300	53,300
Maintenance - Other Equipment	14,840	39,040	39,045
Maintenance - Roads and Parking Lots	750	750	3,180
Insurance	158,920	162,920	162,632
Intergovernmental Risk Management Agency	30,590	30,590	31,703
Office Supplies	250	250	57
Travel, Training, Subscriptions and Dues	890	890	1,892
Tree Surgery and Spraying	37,000	37,000	50,150
Nursery Stock and Trees	12,500	12,500	14,307
Equipment Rental	400	400	2,858
Maintenance Radios	200	200	-

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Parks - Continued			
Unemployment Benefits	\$ 5,025	5,025	6,258
Uniform	6,880	6,880	5,241
Vehicle Replacement Fees	70,000	70,000	70,000
Miscellaneous	-	-	902
	<u>1,293,255</u>	<u>1,354,175</u>	<u>1,381,849</u>
Recreation			
Salaries - Administrative Staff	160,365	160,365	157,747
Salaries - Tot Programs	102,760	102,760	90,972
Salaries - Youth/Teen Programs	105,000	105,000	92,505
Salaries - Special/Cultural Events	58,010	58,010	60,419
Employer Contribution - IMRF	21,790	21,790	19,066
Employer Contribution - FICA & Medicare	32,600	32,600	30,480
Supplies and Expenses - Tot Programs	13,400	13,400	12,662
Supplies and Expenses - Youth Programs	23,000	23,000	29,074
Electricity	36,850	36,850	26,164
North Shore Gas	4,000	4,000	2,040
Telephone	7,000	7,000	10,301
Maintenance - Motor Vehicles	5,500	6,620	6,620
Maintenance - Building	25,810	25,810	29,759
Independent Contractor	154,500	154,500	165,456
Cultural Arts Expenses	20,770	20,770	14,635
Insurance	35,890	35,890	37,423
Intergovernmental Risk Management Agency	25,030	25,030	28,377
Seasonal Brochures	37,500	37,500	33,617
Office Supplies	11,000	11,000	8,253
Travel, Training, Subscriptions and Dues	925	925	1,319
Supplies and Expenses - Special Event Family	4,000	4,000	5,823
Supplies and Expenses - Special Event Youth	4,200	4,200	817
Credit Card Bank Fee	50,000	50,000	40,503
Photoprocessing	3,865	3,865	3,570

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Recreation - Continued			
Supplies and Expenses - Teen Program	\$ 4,000	4,000	2,005
Unemployment	-	-	2,136
Refunds	-	-	18
Participant & Staff Clothing	-	-	181
Cash Short	-	-	446
Vehicle Replacement Fees	5,000	5,000	5,000
Miscellaneous	1,900	1,900	3,345
	<u>954,665</u>	<u>955,785</u>	<u>920,733</u>
Libertyville Golf Course			
Salaries - Administration	4,190	4,190	1,339
Salaries - Pro Shop	22,920	22,920	21,042
Salaries - Maintenance	68,760	68,760	67,126
Employer Contribution - IMRF	6,345	6,345	4,986
Employer Contribution - FICA & Medicare	7,335	7,335	6,754
Materials and Supplies	650	650	361
Electricity	2,000	2,000	104
Telephone	2,400	2,400	2,304
Maintenance - Building	805	805	531
Maintenance - Grounds	12,450	12,450	10,820
Maintenance - Motor Vehicles	1,275	1,275	1,535
Maintenance - Other Equipment	8,500	8,500	3,035
Intergovernmental Risk Management Agency	13,795	13,795	13,861
Publicity	-	-	3,103
Travel, Training, Subscriptions and Dues	800	800	830
Golf Course Supplies	1,450	1,450	526
Special Events	4,100	4,100	501
Pro Shop Merchandise	475	475	95
Unemployment Insurance	6,490	6,490	5,469
Uniform	300	300	81
Vehicle Replacement Fees	5,000	5,000	5,000
Miscellaneous	150	150	88
	<u>170,190</u>	<u>170,190</u>	<u>149,491</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Swimming Pool			
Salaries - Administration	\$ 31,485	31,485	30,425
Salaries - Concessions	11,330	11,330	10,728
Salaries - Public Swim	109,920	109,920	104,729
Salaries - Swim Lessons	72,575	72,575	62,836
Employer Contribution - IMRF	2,890	2,890	2,821
Employer Contribution - FICA & Medicare	17,235	17,235	15,960
Supplies - Swim Lessons	2,000	2,000	1,458
Materials and Supplies	3,500	3,500	3,495
Supplies - Maintenance	1,250	1,250	1,157
Electricity	20,000	20,000	20,009
North Shore Gas	34,000	34,000	21,886
Maintenance - Building	4,250	4,250	2,893
Maintenance - Office Equipment	250	250	362
Maintenance - Pools	20,425	20,425	16,141
Intergovernmental Risk Management Agency	13,795	13,795	14,243
Office Supplies	300	300	1,215
Travel, Training, Subscriptions and Dues	1,120	1,120	849
Equipment Rental	815	815	938
Concession Expense	17,500	17,500	19,744
Special Events	2,400	2,400	2,610
Printing and Photocopying	900	900	928
Uniforms	4,670	4,670	8,349
Capital Outlay	4,250	4,250	4,235
Miscellaneous	2,700	2,700	3,288
	<u>379,560</u>	<u>379,560</u>	<u>351,299</u>
Total Culture and Recreation	<u>2,797,670</u>	<u>2,859,710</u>	<u>2,803,372</u>
Total Expenditures	<u>20,396,286</u>	<u>20,990,841</u>	<u>20,686,438</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Debt Service Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Property Taxes	\$ 220,000	220,000	228,378
Intergovernmental			
Sales Tax	812,840	812,840	809,351
Interest	5,000	5,000	13,644
Total Revenues	<u>1,037,840</u>	<u>1,037,840</u>	<u>1,051,373</u>
<b>Expenditures</b>			
Debt Service			
Principal Retirement	1,215,000	1,215,000	1,215,000
Interest	243,205	243,205	242,932
Fiscal Charges	4,200	4,200	3,000
Total Expenditures	<u>1,462,405</u>	<u>1,462,405</u>	<u>1,460,932</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(424,565)	(424,565)	(409,559)
<b>Other Financing Sources</b>			
Transfers In	426,085	426,085	426,085
Net Change in Fund Balance	<u>1,520</u>	<u>1,520</u>	16,526
Fund Balance - Beginning			<u>945,055</u>
Fund Balance - Ending			<u><u>961,581</u></u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Licenses and Permits			
Park Impact Fees	\$ 447,000	447,000	452,396
Vehicle Licenses	358,000	358,000	400,404
Intergovernmental			
Federal Reimbursement	102,000	102,000	-
Motor Fuel Tax Allotments	602,000	602,000	601,837
Charges for Services			
Telecommunication Revenue	-	-	256,754
Interest	15,500	15,500	38,974
Miscellaneous	10,200	10,200	11,888
Total Revenues	<u>1,534,700</u>	<u>1,534,700</u>	<u>1,762,253</u>
<b>Expenditures</b>			
Capital Outlay	<u>1,497,950</u>	<u>1,497,950</u>	<u>764,755</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>36,750</u>	<u>36,750</u>	<u>997,498</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	55,000	55,000	530,000
Transfers Out	(79,585)	(79,585)	(79,585)
	<u>(24,585)</u>	<u>(24,585)</u>	<u>450,415</u>
Net Change in Fund Balance	<u>12,165</u>	<u>12,165</u>	1,447,913
Fund Balance - Beginning			<u>985,563</u>
Fund Balance - Ending			<u><u>2,433,476</u></u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Capital Improvement - Capital Projects Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Capital Outlay			
Maintenance Streets and Alley	\$ 25,000	25,000	-
Asphalt Resurfacing	545,000	545,000	339,513
Village Hall	3,500	3,500	5,384
Civic Center	2,000	2,000	-
Public Works Building	53,200	53,200	53,767
Fire Stations	7,000	7,000	3,650
Schertz Municipal Building	38,200	38,200	26,052
Park Improvement	86,000	86,000	30,960
Annual Road Improvement Program	340,000	340,000	9,409
Streetlight Replacement	30,000	30,000	29,369
Butterfield Sidewalk, Light, Signal	130,000	130,000	117,128
Engineering Fourth/Garfield	10,000	10,000	47,458
Lake Street Bridge Replacement	145,000	145,000	5,032
Sidewalks and Bike Paths	65,000	65,000	74,650
Miscellaneous	18,050	18,050	22,383
Total Expenditures	<u>1,497,950</u>	<u>1,497,950</u>	<u>764,755</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Tax Increment Financing Construction - Capital Projects Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Revenues</b>			
Taxes			
Property Tax	\$ 1,752,000	1,752,000	1,932,184
Intergovernmental			
Sales Tax	143,000	143,000	149,328
Interest	30,000	30,000	161,739
Miscellaneous			
Other	1,600,000	1,600,000	1,666,409
<b>Total Revenues</b>	<b>3,525,000</b>	<b>3,525,000</b>	<b>3,909,660</b>
<b>Expenditures</b>			
Economic Development			
Maintenance Streetscape	23,550	23,550	15,493
Intergovernmental Risk Management Agency	57,575	57,575	19,056
Consulting Services	17,500	17,500	27,203
Storm Sewer Improvements	20,000	20,000	-
Landscape/Streetscape	3,000	3,000	-
Watermain Replacement	75,000	75,000	-
Parking Improvements	185,000	185,000	-
Sidewalk Replacement	10,000	10,000	-
Land Acquisition	-	872,900	872,893
Loan Pools	100	100	-
Miscellaneous	5,000	5,000	4,798
<b>Total Expenditures</b>	<b>396,725</b>	<b>1,269,625</b>	<b>939,443</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,128,275	2,255,375	2,970,217
<b>Other Financing (Uses)</b>			
Transfers Out	(218,525)	(218,525)	(218,525)
<b>Net Change in Fund Balance</b>	<b>2,909,750</b>	<b>2,036,850</b>	<b>2,751,692</b>
Fund Balance - Beginning			<u>1,898,884</u>
Fund Balance - Ending			<u><u>4,650,576</u></u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Commuter Parking - Special Revenue Fund**

**Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Permit Fees	\$ 138,000	138,000	147,290
Daily Fees	156,500	156,500	172,332
Interest	15,000	15,000	30,098
Total Revenues	<u>309,500</u>	<u>309,500</u>	<u>349,720</u>
Expenditures			
General Government	<u>196,295</u>	<u>196,295</u>	<u>165,605</u>
Net Change in Fund Balance	<u>113,205</u>	<u>113,205</u>	184,115
Fund Balance - Beginning			<u>726,630</u>
Fund Balance - Ending			<u>910,745</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Commuter Parking - Special Revenue Fund**

**Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2007**

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	Budget		Actual
	Original	Final	
General Government			
Salaries	\$ 52,470	52,470	54,632
Employer Contribution - IMRF	5,250	5,250	5,168
Employer Contribution - FICA & Medicare	4,005	4,005	3,986
Materials and Supplies	5,000	5,000	1,014
Electricity	8,000	8,000	4,595
Maintenance - Grounds	47,050	47,050	40,495
Insurance	14,920	14,920	14,806
Intergovernmental Risk Management Agency	12,800	12,800	4,101
Rental of Land	10,300	10,300	10,300
Refunds	1,500	1,500	1,800
Major Repairs	20,000	20,000	18,425
Milwaukee Station Improvements	10,000	10,000	-
Miscellaneous	5,000	5,000	6,283
Total Expenditures	196,295	196,295	165,605

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**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Waterworks and Sewerage - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Operating Revenues</b>			
Charges for Services			
Water Sales	\$ 3,912,300	3,912,300	3,935,662
Sewer Service Charges	2,219,000	2,219,000	2,221,981
Damage to Village Property	1,000	1,000	5
Meters and Readouts	25,000	25,000	28,935
Miscellaneous	6,000	6,000	6,078
<b>Total Operating Revenues</b>	<b>6,163,300</b>	<b>6,163,300</b>	<b>6,192,661</b>
<b>Operating Expenses</b>			
Operations			
Water Operations	3,656,790	3,656,790	3,404,182
Sewer Operations	777,845	777,845	720,074
Wastewater Treatment Plant	1,074,540	1,074,540	985,041
Water and Sewer Capital Improvements	3,375,000	3,375,000	576,775
Depreciation	-	-	1,054,302
<b>Total Operating Expenses</b>	<b>8,884,175</b>	<b>8,884,175</b>	<b>6,740,374</b>
<b>Operating Income (Loss)</b>	<b>(2,720,875)</b>	<b>(2,720,875)</b>	<b>(547,713)</b>
<b>Nonoperating Revenues (Expenses)</b>			
Interest Income	85,000	85,000	252,059
Connection Fees	590,250	590,250	611,285
Property Tax	26,780	26,780	31,542
Other Income	-	-	8,000
Loss on Disposal of Capital Assets	-	-	(35,151)
Interest and Fiscal Charges	(143,210)	(203,210)	(272,282)
	<b>558,820</b>	<b>498,820</b>	<b>595,453</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(2,162,055)</b>	<b>(2,222,055)</b>	<b>47,740</b>
<b>Capital Contributions</b>	-	-	<b>695,648</b>
<b>Transfers Out</b>	<b>(102,975)</b>	<b>(102,975)</b>	<b>(102,975)</b>
<b>Change in Net Assets</b>	<b>(2,265,030)</b>	<b>(2,325,030)</b>	<b>640,413</b>
<b>Net Assets - Beginning</b>			<b>24,802,967</b>
<b>Net Assets - Ending</b>			<b>25,443,380</b>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
<b>Operations</b>			
<b>Water Operations</b>			
Salaries - Administrative	\$ 175,660	175,660	111,312
Salaries - Clerical	148,410	148,410	146,766
Salaries - Engineering	123,580	123,580	122,243
Salaries - Maintenance	356,880	356,880	360,894
Employer Contribution - IMRF	76,215	76,215	74,653
Employer Contribution - FICA & Medicare	58,820	58,820	55,701
Materials and Supplies	8,500	8,500	8,242
Electricity	27,100	27,100	35,047
North Shore Gas	8,000	8,000	7,039
Telephone	7,500	7,500	8,292
Maintenance - Building and Grounds	7,250	7,250	7,057
Maintenance - Motor Vehicles	21,550	21,550	21,550
Maintenance - Other Equipment	6,000	6,000	10,192
Maintenance - Water Lines	22,000	22,000	21,775
Insurance	57,860	57,860	60,107
Intergovernmental Risk Management Agency	30,405	30,405	32,374
Postage	13,500	13,500	8,558
Office Supplies	1,500	1,500	1,867
Travel, Training, Subscriptions and Dues	3,500	3,500	3,321
Technical Services	48,400	48,400	34,957
Meters - New Construction	35,000	35,000	20,601
Credit Card Fees	-	-	3,060
Sick Leave Buy Back	-	-	24,130
Uniforms	3,200	3,200	2,286
Bad Debt Expense	-	-	121
Technology Equipment and Replacement	30,000	30,000	30,000
Capital Outlay	4,000	4,000	3,476
Vehicle Replacement Fees	31,960	31,960	31,960
Purchase of Water - CLCJAWA	2,349,000	2,349,000	2,155,213
Miscellaneous	1,000	1,000	1,388
	<u>3,656,790</u>	<u>3,656,790</u>	<u>3,404,182</u>
<b>Sewer Operations</b>			
Salaries - Administrative	127,455	127,455	62,221
Salaries - Engineering	76,880	76,880	79,381
Salaries - Maintenance	250,170	250,170	242,749

VILLAGE OF LIBERTYVILLE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Operations - Continued			
Sewer Operations - Continued			
Employer Contribution - IMRF	\$ 43,025	43,025	41,333
Employer Contribution - FICA & Medicare	32,990	32,990	30,944
Materials and Supplies	3,500	3,500	4,396
County Sewer Service	43,000	43,000	42,556
Telephone	-	-	716
Maintenance - Motor Equipment	11,900	11,900	11,900
Maintenance - Lift Stations	32,200	32,200	32,608
Maintenance - Sewer Lines	33,200	33,200	10,647
Insurance	35,525	35,525	34,445
Intergovernmental Risk Management Agency	30,150	30,150	33,600
Postage	6,500	6,500	6,795
Office Supplies	-	-	198
Travel, Training, Subscriptions and Dues	200	200	275
Technical Services	1,700	1,700	2,091
Sick Leave Buy Back	-	-	24,130
Uniforms	1,250	1,250	1,036
Amortization Schedule Expense	-	-	9,596
Technology Equipment and Replacement	30,000	30,000	30,000
Vehicle Replacement Fees	17,700	17,700	17,700
Miscellaneous	500	500	757
	<u>777,845</u>	<u>777,845</u>	<u>720,074</u>
Wastewater Treatment Plant			
Salaries - Administrative	61,530	61,530	29,475
Salaries - Operators	316,945	316,945	325,027
Employer Contribution - IMRF	36,610	36,610	35,976
Employer Contribution - FICA & Medicare	27,880	27,880	26,789
Materials and Supplies	27,400	27,400	26,698
Chemicals	18,575	18,575	14,605
Electricity	215,100	215,100	198,206
North Shore Gas	36,000	36,000	46,118
Telephone	4,800	4,800	4,844
Maintenance - Building and Grounds	18,300	18,300	13,542
Maintenance - Motor Equipment	11,735	11,735	11,735
Maintenance - Other Equipment	35,250	35,250	48,494

VILLAGE OF LIBERTYVILLE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Operations - Continued			
Wastewater Treatment Plant - Continued			
Sludge Removal	\$ 120,780	120,780	46,726
Refuse Disposal	950	950	-
Insurance	57,860	57,860	60,107
Intergovernmental Risk Management Agency	30,405	30,405	31,667
Travel, Training, Subscriptions and Dues	700	700	592
Technical Services	22,950	22,950	22,991
Sick Leave Buy Back	-	-	11,533
Uniforms	3,100	3,100	2,457
Technology Equipment and Replacement	15,000	15,000	15,000
Vehicle Replacement Fees	12,170	12,170	12,170
Miscellaneous	500	500	289
	<u>1,074,540</u>	<u>1,074,540</u>	<u>985,041</u>
Water and Sewer Capital Improvements			
Sanitary Sewer Improvements	600,000	600,000	604,904
Watermain Replacements	-	-	(644)
WWTP Improvements	370,000	370,000	32,141
Butterfield Road Watermain Loop	400,000	400,000	1,179
Sanitary Sewer Repairs	120,000	120,000	30,064
Water and Sewer River Crossing	1,135,000	1,135,000	7,090
Butterfield Corridor Replacement	140,000	140,000	4,965
Replacement Meters	25,000	25,000	10,151
Hydrants, Valves, Miscellaneous	15,000	15,000	20,150
Water Storage Tank Rehabilitation	520,000	520,000	1,213,009
Miscellaneous	50,000	50,000	21,734
	<u>3,375,000</u>	<u>3,375,000</u>	<u>1,944,743</u>
Less Nonoperating Items			
Fixed Assets Capitalized	-	-	(1,367,968)
	<u>3,375,000</u>	<u>3,375,000</u>	<u>576,775</u>
 Total Operations	 <u>8,884,175</u>	 <u>8,884,175</u>	 <u>5,686,072</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Waterworks and Sewerage - Enterprise Fund**

**Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2007**

	Capital Assets			
	Beginning Balances	Additions	Retirements/ Transfers	Balances Ending
Land and Improvements	\$ 2,272,080	-	-	2,272,080
Buildings and Improvements	14,016,621	-	-	14,016,621
Machinery and Equipment	1,684,716	-	-	1,684,716
Waterworks System	12,930,848	758,364	40,856	13,648,356
Sewerage System	13,631,993	609,604	40,857	14,200,740
<b>Total Fixed Assets</b>	<b>44,536,258</b>	<b>1,367,968</b>	<b>81,713</b>	<b>45,822,513</b>
	Accumulated Depreciation			
	Beginning Balances as Restated	Additions	Retirements/ Transfers	Balances Ending
Buildings and Improvements	6,430,871	324,703	-	6,755,574
Machinery and Equipment	1,278,788	50,472	-	1,329,260
Waterworks System	5,846,991	331,729	31,241	6,147,479
Sewerage System	6,408,353	347,398	15,321	6,740,430
<b>Total Accumulated Depreciation</b>	<b>19,965,003</b>	<b>1,054,302</b>	<b>46,562</b>	<b>20,972,743</b>
<b>Total Fixed Assets (Net of Accumulated Depreciation)</b>	<b>24,571,255</b>			<b>24,849,770</b>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Libertyville Sports Complex - Enterprise Fund**

**Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Indoor Sports Center	\$ 2,669,315	2,669,315	2,388,335
Golf Learning Center	633,975	633,975	551,823
Family Entertainment Center	181,800	181,800	134,909
Total Operating Revenues	<u>3,485,090</u>	<u>3,485,090</u>	<u>3,075,067</u>
Operating Expenses			
Operations			
Indoor Sports Center	1,729,605	1,729,605	1,715,360
Golf Learning Center	404,205	404,205	385,967
Family Entertainment Center	79,230	79,230	78,442
Depreciation	-	-	477,629
Total Operating Expenses	<u>2,213,040</u>	<u>2,213,040</u>	<u>2,657,398</u>
Operating Income	1,272,050	1,272,050	417,669
Nonoperating Expenses			
Interest and Fiscal Charges	<u>(1,723,240)</u>	<u>(1,723,240)</u>	<u>(1,176,787)</u>
Change in Net Assets	<u>(451,190)</u>	<u>(451,190)</u>	(759,118)
Net Assets - Beginning			<u>(5,943,436)</u>
Net Assets - Ending			<u><u>(6,702,554)</u></u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Libertyville Sports Complex - Enterprise Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Operations			
Indoor Sports Center			
Salaries - Administrative	\$ 163,250	163,250	162,195
Salaries - Maintenance	114,425	114,425	112,718
Salaries - Fitness	256,740	256,740	231,617
Salaries - Conference/Front Desk/Parties	200,480	200,480	203,097
Salaries - Programs	106,090	106,090	84,212
Employer Contribution - IMRF	49,195	49,195	47,718
Employer Contribution - FICA & Medicare	63,810	63,810	59,379
Materials and Supplies	17,000	17,000	14,760
Contracted Services	115,280	115,280	108,460
Electricity	170,300	170,300	179,707
North Shore Gas	29,000	29,000	23,537
Telephone	5,500	5,500	4,470
Maintenance - Building	161,000	161,000	171,500
Maintenance - Independent Contractors	6,650	6,650	23,367
Maintenance - Grounds	9,500	9,500	8,354
Corporate Contracted Services	75,000	75,000	118,226
Insurance	56,235	56,235	70,460
Intergovernmental Risk Management Agency	49,780	49,780	19,127
Office Supplies	3,000	3,000	1,984
Publicity	-	-	70
Materials and Supplies - Adult Athletic Programs	11,350	11,350	3,006
Travel, Training, Subscriptions and Dues	500	500	611
Materials and Supplies - Conference Rooms	2,500	2,500	2,484
Materials and Supplies - Fitness	12,000	12,000	12,606
Medical Supplies	-	-	96
Credit Card Bank Fee	25,000	25,000	21,003
Club Volleyball	-	-	4,930
Photoprocessing	8,220	8,220	6,110
Goose Drop Expense	-	-	4,081
Refunds	-	-	94
Climbing Wall/Front Desk	5,800	5,800	1,324
Cash Short/Over	-	-	1,541
Technology Equipment & Replacement	12,000	12,000	12,000
Miscellaneous	-	-	516
	<u>1,729,605</u>	<u>1,729,605</u>	<u>1,715,360</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Libertyville Sports Complex - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Operations - Continued			
Golf Learning Center			
Salaries - Administrative	\$ 35,785	35,785	40,645
Salaries - Maintenance	70,250	70,250	72,779
Salaries - Pro Shop	72,100	72,100	52,527
Employer Contribution - IMRF	14,585	14,585	13,115
Employer Contribution - FICA & Medicare	13,625	13,625	12,467
Materials and Supplies	2,650	2,650	2,642
Electricity	17,150	17,150	12,270
North Shore Gas	8,000	8,000	9,885
Telephone	2,400	2,400	2,225
Maintenance - Building	2,500	2,500	1,891
Maintenance - Grounds	16,250	16,250	14,835
Maintenance - Motor Vehicle Fees	-	-	27
Maintenance - Other Equipment	5,000	5,000	3,604
Contractual - Golf Lessons	46,000	46,000	53,345
Insurance	11,170	11,170	12,418
Intergovernmental Risk Management Agency	19,190	19,190	6,152
Postage	-	-	189
Office Supplies	500	500	642
Travel, Training, Subscriptions and Dues	300	300	609
Materials and Supplies - Concessions	-	-	74
Materials and Supplies - Pro Shop	24,550	24,550	24,844
Materials and Supplies - Lessons	-	-	310
Pro Shop Merchandise	40,000	40,000	47,621
Photoprocessing	1,000	1,000	493
Uniforms	700	700	293
Miscellaneous	500	500	65
	<u>404,205</u>	<u>404,205</u>	<u>385,967</u>
Family Entertainment Center			
Salaries - Administrative	-	-	604
Salaries - Maintenance	25,020	25,020	26,049
Salaries - Attendants	18,540	18,540	16,907
Employer Contribution - IMRF	2,450	2,450	2,538
Employer Contribution - FICA & Medicare	3,330	3,330	3,264
Materials and Supplies	1,000	1,000	9

VILLAGE OF LIBERTYVILLE, ILLINOIS

Libertyville Sports Complex - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Operations - Continued			
Family Entertainment Center - Continued			
Electricity	\$ 8,100	8,100	5,618
North Shore Gas	3,500	3,500	2,043
Telephone	1,300	1,300	1,308
Maintenance - Building	1,500	1,500	781
Maintenance - Grounds	2,000	2,000	870
Intergovernmental Risk Management Agency	10,235	10,235	3,281
Technical Services	-	-	14,062
Office Supplies	300	300	-
Materials and Supplies - Mini Golf	950	950	-
Materials and Supplies - Batting Cages	500	500	192
Photoprocessing	505	505	504
Miscellaneous	-	-	412
	<u>79,230</u>	<u>79,230</u>	<u>78,442</u>
 Total Operating Expenses	 <u>2,213,040</u>	 <u>2,213,040</u>	 <u>2,179,769</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Libertyville Sports Complex - Enterprise Fund

Schedule of Capital Assets and Depreciation

Year Ended April 30, 2007

	Capital Assets			
	Beginning Balances	Additions	Retirements/ Transfers	Balances Ending
Land	\$ 4,771,168	-	-	4,771,168
Buildings and Improvements	17,447,100	-	-	17,447,100
Machinery and Equipment	448,436	-	-	448,436
Total Fixed Assets	<u>22,666,704</u>	-	-	<u>22,666,704</u>

	Accumulated Depreciation			
	Beginning Balances as Restated	Additions	Retirements/ Transfers	Balances Ending
Buildings and Improvements	1,081,961	432,785	-	1,514,746
Machinery and Equipment	112,109	44,844	-	156,953
Total Accumulated Depreciation	<u>1,194,070</u>	<u>477,629</u>	-	<u>1,671,699</u>
Total Fixed Assets (Net of Accumulated Depreciation)	<u>21,472,634</u>			<u>20,995,005</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Combining Statement of Net Assets - Internal Service Funds  
April 30, 2007

ASSETS	Vehicle Maintenance and Replacement Service	Technology Equipment and Replacement Service	Total
<b>Current Assets</b>			
Cash and Investments	\$ 899,367	97,334	996,701
Receivables - Net of Allowances			
Accounts	1,414	64,500	65,914
Accrued Interest	8,447	-	8,447
Inventories	23,896	-	23,896
Prepays	9,843	-	9,843
	<u>942,967</u>	<u>161,834</u>	<u>1,104,801</u>
<b>Capital Assets</b>			
Machinery and Equipment	5,807,499	38,335	5,845,834
Accumulated Depreciation	(3,158,617)	(3,833)	(3,162,450)
	<u>2,648,882</u>	<u>34,502</u>	<u>2,683,384</u>
<b>Total Assets</b>	<u>3,591,849</u>	<u>196,336</u>	<u>3,788,185</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	32,359	7,136	39,495
Accrued Payroll	13,748	3,909	17,657
Deferred Revenues	2,205	442,000	444,205
Compensated Absences Payable	3,980	1,976	5,956
Installment Contracts Payable	241,735	-	241,735
	<u>294,027</u>	<u>455,021</u>	<u>749,048</u>
<b>Noncurrent Liabilities</b>			
Compensated Absences Payable	15,920	7,906	23,826
Installment Contracts Payable	291,674	-	291,674
	<u>307,594</u>	<u>7,906</u>	<u>315,500</u>
<b>Total Liabilities</b>	<u>601,621</u>	<u>462,927</u>	<u>1,064,548</u>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	2,115,473	34,502	2,149,975
Unrestricted	874,755	(301,093)	573,662
	<u>2,990,228</u>	<u>(266,591)</u>	<u>2,723,637</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Combining Statement of Revenues, Expenses, and Changes in Net Assets  
 Internal Service Funds  
 Year Ended April 30, 2007

	Vehicle Maintenance and Replacement Service	Technology Equipment and Replacement Service	Total
Operating Revenues			
Interfund Services	\$ 1,336,733	343,754	1,680,487
Operating Expenses			
Operations	956,710	244,482	1,201,192
Depreciation	378,633	3,833	382,466
Total Operating Expenses	1,335,343	248,315	1,583,658
Operating Income	1,390	95,439	96,829
Nonoperating Revenues (Expenses)			
Interest Income	21,127	803	21,930
Other Income	29,072	48,300	77,372
Interest and Fiscal Charges	(40,912)	-	(40,912)
	9,287	49,103	58,390
Change in Net Assets	10,677	144,542	155,219
Net Assets - Beginning	2,979,551	(411,133)	2,568,418
Net Assets - Ending	2,990,228	(266,591)	2,723,637

VILLAGE OF LIBERTYVILLE, ILLINOIS

Combining Statement of Cash Flows - Internal Service Funds  
Year Ended April 30, 2007

	Vehicle Maintenance and Replacement Service	Technology Equipment and Replacement Service	Total
<b>Cash Flows from Operating Activities</b>			
Receipts from Interfund Services	\$ 1,355,027	392,195	1,747,222
Payments to Employees	(276,878)	(55,026)	(331,904)
Payments to Suppliers	(695,910)	(247,250)	(943,160)
	<u>382,239</u>	<u>89,919</u>	<u>472,158</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of Capital Assets	(197,248)	(38,335)	(235,583)
Issuance of Capital Debt	126,890	-	126,890
Interest on Capital Debt	(40,912)	-	(40,912)
Principal on Capital Debt	(212,855)	(6,698)	(219,553)
	<u>(324,125)</u>	<u>(45,033)</u>	<u>(369,158)</u>
<b>Cash Flows from Investing Activities</b>			
Interest Received	<u>21,127</u>	<u>803</u>	<u>21,930</u>
Net Change in Cash and Cash Equivalents	79,241	45,689	124,930
Cash and Cash Equivalents - Beginning	<u>820,126</u>	<u>97,334</u>	<u>917,460</u>
Cash and Cash Equivalents - Ending	<u><u>899,367</u></u>	<u><u>143,023</u></u>	<u><u>1,042,390</u></u>
<b>Reconciliation of Operating Income to Net Cash</b>			
Provided (Used) by Operating Activities			
Operating Income (Loss)	<u>1,390</u>	<u>95,439</u>	<u>96,829</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	378,633	3,833	382,466
Other Income	29,072	48,300	77,372
(Increase) Decrease in Current Assets	(10,778)	141	(10,637)
Increase (Decrease) in Current Liabilities	<u>(16,078)</u>	<u>(57,794)</u>	<u>(73,872)</u>
Net Cash Provided by Operating Activities	<u><u>382,239</u></u>	<u><u>89,919</u></u>	<u><u>472,158</u></u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Vehicle Maintenance and Replacement Service - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Assets  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,211,360	1,211,360	1,336,733
Operating Expenses			
Operations	998,830	1,026,830	956,710
Depreciation	-	-	378,633
Total Operating Expenses	998,830	1,026,830	1,335,343
Operating Income	212,530	184,530	1,390
Nonoperating Revenues (Expenses)			
Interest Income	8,000	8,000	21,127
Other Income	5,000	5,000	29,072
Interest and Fiscal Charges	-	-	(40,912)
	13,000	13,000	9,287
Change in Net Assets	225,530	197,530	10,677
Net Assets - Beginning			2,979,551
Net Assets - Ending			2,990,228

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Vehicle Maintenance and Replacement Service - Internal Service Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Operations			
Salaries - Administration	\$ 85,100	85,100	84,781
Salaries - Clerical	4,760	4,760	5,073
Salaries - Maintenance	181,380	181,380	187,024
Employer Contribution - IMRF	27,125	27,125	27,142
Employer Contribution - FICA & Medicare	20,750	20,750	20,029
Shop Supplies	5,500	5,500	2,829
Tools	3,500	3,500	1,653
Gasoline and Oil	209,050	209,050	223,432
Maintenance Shop Facilities	1,000	1,000	-
Vehicle Washing	4,000	4,000	3,017
Non-Stocked Vehicle Parts	85,000	95,000	95,347
Maintenance Other Equipment	5,500	5,500	4,611
Insurance	59,670	59,670	59,225
Intergovernmental Risk Management Agency	18,025	26,025	16,054
Travel, Training and Dues	700	700	654
Contractual Repair Services	12,000	22,000	32,706
Uniforms	1,400	1,400	1,585
License, Title and Inspection Fees	2,400	2,400	2,536
Transfer Vehicle Replacement	5,820	5,820	-
Vehicle Replacement Costs	172,900	172,900	129,081
Fire Contractual Repairs	35,000	35,000	21,903
Police Contractual Repairs	4,000	4,000	4,893
Accident Damage Expense	10,000	10,000	32,740
Capital Outlay	43,500	43,500	197,248
Miscellaneous	750	750	395
	<u>998,830</u>	<u>1,026,830</u>	<u>1,153,958</u>
Less Nonoperating Items			
Fixed Assets Capitalized	-	-	(197,248)
Total Operations	<u>998,830</u>	<u>1,026,830</u>	<u>956,710</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Vehicle Maintenance and Replacement Service - Internal Service Fund

Schedule of Capital Assets and Depreciation

Year Ended April 30, 2007

	Capital Assets			
	Beginning Balances	Additions	Retirements/ Transfers	Balances Ending
Machinery and Equipment	\$ 5,657,251	197,248	47,000	5,807,499

	Accumulated Depreciation			
	Beginning Balances	Additions	Retirements/ Transfers	Balances Ending
Machinery and Equipment	2,826,984	378,633	47,000	3,158,617

Total Fixed Assets (Net of Accumulated Depreciation)	<u>2,830,267</u>			<u>2,648,882</u>
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VILLAGE OF LIBERTYVILLE, ILLINOIS

Technology Equipment and Replacement Service - Internal Service Fund

Schedule of Revenues, Expenses and Changes in Net Assets  
Year Ended April 30, 2007

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 352,000	352,000	343,754
Operating Expenses			
Operations	351,595	351,595	244,482
Depreciation	-	-	3,833
Total Operating Expenses	351,595	351,595	248,315
Operating Income	405	405	95,439
Nonoperating Revenues			
Interest Income	100	100	803
Other Income	22,000	22,000	48,300
	22,100	22,100	49,103
Change in Net Assets	22,505	22,505	144,542
Net Assets - Beginning			(411,133)
Net Assets - Ending			(266,591)

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Technology Equipment Replacement - Internal Service Fund**

**Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
Operations			
Salaries Administration	\$ 79,110	79,110	55,026
Employer Contribution - IMRF	7,910	7,910	7,926
Employer Contribution - FICA & Medicare	6,050	6,050	6,377
Computer Supplies	12,000	12,000	12,662
Wireless Service	25,000	25,000	22,774
Motor Vehicles Maintenance	2,800	2,800	2,800
Hardware Maintenance	5,000	5,000	5,426
Internet Access	17,250	17,250	12,465
Insurance	100	100	256
Travel, Training, Subscriptions and Dues	500	500	458
Consulting Services	15,000	15,000	12,092
Software, Licensing and Updates	65,875	65,875	52,305
Web Page Services	20,000	20,000	5,652
Computer Leases	6,800	6,800	100
Capital Outlay	87,200	87,200	85,856
Miscellaneous	1,000	1,000	642
	<u>351,595</u>	<u>351,595</u>	<u>282,817</u>
Less Nonoperating Items			
Fixed Assets Capitalized	-	-	(38,335)
			<u>(38,335)</u>
Total Operations	<u>351,595</u>	<u>351,595</u>	<u>244,482</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Technology Equipment Replacement - Internal Service Fund

Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2007

	Capital Assets			Balances Ending
	Beginning Balances	Additions	Retirements/ Transfers	
Machinery and Equipment	\$ -	38,335	-	38,335
	Accumulated Depreciation			
	Beginning Balances	Additions	Retirements/ Transfers	Balances Ending
Machinery and Equipment	-	3,833	-	3,833
Total Fixed Assets (Net of Accumulated Depreciation)	-			34,502

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Net Plan Assets  
April 30, 2007**

	Police Pension	Firefighters' Pension	Totals
<b>Assets</b>			
Cash and Cash Equivalents	\$ 804,280	3,152,455	3,956,735
<b>Investments</b>			
State and Local Obligations	805,861	-	805,861
U.S. Government and Agency Obligations	8,000,006	6,287,343	14,287,349
Mutual Funds	8,633,791	6,131,134	14,764,925
Receivables - Accrued Interest	75,240	92,231	167,471
Total Assets	18,319,178	15,663,163	33,982,341
<b>Liabilities</b>			
Accounts Payable	-	13,212	13,212
<b>Net Plan Assets Held in Trust for Pension Benefits</b> (A schedule of funding progress is presented following the notes to the financial statements)			
	18,319,178	15,649,951	33,969,129

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Pension Trust Funds**

**Combining Statement of Changes in Net Plan Assets  
Year Ended April 30, 2007**

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 798,558	549,589	1,348,147
Contributions - Plan Members	322,682	230,185	552,867
<b>Total Contributions</b>	<b>1,121,240</b>	<b>779,774</b>	<b>1,901,014</b>
<b>Investment Income</b>			
Interest Earned	747,931	704,494	1,452,425
Net Change in Fair Value	850,540	691,864	1,542,404
	1,598,471	1,396,358	2,994,829
Less Investment Expenses	(34,825)	(29,526)	(64,351)
	1,563,646	1,366,832	2,930,478
<b>Total Additions</b>	<b>2,684,886</b>	<b>2,146,606</b>	<b>4,831,492</b>
<b>Deductions</b>			
Administration	34,392	26,511	60,903
Benefits and Refunds			
Benefits	1,016,740	616,640	1,633,380
Refunds	-	107	107
<b>Total Deductions</b>	<b>1,051,132</b>	<b>643,258</b>	<b>1,694,390</b>
<b>Change in Net Assets</b>	<b>1,633,754</b>	<b>1,503,348</b>	<b>3,137,102</b>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning	16,685,424	14,146,603	30,832,027
Ending	18,319,178	15,649,951	33,969,129

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Police Pension - Pension Trust Fund**

**Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 799,000	799,000	798,558
Contributions - Plan Members	306,380	306,380	322,682
Total Contributions	<u>1,105,380</u>	<u>1,105,380</u>	<u>1,121,240</u>
Investment Income			
Interest Earned	625,000	625,000	747,931
Net Change in Fair Value	-	-	850,540
	<u>625,000</u>	<u>625,000</u>	<u>1,598,471</u>
Less Investment Expenses	(34,000)	(34,000)	(34,825)
	<u>591,000</u>	<u>591,000</u>	<u>1,563,646</u>
Net Investment Income			
Total Additions	<u>1,696,380</u>	<u>1,696,380</u>	<u>2,684,886</u>
<b>Deductions</b>			
Administration	25,100	25,100	34,392
Benefits	1,017,750	1,017,750	1,016,740
Total Deductions	<u>1,042,850</u>	<u>1,042,850</u>	<u>1,051,132</u>
<b>Change in Net Assets</b>	<u>653,530</u>	<u>653,530</u>	1,633,754
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning			<u>16,685,424</u>
Ending			<u>18,319,178</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Firefighters' Pension - Pension Trust Fund**

**Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended April 30, 2007**

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 559,000	559,000	549,589
Contributions - Plan Members	222,650	222,650	230,185
Total Contributions	<u>781,650</u>	<u>781,650</u>	<u>779,774</u>
Investment Income			
Interest Earned	395,000	395,000	704,494
Net Change in Fair Value	-	-	691,864
	<u>395,000</u>	<u>395,000</u>	<u>1,396,358</u>
Less Investment Expenses	(28,000)	(28,000)	(29,526)
Net Investment Income	<u>367,000</u>	<u>367,000</u>	<u>1,366,832</u>
Total Additions	<u>1,148,650</u>	<u>1,148,650</u>	<u>2,146,606</u>
<b>Deductions</b>			
Administration	7,350	26,350	26,511
Benefits and Refunds			
Benefits	549,490	589,490	616,640
Refunds	-	-	107
Total Deductions	<u>556,840</u>	<u>615,840</u>	<u>643,258</u>
<b>Change in Net Assets</b>	<u>591,810</u>	<u>532,810</u>	1,503,348
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning			<u>14,146,603</u>
Ending			<u>15,649,951</u>

**SUPPLEMENTAL SECTION**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Sales Tax Alternative Revenue Bond Series of 1997  
April 30, 2007**

Date of Issue	December 15, 1997
Date of Maturity	December 15, 2017
Authorized Issue	\$1,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.375% to 5.150%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 45,000	32,535	77,535	2007	16,267	2007	16,268
2007	50,000	30,465	80,465	2008	15,233	2008	15,232
2008	50,000	28,115	78,115	2009	14,057	2009	14,058
2009	55,000	25,715	80,715	2010	12,858	2010	12,857
2010	55,000	23,047	78,047	2011	11,523	2011	11,524
2011	60,000	20,353	80,353	2012	10,177	2012	10,176
2012	60,000	17,352	77,352	2013	8,676	2013	8,676
2013	65,000	14,353	79,353	2014	7,177	2014	7,176
2014	70,000	11,037	81,037	2015	5,519	2015	5,518
2015	70,000	7,468	77,468	2016	3,734	2016	3,734
2016	75,000	3,862	78,862	2017	1,931	2017	1,931
	<u>655,000</u>	<u>214,302</u>	<u>869,302</u>		<u>107,152</u>		<u>107,150</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Sales Tax Alternative Revenue Bond Series of 1998  
April 30, 2007**

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Date of Issue	November 15, 1998
Date of Maturity	December 15, 2008
Authorized Issue	\$3,695,000
Denomination of Bonds	\$5,000
Interest Rates	3.60% to 3.75%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 415,000	31,668	446,668	2007	15,834	2007	15,834
2007	435,000	16,313	451,313	2008	8,157	2008	8,156
	<u>850,000</u>	<u>47,981</u>	<u>897,981</u>		<u>23,991</u>		<u>23,990</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Limited Tax Bond Series of 2000**

**April 30, 2007**

Date of Issue	July 15, 2000
Date of Maturity	December 15, 2019
Authorized Issue	\$1,800,000
Denomination of Bonds	\$5,000
Interest Rates	5.20% to 5.70%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 15,000	92,708	107,708	2007	46,354	2007	46,354
2007	20,000	91,920	111,920	2008	45,960	2008	45,960
2008	30,000	90,606	120,606	2009	45,303	2009	45,303
2009	35,000	89,032	124,032	2010	44,516	2010	44,516
2010	140,000	87,194	227,194	2011	43,597	2011	43,597
2011	150,000	79,844	229,844	2012	39,922	2012	39,922
2012	155,000	71,970	226,970	2013	35,985	2013	35,985
2013	165,000	63,754	228,754	2014	31,877	2014	31,877
2014	175,000	54,844	229,844	2015	27,422	2015	27,422
2015	185,000	45,308	230,308	2016	22,654	2016	22,654
2016	195,000	35,040	230,040	2017	17,520	2017	17,520
2017	210,000	24,122	234,122	2018	12,061	2018	12,061
2018	215,000	12,256	227,256	2019	6,128	2019	6,128
	<u>1,690,000</u>	<u>838,598</u>	<u>2,528,598</u>		<u>419,299</u>		<u>419,299</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2001  
April 30, 2007**

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Date of Issue	October 23, 2001
Date of Maturity	December 15, 2008
Authorized Issue	\$2,600,000
Denomination of Bonds	\$5,000
Interest Rates	3.25% to 3.75%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 390,000	28,838	418,838	2007	14,419	2007	14,419
2007	405,000	15,188	420,188	2008	7,594	2008	7,594
	<u>795,000</u>	<u>44,026</u>	<u>839,026</u>		<u>22,013</u>		<u>22,013</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2003A  
April 30, 2007**

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Date of Issue	November 15, 2003
Date of Maturity	December 15, 2010
Authorized Issue	\$665,000
Denomination of Bonds	\$5,000
Interest Rates	1.50% to 2.90%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 100,000	9,206	109,206	2007	4,603	2007	4,603
2007	115,000	7,206	122,206	2008	3,603	2008	3,603
2008	100,000	4,674	104,674	2009	2,337	2009	2,337
2009	75,000	2,174	77,174	2010	1,087	2010	1,087
	<u>390,000</u>	<u>23,260</u>	<u>413,260</u>		<u>11,630</u>		<u>11,630</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2003B  
April 30, 2007**

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Date of Issue	November 15, 2003
Date of Maturity	December 15, 2008
Authorized Issue	\$1,360,000
Denomination of Bonds	\$5,000
Interest Rates	1.50% to 2.90%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 275,000	11,770	286,770	2007	5,885	2007	5,885
2007	285,000	6,270	291,270	2008	3,135	2008	3,135
	<u>560,000</u>	<u>18,040</u>	<u>578,040</u>		<u>9,020</u>		<u>9,020</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bond Series of 2000**

**April 30, 2007**

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Date of Issue	December 15, 2000
Date of Maturity	December 15, 2020
Authorized Issue	\$5,000,000
Denomination of Bonds	\$5,000
Interest Rates	5.125% to 5.150%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 215,000	217,082	432,082	2007	108,541	2007	108,541
2007	225,000	206,062	431,062	2008	103,031	2008	103,031
2008	235,000	194,532	429,532	2009	97,266	2009	97,266
2009	250,000	182,488	432,488	2010	91,244	2010	91,244
2010	260,000	169,674	429,674	2011	84,837	2011	84,837
2011	275,000	156,350	431,350	2012	78,175	2012	78,175
2012	285,000	142,256	427,256	2013	71,128	2013	71,128
2013	300,000	127,650	427,650	2014	63,825	2014	63,825
2014	320,000	112,276	432,276	2015	56,138	2015	56,138
2015	335,000	95,876	430,876	2016	47,938	2016	47,938
2016	355,000	78,706	433,706	2017	39,353	2017	39,353
2017	370,000	60,512	430,512	2018	30,256	2018	30,256
2018	390,000	41,458	431,458	2019	20,729	2019	20,729
2019	415,000	21,370	436,370	2020	10,685	2020	10,685
	<u>4,230,000</u>	<u>1,806,292</u>	<u>6,036,292</u>		<u>903,146</u>		<u>903,146</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Waterworks and Sewerage Bond Series of 2001A  
April 30, 2007**

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Date of Issue	October 23, 2001
Date of Maturity	May 1, 2013
Authorized Issue	\$5,290,000
Denomination of Bonds	\$5,000
Interest Rates	3.20% to 4.25%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2006	\$ 290,000	84,622	374,622	2007	44,848	2007	39,774
2007	310,000	73,813	383,813	2008	39,774	2008	34,039
2008	305,000	62,283	367,283	2009	34,039	2009	28,244
2009	320,000	50,079	370,079	2010	28,235	2010	21,844
2010	335,000	36,988	371,988	2011	21,844	2011	15,144
2011	350,000	23,113	373,113	2012	15,144	2012	7,969
2012	375,000	7,969	382,969	2013	7,969	2013	-
	<u>2,285,000</u>	<u>338,867</u>	<u>2,623,867</u>		<u>191,853</u>		<u>147,014</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Sports Complex Bond Series of 2001  
April 30, 2007**

Date of Issue	May 15, 2001
Date of Maturity	December 15, 2020
Authorized Issue	\$17,800,000
Denomination of Bonds	\$5,000
Interest Rates	4.250% to 5.125%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	American National Bank and Trust Company Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2006	\$ 700,000	814,238	1,514,238	2007	407,119	2007	407,119
2007	935,000	783,612	1,718,612	2008	391,806	2008	391,806
2008	970,000	742,706	1,712,706	2009	371,353	2009	371,353
2009	1,015,000	699,056	1,714,056	2010	349,528	2010	349,528
2010	1,050,000	653,382	1,703,382	2011	326,691	2011	326,691
2011	1,095,000	600,882	1,695,882	2012	300,441	2012	300,441
2012	1,145,000	546,132	1,691,132	2013	273,066	2013	273,066
2013	1,195,000	488,882	1,683,882	2014	244,441	2014	244,441
2014	1,255,000	429,132	1,684,132	2015	214,566	2015	214,566
2015	1,315,000	366,382	1,681,382	2016	183,191	2016	183,191
2016	1,380,000	300,632	1,680,632	2017	150,316	2017	150,316
2017	1,450,000	231,632	1,681,632	2018	115,816	2018	115,816
2018	1,515,000	159,132	1,674,132	2019	79,566	2019	79,566
2019	1,590,000	81,488	1,671,488	2020	40,744	2020	40,744
	<u>16,610,000</u>	<u>6,897,288</u>	<u>23,507,288</u>		<u>3,448,644</u>		<u>3,448,644</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2004**

**April 30, 2007**

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Date of Issue	May 11, 2004
Date of Maturity	December 15, 2020
Authorized Issue	\$2,435,000
Denomination of Bonds	\$5,000
Interest Rates	4.10% to 4.45%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Wells Fargo Bank, NA Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2007	\$ -	103,378	103,378	2007	51,689	2007	51,689
2008	125,000	103,378	228,378	2008	51,689	2008	51,689
2009	140,000	98,252	238,252	2009	49,126	2009	49,126
2010	140,000	92,512	232,512	2010	46,256	2010	46,256
2011	155,000	86,772	241,772	2011	43,386	2011	43,386
2012	165,000	80,418	245,418	2012	40,209	2012	40,209
2013	180,000	73,652	253,652	2013	36,826	2013	36,826
2014	195,000	66,272	261,272	2014	33,136	2014	33,136
2015	195,000	58,278	253,278	2015	29,139	2015	29,139
2016	210,000	50,088	260,088	2016	25,044	2016	25,044
2017	215,000	41,058	256,058	2017	20,529	2017	20,529
2018	225,000	31,704	256,704	2018	15,852	2018	15,852
2019	240,000	21,806	261,806	2019	10,903	2019	10,903
2020	250,000	11,124	261,124	2020	5,562	2020	5,562
	<u>2,435,000</u>	<u>918,692</u>	<u>3,353,692</u>		<u>459,346</u>		<u>459,346</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Waterworks and Sewerage Alternate Revenue Source Bond Series of 2006  
April 30, 2007**

Date of Issue	July 26, 2006
Date of Maturity	May 1, 2022
Authorized Issue	\$3,000,000
Denomination of Bonds	\$5,000
Interest Rates	3.900% to 4.200%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1
Payable at	J. P. Morgan Trust Company, National Association Chicago, Illinois

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Requirements			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2006	\$ -	123,192	123,192	2007	61,596	2007	61,596
2007	75,000	121,730	196,730	2008	61,596	2008	60,134
2008	80,000	118,708	198,708	2009	60,134	2009	58,574
2009	85,000	115,469	200,469	2010	58,574	2010	56,895
2010	85,000	112,111	197,111	2011	56,895	2011	55,216
2011	90,000	108,632	198,632	2012	55,216	2012	53,416
2012	95,000	104,932	199,932	2013	53,416	2013	51,516
2013	230,000	98,432	328,432	2014	51,516	2014	46,916
2014	240,000	88,972	328,972	2015	46,916	2015	42,056
2015	250,000	78,987	328,987	2016	42,056	2016	36,931
2016	260,000	68,500	328,500	2017	36,931	2017	31,569
2017	275,000	57,432	332,432	2018	31,569	2018	25,863
2018	290,000	45,708	335,708	2019	25,863	2019	19,845
2019	300,000	33,390	333,390	2020	19,845	2020	13,545
2020	315,000	20,475	335,475	2021	13,545	2021	6,930
2021	330,000	6,930	336,930	2022	6,930	2022	-
	<u>3,000,000</u>	<u>1,303,600</u>	<u>4,303,600</u>		<u>682,598</u>		<u>621,002</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1999**

**April 30, 2007**

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Date of Issue	March 1, 1995
Date of Maturity	September 1, 2014
Authorized Issue	\$2,854,333.36
Interest Rates	3.015%
Interest Dates	March 1 and September 1
Principal Maturity Date	March 1 and September 1
Payable at	Illinois Environmental Protection Agency

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Requirements		Totals
	Principal	Interest	
2008	\$ 158,500	38,397	196,897
2009	163,315	33,583	196,898
2010	168,276	28,622	196,898
2011	173,388	23,510	196,898
2012	178,654	18,243	196,897
2013	184,082	12,816	196,898
2014	189,673	7,224	196,897
2015	96,988	1,462	98,450
	<u>1,312,876</u>	<u>163,857</u>	<u>1,476,733</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

This part of the 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 says about the Village's overall financial health.

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the Park District's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Net Assets by Component - Last Four Fiscal Years  
April 30, 2007 (Unaudited)**

	2004	2005	2006	2007
<b>Governmental Activities</b>				
Invested in Capital Assets, Net of Related Debt Restricted	\$ 23,528,062	24,520,248	130,700,298	145,149,599
Unrestricted	1,201,639	1,725,315	1,206,999	1,298,287
	10,210,430	10,398,325	12,579,529	18,116,079
<b>Total Governmental Activities Net Assets</b>	<b>34,940,131</b>	<b>36,643,888</b>	<b>144,486,826</b>	<b>164,563,965</b>
<b>Business-Type Activities</b>				
Invested in Capital Assets, Net of Related Debt Unrestricted	18,271,947	18,071,513	18,046,127	16,156,592
	2,845,264	1,922,287	813,404	2,584,234
<b>Total Business-Type Activities Net Assets</b>	<b>21,117,211</b>	<b>19,993,800</b>	<b>18,859,531</b>	<b>18,740,826</b>
<b>Primary Government</b>				
Invested in Capital Assets, Net of Related Debt Restricted	41,800,009	42,591,761	148,746,425	161,306,191
Unrestricted	1,201,639	1,725,315	1,206,999	1,298,287
	13,055,694	12,320,612	13,392,933	20,700,313
<b>Total Primary Government Net Assets</b>	<b>56,057,342</b>	<b>56,637,688</b>	<b>163,346,357</b>	<b>183,304,791</b>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Changes in Net Assets - Last Four Fiscal Years  
April 30, 2007 (Unaudited)

	2004	2005	2006	2007
<b>Expenses</b>				
<b>Governmental Activities</b>				
General Government	\$ 2,684,660	2,767,055	2,594,575	2,468,057
Community Development	1,030,429	968,502	1,034,897	1,136,810
Public Safety	11,349,821	11,204,047	13,666,355	11,073,209
Public Works	2,275,270	2,011,215	3,225,742	3,730,768
Parks and Recreation	3,772,294	3,550,485	3,080,371	3,091,115
Economic Development	109,275	703,633	124,291	939,443
Interest on Long-Term Debt	409,403	305,035	269,242	234,969
<b>Total Governmental Activities Expenses</b>	<b>21,631,152</b>	<b>21,509,972</b>	<b>23,995,473</b>	<b>22,674,371</b>
<b>Business-Type Activities</b>				
Waterworks and Sewerage	6,734,485	6,507,588	7,303,198	7,047,807
Libertyville Sports Complex	5,178,720	4,553,222	3,987,449	3,834,185
<b>Total Business-Type Activities Net Assets</b>	<b>11,913,205</b>	<b>11,060,810</b>	<b>11,290,647</b>	<b>10,881,992</b>
<b>Total Primary Government Expenses</b>	<b>33,544,357</b>	<b>32,570,782</b>	<b>35,286,120</b>	<b>33,556,363</b>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
<b>Charges for Services</b>				
General Government	2,143,973	3,041,474	3,272,877	4,109,949
Community Development	138,654	196,770	330,339	423,194
Public Safety	2,688,795	2,473,544	2,656,464	2,773,671
Parks and Recreation	1,231,096	1,196,794	1,320,083	1,291,404
Capital Grants/Contributions	602,715	618,286	669,307	601,837
<b>Total Governmental Activities Program Revenues</b>	<b>6,805,233</b>	<b>7,526,868</b>	<b>8,249,070</b>	<b>9,200,055</b>
<b>Business-Type Activities</b>				
<b>Charges for Services</b>				
Waterworks and Sewerage	6,408,995	6,336,099	6,911,448	6,803,946
Libertyville Sports Complex	3,696,439	3,613,227	3,223,825	3,075,067
Capital Grants/Contributions	-	-	-	695,648
<b>Total Business-Type Activities Program Revenues</b>	<b>10,105,434</b>	<b>9,949,326</b>	<b>10,135,273</b>	<b>10,574,661</b>
<b>Total Primary Government Program Revenues</b>	<b>16,910,667</b>	<b>17,476,194</b>	<b>18,384,343</b>	<b>19,774,716</b>

	2004	2005	2006	2007
Net (Expense) Revenue				
Governmental Activities	\$ (14,825,919)	(13,983,104)	(15,746,403)	(13,474,316)
Business-Type Activities	(1,807,771)	(1,111,484)	(1,155,374)	(307,331)
Total Primary Government Net Revenue (Expense)	<u>(16,633,690)</u>	<u>(15,094,588)</u>	<u>(16,901,777)</u>	<u>(13,781,647)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes				
Property Taxes	5,523,186	5,938,095	6,405,525	6,868,027
Other Taxes	372,206	362,902	429,598	431,258
Intergovernmental				
Sales and Use Taxes	7,840,044	7,420,912	7,735,611	7,569,381
Income Taxes	1,253,563	1,404,226	1,584,940	1,748,207
Other	105,305	87,424	74,214	476,047
Interest Income	278,943	184,131	431,533	837,852
Miscellaneous	396,933	386,081	387,140	2,288,709
Transfers - Internal Activity	104,980	103,090	103,690	102,975
Total Governmental Activities	<u>15,875,160</u>	<u>15,886,861</u>	<u>17,152,251</u>	<u>20,322,456</u>
Business-Type Activities				
Taxes				
Property Taxes	26,784	26,784	26,784	31,542
Interest Income	120,813	56,379	90,327	252,059
Miscellaneous	8,000	8,000	8,000	8,000
Transfers - Internal Activity	(104,980)	(103,090)	(103,690)	(102,975)
Total Business-Type Activities	<u>50,617</u>	<u>(11,927)</u>	<u>21,421</u>	<u>188,626</u>
Total Primary Government	<u>15,925,777</u>	<u>15,874,934</u>	<u>17,173,672</u>	<u>20,511,082</u>
Changes in Net Assets				
Governmental Activities	1,049,241	1,903,757	1,405,848	6,848,140
Business-Type Activities	(1,757,154)	(1,123,411)	(1,133,953)	(118,705)
Total Primary Government	<u>(707,913)</u>	<u>780,346</u>	<u>271,895</u>	<u>6,729,435</u>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Fund Balances of Governmental Funds - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

	1998	1999	2000	2001
<b>General Fund</b>				
Reserved	\$ 969,885	582,820	557,096	653,212
Unreserved	6,702,752	8,670,642	8,911,332	9,111,821
<b>Total General Fund</b>	<b>7,672,637</b>	<b>9,253,462</b>	<b>9,468,428</b>	<b>9,765,033</b>
<b>All Other Governmental Funds</b>				
Reserved	1,434,709	3,521,775	1,521,010	3,372,098
Unreserved, Reported in:				
Special Revenues Funds	707,385	896,804	917,888	1,259,988
Debt Service Funds	-	-	-	-
Capital Improvement Funds	2,597,477	4,029,393	4,749,333	2,938,758
TIF Construction Funds	1,801,108	2,418,147	2,262,650	1,569,717
<b>Total All Other Governmental Funds</b>	<b>6,540,679</b>	<b>10,866,119</b>	<b>9,450,881</b>	<b>9,140,561</b>

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

2002	2003	2004	2005	2006	2007
228,459	135,163	916,115	774,395	838,445	969,572
9,798,777	9,314,620	9,528,874	9,567,686	9,706,124	10,658,159
10,027,236	9,449,783	10,444,989	10,342,081	10,544,569	11,627,731
2,227,315	916,915	926,948	923,409	945,150	1,909,238
1,833,148	1,402,840	429,909	552,921	726,535	-
-	90,342	-	-	-	-
1,919,439	239,165	553,721	1,292,885	985,563	2,433,476
(75,155)	(745,247)	(72,073)	380,723	1,898,884	4,613,664
5,904,747	1,904,015	1,838,505	3,149,938	4,556,132	8,956,378

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Governmental Revenues By Source - Last Ten Fiscal Years  
(In Thousands)  
April 30, 2007 (Unaudited)**

<u>Fiscal Year</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
Taxes	\$ 4,379	4,523	4,663	4,890
Licenses and Permits	1,115	1,314	1,299	935
Intergovernmental	9,098	9,762	9,947	10,171
Charges for Services	2,537	3,653	3,425	3,530
Fines and Forfeits	183	188	188	169
Interest	861	914	1,076	1,313
Grants	26	23	425	220
Miscellaneous	528	988	1,018	1,203
<u>Total</u>	<u>18,727</u>	<u>21,365</u>	<u>22,041</u>	<u>22,431</u>

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data Source: Village Records

2002	2003	2004	2005	2006	2007
5,284	5,750	5,895	6,301	6,835	7,300
1,390	1,168	1,324	1,888	1,863	2,468
10,474	10,049	9,802	9,531	10,065	10,395
3,858	3,881	4,679	4,795	5,475	5,943
183	199	200	226	241	187
814	447	252	171	422	816
296	236	-	-	-	-
1,010	998	397	386	387	2,289
<b>23,309</b>	<b>22,728</b>	<b>22,549</b>	<b>23,298</b>	<b>25,288</b>	<b>29,398</b>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Governmental Expenditures By Function - Last Ten Fiscal Years**  
**(In Thousands)**  
**April 30, 2007 (Unaudited)**

Function	1998	1999	2000	2001
General Government	\$ 2,073	1,773	2,123	2,373
Community Development	-	715	725	823
Public Safety	5,876	6,912	7,793	8,258
Public Works	2,523	2,072	2,541	2,280
Parks and Recreation	2,140	2,256	2,502	2,765
Economic Development	-	-	-	-
Capital Outlay	4,576	3,080	3,794	4,934
Debt Service				
Principal	735	795	1,060	1,110
Interest and Fiscal Charges	413	423	534	521
Total	18,336	18,026	21,072	23,064

Note: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

Data Source: Village Records

2002	2003	2004	2005	2006	2007
2,766	3,117	2,369	2,454	2,465	2,443
868	860	1,004	945	1,035	1,137
9,554	10,358	10,730	10,740	11,944	12,393
2,306	2,948	2,618	2,052	2,084	2,075
3,262	2,796	2,855	2,659	2,792	2,803
-	-	604	704	124	939
6,724	5,483	439	978	1,866	765
140	1,125	1,170	1,140	1,190	1,215
522	468	444	320	283	246
26,142	27,155	22,233	21,992	23,783	24,016

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years  
(In Thousands)  
April 30, 2007 (Unaudited)**

	1998	1999	2000	2001
<b>Revenues</b>				
Taxes	\$ 4,379	4,523	4,663	4,890
Licenses and Permits	1,115	1,314	1,299	935
Intergovernmental	9,098	9,762	9,947	10,171
Charges for Services	2,537	3,653	3,425	3,530
Fines and Forfeits	183	188	188	169
Investment Income	861	914	1,076	1,313
Grants	26	23	425	220
Miscellaneous	528	988	1,018	1,203
<b>Total Revenues</b>	<b>18,727</b>	<b>21,365</b>	<b>22,041</b>	<b>22,431</b>
<b>Expenditures</b>				
General Government	2,073	1,773	2,123	2,373
Community Development	-	715	725	823
Public Safety	5,876	6,912	7,793	8,258
Public Works	2,523	2,072	2,541	2,280
Parks and Recreation	2,140	2,256	2,502	2,765
Economic Development	-	-	-	-
Capital Outlay	4,576	3,080	3,794	4,934
Debt Service				
Principal	735	795	1,060	1,110
Interest and Fiscal Charges	413	423	534	521
<b>Total Expenditures</b>	<b>18,336</b>	<b>18,026</b>	<b>21,072</b>	<b>23,064</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>391</b>	<b>3,339</b>	<b>969</b>	<b>(633)</b>
<b>Other Financing Sources (Uses)</b>				
Proceeds from Bonds	1,186	3,658	-	1,786
Payments to Escrow Agent	-	-	-	93
Transfers In	2,355	2,292	1,678	927
Transfers Out	(2,257)	(2,187)	(1,546)	(796)
	1,284	3,763	132	2,010
<b>Net Change in Fund Balances</b>	<b>1,675</b>	<b>7,102</b>	<b>1,101</b>	<b>1,377</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.34%</b>	<b>8.15%</b>	<b>9.23%</b>	<b>9.00%</b>

Data Source: Village Records

2002	2003	2004	2005	2006	2007
5,284	5,750	5,895	6,301	6,835	7,300
1,390	1,168	1,324	1,888	1,863	2,468
10,474	10,049	9,802	9,531	10,065	10,395
3,858	3,881	4,679	4,795	5,475	5,943
183	199	200	226	241	187
814	447	252	171	422	816
296	236	-	-	-	-
1,010	998	397	386	387	2,289
23,309	22,728	22,549	23,298	25,288	29,398
2,766	3,117	2,369	2,454	2,465	2,443
868	860	1,004	945	1,035	1,137
9,554	10,358	10,730	10,740	11,944	12,393
2,306	2,948	2,618	2,052	2,084	2,075
3,262	2,796	2,855	2,659	2,792	2,803
-	-	604	704	124	939
6,724	5,483	439	978	1,866	765
140	1,125	1,170	1,140	1,190	1,215
522	468	444	320	283	246
26,142	27,155	22,233	21,992	23,783	24,016
(2,833)	(4,427)	316	1,306	1,505	5,382
2,607	-	2,025	-	-	-
(3,480)	-	(1,986)	-	-	-
1,349	664	1,676	461	488	956
(1,217)	(533)	(1,571)	(358)	(384)	(853)
(741)	131	144	103	104	103
(3,574)	(4,296)	460	1,409	-	5,485
3.41%	7.35%	7.41%	6.95%	6.72%	6.28%

VILLAGE OF LIBERTYVILLE, ILLINOIS

Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years  
 April 30, 2007 (Unaudited)

Tax Levy Year	Residential Property	Farm Property	Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
1997	\$ 463,105,565	\$ 126,118	\$ 86,696,033	\$ 53,585,782	\$ 603,513,498	\$ 28,967	\$ 603,542,465	0.565
1998	471,383,194	139,023	91,347,032	58,229,922	621,099,171	55,370	621,154,541	0.567
1999	493,981,211	155,918	100,544,189	64,709,731	659,391,049	68,128	659,459,177	0.552
2000	521,713,110	149,689	103,737,015	74,076,873	699,676,687	74,572	699,751,259	0.549
2001	559,479,791	142,233	119,663,578	79,279,950	758,565,552	87,166	758,652,718	0.530
2002	599,026,637	141,432	125,418,130	77,128,250	801,714,449	101,917	801,816,366	0.515
2003	681,583,331	105,212	137,350,112	80,107,173	899,145,828	108,939	899,254,767	0.479
2004	736,057,028	118,812	133,554,438	84,806,924	954,537,202	121,038	954,658,240	0.474
2005	814,448,568	111,334	140,312,336	84,670,218	1,039,542,456	124,585	1,039,667,041	0.451
2006	885,318,045	109,640	156,042,710	86,201,916	1,127,672,311	140,056	1,127,812,367	0.435

Data Source: Lake County Tax Extension Division

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Direct and Overlapping Property Tax Rates\* - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

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**See Following Page**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Direct and Overlapping Property Tax Rates\* - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

	1997	1998	1999	2000
<b>Tax Rates*</b>				
Village	0.565	0.567	0.552	0.549
Grade School District #70	3.043	3.034	2.965	2.932
High School District #128	1.937	1.929	1.886	2.203
Lake County	0.531	0.531	0.521	0.521
Libertyville Township	0.310	0.297	0.288	0.272
Library	0.259	0.260	0.257	0.256
Other	0.462	0.460	0.477	0.538
	<u>7.107</u>	<u>7.078</u>	<u>6.946</u>	<u>7.271</u>
<b>Village's Share of Total Tax Rate</b>	<u>7.95%</u>	<u>8.01%</u>	<u>7.95%</u>	<u>7.55%</u>

\* Property tax rates are per \$100 of assessed valuation and represent a typical household within the Village.

2001	2002	2003	2004	2005	2006
0.530	0.515	0.479	0.474	0.451	0.435
2.870	2.792	2.581	2.499	2.378	2.297
2.344	2.391	2.359	2.291	2.225	2.179
0.516	0.502	0.490	0.465	0.454	0.450
0.256	0.232	0.060	0.058	0.057	0.057
0.254	0.247	0.236	0.231	0.225	0.222
0.498	0.514	0.526	0.516	0.498	0.487
7.268	7.193	6.731	6.534	6.288	6.127
7.29%	7.16%	7.12%	7.25%	7.17%	7.10%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Principal Property Tax Payers - Current Year and Nine Years Ago  
April 30, 2007 (Unaudited)**

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Motorola	\$ 17,172,675	1	1.52 %	\$ 19,641,244	1	3.20%
Hollister Incorporated	10,087,963	2	0.89			
Abbott Laboratories	9,087,682	3	0.81			
Manufacturers Life Ins. Co.	7,205,825	4	0.64			
Guaranty Bank	5,509,510	5	0.49			
Bradley Operating Ltd	4,437,081	6	0.39			
Brea Property Management	4,408,803	7	0.39			
Medical Center Properties Inc.	3,515,360	8	0.31	8,100,409	2	1.30%
Libertyville Joint Venture	3,305,025	9	0.29			
Calsters	3,292,822	10	0.29			
Lincoln Atrium Management				3,765,814	3	0.60%
LaSalle National Trust				3,325,034	4	0.60%
Temperature Equipment Corp				2,705,718	5	0.40%
Libertyville Tech Way, LLC				2,532,507	6	0.40%
Cornerstone				2,434,958	7	0.40%
Individual				2,299,184	8	0.40%
C.P. Financing Trust				2,000,000	9	0.30%
Ashley Alsip Limited Partnership				1,771,874	10	0.30%
	<u>68,022,746</u>		<u>6.02%</u>	<u>48,576,742</u>		<u>7.90%</u>

Data Source: Office of the Lake County Clerk's

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Property Tax Levies and Collections - Last Ten Fiscal Years (In Thousands)  
April 30, 2007 (Unaudited)**

Fiscal Year Ended April 30	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
1998	1997	\$ 3,433	\$ 3,442	100.26%	N/A	\$ 3,442	100.26%
1999	1998	3,550	3,515	99.01%	N/A	3,515	99.01%
2000	1999	3,667	3,650	99.54%	N/A	3,650	99.54%
2001	2000	3,894	3,864	99.23%	N/A	3,864	99.23%
2002	2001	4,075	4,072	99.93%	N/A	4,072	99.93%
2003	2002	4,184	4,146	99.09%	N/A	4,146	99.09%
2004	2003	4,365	4,279	98.03%	N/A	4,279	98.03%
2005	2004	4,589	4,520	98.50%	N/A	4,520	98.50%
2006	2005	4,766	4,756	99.79%	N/A	4,756	99.79%
2007	2006	4,981	N/A	N/A	N/A	N/A	N/A

N/A - Currently Not Available

Data Source: Village Records

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

Fiscal Year Ended April 30	Governmental Activities			Business-Type Activities			Total Equalized Assessed Value (EAV)	Percentage of EAV	Per Capita (1)
	General Obligation Bonds	Installment Contracts	General Obligation Bonds	IEPA Loans	Installment Contracts	Total Primary Government			
1998	\$ 9,230	\$ 144,834	\$ 9,665	\$ 2,545	\$ 84,751	\$ 163,729	\$ 603,542	27.13%	\$ 8.54
1999	12,130	111,480	9,099	2,424	14,751	132,709	621,155	21.36%	6.92
2000	11,070	780	6,215	2,299	-	18,065	659,459	2.74%	0.94
2001	11,760	684	10,730	2,170	-	23,174	699,751	3.31%	1.21
2002	10,740	250	30,290	2,038	-	41,280	758,653	5.44%	1.99
2003	9,615	353	29,745	1,902	159	39,713	801,816	4.95%	1.91
2004	8,485	434	28,225	1,761	108	37,144	899,255	4.13%	1.79
2005	7,345	361	27,875	1,616	108	35,581	954,658	3.73%	1.72
2006	6,155	626	26,735	1,467	40	33,516	1,039,667	3.22%	1.62
2007	4,940	533	28,560	1,313	27	34,033	1,127,812	3.02%	1.64

Data Source: Village's Records

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Ratios of General Bonded Debt Outstanding to Equalized Assessed Value  
and Net General Obligation Bonded Debt per Capita - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

Fiscal Year Ended April 30	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
1998	\$ 9,230	\$ 825	\$ 8,405	1.39%	\$ 438.35
1999	12,130	842	11,288	1.82%	588.71
2000	11,070	860	10,210	1.55%	532.49
2001	11,760	844	10,916	1.56%	526.28
2002	10,740	925	9,815	1.29%	473.19
2003	9,615	1,007	8,608	1.07%	415.00
2004	8,485	927	7,558	0.84%	364.62
2005	7,345	923	6,422	0.67%	309.61
2006	6,155	946	5,209	2.48%	251.13
2007	4,940	962	3,978	3.52%	191.78

Data Source: U.S. Census Bureau, Lake County Tax Extension Division, Village Records

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

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Schedule of Direct and Overlapping Bonded Debt  
April 30, 2007 (Unaudited)**

Governmental Unit	Gross Debt	Percentage to Debt Applicable to Village (1)	Village's Share of Debt
Village of Libertyville	\$ 33,500,000	100.00%	\$ 33,500,000
<b>Overlapping Debt:</b>			
Libertyville School District #70	15,054,172	90.82%	13,678,221
Hawthorn School District #73	39,062,770	14.14%	5,527,382
Fremont Center School District #79	30,705,000	4.51%	1,295,751
Community High School District #128	41,245,000	36.36%	15,108,044
Mundelein High School District #120	8,880,283	5.77%	488,416
Grayslake High School District #127	64,389,516	0.10%	19,317
Lake County Community College #532	10,878,829	4.35%	472,141
Lake County	5,480,000	4.13%	226,324
Lake County Forest Preserve District	188,600,367	4.13%	7,789,195
Central Lake County JAWA	27,655,000	15.86%	4,383,318
Fremont Public Library District	8,025,000	2.92%	225,503
Subtotal	<u>439,975,937</u>		<u>49,213,612</u>
Total	<u><u>473,475,937</u></u>		<u><u>82,713,612</u></u>

Data Source: Lake County Clerk's Office, Illinois Tax Extension Division.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Schedule of Legal Debt Margin**

**April 30, 2007 (Unaudited)**

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Assessed Valuation - 2006	<u>\$ 1,127,812,367</u>
Legal Debt Limit - 8.625% of Assessed Valuation	97,273,817
Amount of Debt Applicable to Debt Limit	
General Obligation Bonds of 2000	1,690,000
General Obligation Bonds of 2003A	<u>390,000</u>
Legal Debt Margin	<u>95,193,817</u>

Chapter 50, Section 405/1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 300,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Demographic and Economic Statistics - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

Fiscal Year Ended April 30	(1) Population	(1) Personal Income (in Thousands)	(2) Per Capita Personal Income	(1) Median Age	(3) School Enrollment	(1) Unemployment Rate
1998	19,174	\$ N/A	N/A	N/A	2,469	N/A
1999	19,174	N/A	N/A	N/A	2,536	N/A
2000	19,174	775,128	40,426	39.2	2,647	238
2001	20,742	838,516	40,426	39.2	2,671	295
2002	20,742	838,516	40,426	39.2	2,649	368
2003	20,742	838,516	40,426	39.2	2,665	391
2004	20,742	838,516	40,426	39.2	2,714	364
2005	20,742	838,516	40,426	39.2	2,656	322
2006	20,742	838,516	40,426	39.2	2,650	N/A
2007	20,742	838,516	40,426	39.2	2,637	N/A

**Data Sources**

- (1) U.S. Bureau of the Census
- (2) Local Chamber of Commerce
- (3) School District Administrative Offices - District 70
- (4) IL Dept of Employment Security
- N/A - Not Available

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago  
April 30, 2007 (Unaudited)**

Employer	2007			1998		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Condell Medical Center	2,800	1	N/A	1,570	2	N/A
Tempel Steel Co., Libertyville Division	500	2	N/A	500	5	N/A
Aldridge Electric, Inc.	450	3	N/A			
Hollister, Inc.	325	4	N/A	350	6	N/A
Cambridge Homes	300	5	N/A			
Ombudsman Education Services	290	6	N/A			
Snap-On Credit, LLC	200	7	N/A			
Fabrication Technologies, Inc.	200	8	N/A			
Motorola, Inc., Cellular Subscriber Group	200	9	N/A			
ONEAC Corporation	193	10	N/A			
Motorola				4,000	1	N/A
Solar Corporation				700	3	N/A
Lake County				516	4	N/A
Commonwealth Edison				325	7	N/A
Libertyville School District No. 70				299	8	N/A
Libertyville Community High School No. 128				296	9	N/A
Village of Libertyville				167	10	N/A
	<u>5,458</u>		<u>0.00%</u>	<u>8,723</u>		<u>0.00%</u>

Data Sources: Village Community Development Department Records and U.S. Census Bureau.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

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Function	1998	1999	2000	2001
General Government				
Administration	3	3	3	3
Finance	9	9	10	10
Public Works	32	32	33	33
Police	52	53	57	56.5
Fire	37	38	38	39.5
Community Development	12	12	12	12
Water and Sewer	4	4	4	4
Parks and Recreation	15	16	16	16
Total	164	167	173	174

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Data Source: Village Records

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2002	2003	2004	2005	2006	2007
3	3	3	3	3	3
10	10	10	9	9	9
33	33	33	33	33	33
56.5	56.5	56.5	56.5	54.5	58.0
39.5	39.5	39.5	39.5	38.5	33.0
12	12	12	12	12	13
4	4	4	4	4	4
25	29	29	26	26	24
183	187	187	183	180	177

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**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

Function/Program	1998	1999	2000	2001
<b>Public Works</b>				
Forestry				
Number of Parkway Trees Planted	143	123	106	84
Number of Parkway Trees Trimmed	1100	1494	1067	1200
Fleet Services				
Number of Vehicles Maintained	102	102	104	108
Number of Equipment Maintained	39	39	39	39
Preventative Maintenance Services	1001	1022	1014	1111
<b>Public Safety</b>				
Fire (1)				
Number of Fire Calls	1,228	1,273	1,188	1,174
Number of EMS Calls	1,641	1,705	1,838	1,737
Number of Training Hours	8,091	8,110	8,140	9,700
ISO Rating	2	2	2	2
Police				
Part I Crime	494	445	518	452
Part II Crime	N/A	N/A	N/A	N/A
Calls for Service	16,071	15,200	13,680	13,178
State Tickets Issued	2,864	2,176	2,475	3,138
Parking Tickets Issued	5,758	6,450	5,856	4,601
<b>Community Development</b>				
Number of Building Permits Issued	1,218	1,384	1,238	1,290
Number of Building Inspections	N/A	N/A	N/A	N/A
Number of Food Service Inspections	N/A	N/A	N/A	N/A
<b>Highways and Streets</b>				
Sidewalk Replaced (sq. ft.)	600	1,160	14,640	23,580
Annual Resurfacing Program (\$)	1,145,000	\$1,575,000	\$850,000	\$1,256,000
Crack Sealing (lbs. installed)	-	-	12,680	26,490
<b>Water and Sewer</b>				
Water Main Breaks	18	24	30	37
Hydrants Flushed	1,233	1,285	1,037	1,024
Water Meters Read	N/A	6,336	6,660	7,032
Water Meter Service Requests	1,983	1,978	4,433	4,898
Water Meters Replaced	602	502	142	103
Total Distribution Pumpage (1,000 ga	94,253	1,007,651	1,065,321	1,047,325
Average Daily Pumpage (1,000 gallon	2,584	2,591	2,879	2,939
Sanitary Sewer Televising (feet)	126,083	160,359	112,333	15,305
Sanitary Sewer Repairs	1	1	1	2

N/A: Not Available

(1) As of 5/31/07

Data Source: Village Records

Note: Indicators are not available for the general government function.

2002	2003	2004	2005	2006	2007
124	90	48	44	49	-
1435	1300	1047	1412	551	836
108	111	111	111	111	109
39	51	51	51	51	51
1118	1150	1296	1083	1207	1077
1,005	1,251	1,282	1,220	N/A	N/A
1,950	1,960	1,874	2,014	N/A	N/A
10,139	7,072	4,782	5,128	5,193	2,443
2	2	2	2	2	2
383	395	363	401	368	167 (1)
N/A	N/A	N/A	N/A	N/A	N/A
13,669	25,244	26,820	20,402	20,491	8,364 (1)
2,819	2,350	2,779	2,378	2,591	858 (1)
4,746	4,907	3,786	5,139	4,226	1,388 (1)
1,450	1,350	1,582	1,284	1,406	1,366
4,681	6,363	7,371	7,058	7,103	6,741
N/A	N/A	N/A	N/A	N/A	N/A
20,802	13,436	12,663	10,115	12,637	200
\$1,100,000	\$955,000	\$655,000	\$870,000	\$880,000	\$985,000
49,740	48,120	10,166	21,360	10	-
16	14	26	32	28	0
589	801	361	857	1,184	335
7,094	7,332	4,200	7,550	7,331	7,393
4,597	4,954	4,550	2,927	2,517	435
100	123	104	128	117	9
1,038,773	1,044,398	1,043,247	1,140,013	1,026,566	99,732
2,945	2,870	2,866	3,121	2,737	3,217
17,319	20,647	16,177	28,323	1,140	12,094
2	-	2	1	1	-

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years  
April 30, 2007 (Unaudited)**

Function/Program	1998	1999	2000	2001
<b>Police</b>				
Stations	1	1	1	1
Patrol Units(1)	12	12	12	12
Patrol Officers	32	32	32	33
<b>Fire Stations</b>				
Fire Stations	3	3	3	3
<b>Public Works</b>				
Streets (Miles)	87	87	87	72
Sidewalks (miles)	121.85	123.05	124.52	125.85
Streetlights	1,741	1,741	1,650	1,650
<b>Water and Sewer</b>				
Water Mains (Miles)	105	105	108	108
Fire Hydrants	1,215	1,215	1,252	1,270
Sanitary Sewers (miles)	76	76	77	77
Manholes	2,130	2,130	2,130	2,195
Storm Sewer (Miles)	80	80	80	81

(1) Marked Police Vehicles

Data Source: Village Records

2002	2003	2004	2005	2006	2007
1	1	1	1	1	1
12	12	12	12	12	12
33	33	31.5	31.5	31.5	32.5
3	3	3	3	3	3
72	80	80	80	80	80
125.90	127.23	128.11	129.63	130.35	130.67
1,650	1,700	1,700	2,171	2,171	2,171
108	111	111	114	126	126
1,270	1,300	1,300	1,300	1,300	1,300
77	94	94	94	94	94
2,212	2,231	2,261	2,276	2,297	2,297
81	93	93	93	93	93

## **2007 DISCLOSURE**

for

### **VILLAGE OF LIBERTYVILLE**

Lake County, Illinois

CUSIP NUMBER: 531575

Relating to the following Bond Issues:

**\$1,000,000 General Obligation Bonds, Series 1997**  
**\$3,695,000 General Obligation Bonds, Series 1998**  
**\$1,800,000 General Obligation Limited Tax Bonds, Series 2000**  
**\$5,000,000 General Obligation Bonds, Series 2000**  
**\$17,800,000 General Obligation Bonds, Series 2001**  
**\$5,290,000 General Obligation Refunding Bonds, Series 2001A**  
**\$2,600,000 General Obligation Refunding Bonds, Series 2001B**  
**\$665,000 General Obligation Limited Tax Refunding Bonds, Series 2003A**  
**\$1,360,000 General Obligation Refunding Bonds, Series 2003B**  
**\$2,435,000 General Obligation Refunding Bonds, Series 2004**

and

**\$3,000,000 General Obligation Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006**

For further information please contact:

**Patricia A. Wesolowski**  
**Director of Finance**  
**Village of Libertyville**  
**118 West Cook Street**  
**Libertyville, Illinois 60048**

**Telephone Number: (847) 918-2102**

**Fax Number: (847) 362-9453**

## DEBT INFORMATION

### Statement of Bonded Indebtedness(1) (As of March 16, 2007)

	Amount Applicable	Ratio To		Per Capita (2000 Census 20,742)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2006.....	\$1,127,812.367	100.00%	33.33%	\$ 54,373.37
Estimated Actual Value, 2006.....	3,383,437.101	300.00%	100.00%	163,120.10
Direct Bonded Debt(1).....	\$ 33,500,000	2.97%	0.99%	\$ 1,615.08
Less: Self Supporting.....	(31,420,000)	(2.79%)	(0.93%)	(1,514.80)
Net Direct Bonded Debt.....	\$ 2,080,000	0.18%	0.06%	\$ 100.28
Overlapping Bonded Debt(2)				
Schools.....	\$ 36,589,271	3.24%	1.08%	\$ 1,764.02
All Others.....	12,624,339	1.12%	0.37%	608.64
Total Overlapping Bonded Debt.....	\$ 49,213,610	4.36%	1.45%	\$ 2,372.65
Total Net Direct & Overlapping Debt.....	\$ 51,293,610	4.55%	1.52%	\$ 2,472.93

- Notes: (1) Source: The Village. Excludes installment contracts.  
 (2) As of March 16, 2007. Includes \$52,555,000 of bonds that were sold in April 2007 for the Lake County Forest Preserve District.

### Legal Debt Margin(1) (As of April 30, 2007)

2006 Equalized Assessed Valuation.....	\$1,127,812,367	8.625% of EAV
Statutory Debt Limitation (8.625% of EAV).....	97,273,817	

General Obligation Bonded Debt:

Series 1997(2).....	\$ 655,000
Series 1998(2).....	850,000
Series 2000.....	1,690,000
Series 2000(2).....	4,230,000
Series 2001(2).....	16,610,000
Series 2001A(2).....	2,285,000
Series 2001B(2).....	795,000
Series 2003A.....	390,000
Series 2003B(2).....	560,000
Series 2004(2).....	2,435,000
Series 2006(2).....	3,000,000
Total General Obligation Bonded Debt.....	\$ 33,500,000

Less: Alternate Revenue Source Bonds:

Series 1997(2).....	\$ (655,000)
Series 1998(2).....	(850,000)
Series 2000(2).....	(4,230,000)
Series 2001(2).....	(16,610,000)
Series 2001A(2).....	(2,285,000)
Series 2001B(2).....	(795,000)
Series 2003B(2).....	(560,000)
Series 2004(2).....	(2,435,000)
Series 2006(2).....	(3,000,000)
Total Alternate Bonds(2).....	\$(31,420,000)

Net Applicable General Obligation Bonds..... \$ 2,080,000

Other Debt

Installment Contracts (As of May 1, 2007)..... \$ 560,702

Total Other Debt.....	560,702
Total Applicable Debt.....	\$ 2,640,702
Legal Debt Margin.....	\$ 94,633,115

- Notes: (1) Source: The Village.  
 (2) General obligation alternate revenue source bonds under Illinois Statutes, do not count against the overall 8.625% of EAV debt limit for general obligation bonded debt so long as the debt service levy for such bonds is abated annually and not extended.

## General Obligation Bonded Debt(1) (Principal Only)

Year	Series 1997(3) (12-15)		Series 2000(2) (12-15)		Series 2001(3) (12-15)		Series 2001JA(3) (5-1)		Series 2001B(3) (12-15)		Series 2003A(2) (12-15)		Series 2003B(3) (12-15)		Series 2006(3) (5-1)		Total Outstanding	Cumulative Retirement		Debt Service Tax Levies Payable from Property Taxes
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent		Amount	Percent	
2007	\$ 45,000		\$ 15,000		\$ 700,000		\$ 290,000		\$ 390,000		\$ 100,000		\$ 275,000		\$ 0		\$ 2,445,000	7.30%	\$ 216,650	
2008	50,000		20,000		935,000		310,000		405,000		115,000		285,000		75,000		5,425,000	16.19%	233,863	
2009	50,000		30,000		970,000		305,000		0		100,000		0		80,000		7,385,000	21.90%	225,283	
2010	55,000		35,000		1,015,000		320,000		0		75,000		0		85,000		9,310,000	27.79%	201,208	
2011	55,000		140,000		1,050,000		335,000		0		0		0		90,000		11,390,000	34.00%	227,195	
2012	60,000		150,000		1,095,000		350,000		0		0		0		95,000		13,575,000	40.52%	229,845	
2013	60,000		155,000		1,145,000		375,000		0		0		0		230,000		15,870,000	47.37%	226,970	
2014	65,000		165,000		1,195,000		0		0		0		0		240,000		18,020,000	53.79%	228,755	
2015	70,000		175,000		1,295,000		0		0		0		0		250,000		20,275,000	60.52%	229,845	
2016	70,000		185,000		1,315,000		0		0		0		0		260,000		22,640,000	67.58%	230,308	
2017	75,000		195,000		1,380,000		0		0		0		0		275,000		25,120,000	74.99%	230,040	
2018	0		210,000		1,450,000		0		0		0		0		300,000		27,650,000	82.54%	234,120	
2019	0		215,000		1,515,000		0		0		0		0		315,000		30,300,000	90.45%	227,255	
2020	0		0		1,590,000		0		0		0		0		330,000		33,500,000	99.01%		
2021	0		0		0		0		0		0		0		330,000		33,500,000	100.00%		
2022	0		0		0		0		0		0		0		330,000		33,500,000			
Total	\$655,000		\$1,690,000		\$16,610,000		\$2,285,000		\$795,000		\$390,000		\$560,000		\$3,000,000		\$33,500,000			

Notes: (1) Source: The Village. Excludes \$467,941 of installment contracts and \$1,312,875 of an Illinois EPA Loan payable from the Waterworks and Sewerage Fund.  
(2) Limited Tax Bonds.  
(3) Alternate Revenue Source Bonds. Sources of revenues are sales taxes, recreational facility and waterworks and sewerage fund revenues.

## Debt Ratios and Per Capita Debt - Last Ten Sales(1)

Sale Date	Village Issue		Ratio to Estimated Actual Value		Per Capita(2)	
	Amount	Year	Including Self-Supporting	Excluding Self-Supporting	Including Self-Supporting	Excluding Self-Supporting
January 9, 1996	\$ 2,960,000	1996	0.77%	0.10%	\$1,459.11	\$ 81,975.39
December 9, 1997	1,000,000	1997	0.67%	0.08%	2,206.95	91,230.78
October 27, 1998	3,650,000	1998	0.81%	0.08%	3,355.41	96,160.44
June 27, 2000	1,800,000	2000	0.72%	0.14%	3,254.81	105,306.57
November 28, 2000	5,000,000	2000	0.92%	0.14%	3,407.31	105,306.57
May 8, 2001	20,000,000	2001	1.78%	0.12%	2,506.16	103,336.05
October 23, 2001	7,895,000(3)	2001	1.95%	0.12%	4,302.05	103,336.05
October 28, 2003	2,025,000(3)	2003	1.57%	0.10%	2,328.89	118,360.09
May 11, 2004	2,435,000	2004	1.53%	0.10%	2,260.38	118,360.09
July 25, 2006	3,000,000	2006	1.13%	0.07%	2,257.61	150,371.28

Notes: (1) Source: Village's 2006 Comprehensive Annual Financial Report. Information derived from prior Official Statements.  
(2) Based on Census available at the time of issuance. 1990 Census - 19,174; 2000 - Census 20,742.  
(3) Final issue amounts were adjusted.

**Statement of Overlapping Debt(1)  
(As of March 16, 2007)**

	Percent of Village's 2006 Real Property In Taxing Body	Bonds Outstanding	Applicable to District Percent(2)	Amount
<b>Schools:</b>				
School District No. 70	80.83%	\$15,054,172	90.86%	\$13,678,221
School District No. 73	16.31%	39,062,770	14.15%	5,527,382
School District No. 79	2.86%	30,705,000	4.22%	1,295,751
High School District No. 120	6.54%	8,880,283	5.50%	488,416
High School District No. 127	0.03%	64,389,516	0.03%	19,317
High School District No. 128	93.43%	41,245,000	36.63%	15,108,044
Community College District No. 532	100.00%	10,878,829	4.34%	472,141
Total Schools				\$36,589,271
<b>Others:</b>				
Lake County	100.00%	\$ 5,480,000	4.13%	\$ 226,324
Lake County Forest Preserve District(3)	100.00%	188,600,367	4.13%	7,789,195
Central Lake County Joint Action Water Agency	100.00%	27,655,000	15.85%	4,383,318
Fremont Public Library	2.85%	8,025,000	2.81%	225,503
Total Others				\$12,624,339
Total Overlapping Debt				\$49,213,610

Notes: (1) Source: Lake County.  
(2) Based on 2006 Equalized Assessed Valuations, the most recent available.  
(3) Includes \$52,555,000 of bonds that sold in April 2007.

**PROPERTY ASSESSMENT AND TAX INFORMATION  
Village Equalized Assessed Valuations(1)**

By Property Class	Levy Years				Percent Increase 2002 to 2006	Of Total
	2002	2003	2004	2005		
Residential	\$599,026,637	\$681,583,331	\$736,057,028	\$ 814,448,568	47.79%	78.50%
Farm	141,432	105,212	118,812	111,334	0.02%	0.01%
Commercial	125,418,130	137,350,112	133,554,438	140,312,336	24.42%	13.84%
Industrial	77,128,250	80,107,173	84,806,924	84,670,218	11.76%	7.64%
Railroad	101,917	108,939	121,038	124,585	37.42%	0.01%
Total	\$801,816,366	\$899,254,767	\$954,658,240	\$1,039,667,041	100.00%	100.00%
Percent change +(-)	5.69%(2)	12.15%	6.16%	8.90%		
Gross Value	\$830,518,840	\$930,894,674	\$998,473,867	\$1,087,718,163		
Less: Exemptions	28,702,474	31,639,907	43,815,627	48,051,122		
Net EAV	\$801,816,366	\$899,254,767	\$954,658,240	\$1,039,667,041		
TIF Value	16,525,301	21,649,775	25,638,919	30,796,731		
Total for All Taxing Purposes	\$818,341,667	\$920,904,542	\$980,297,159	\$1,070,463,772		

Notes: (1) Source: Lake County Clerk.  
(2) Percentage based on 2001 EAV of \$758,652,718.

**Representative Tax Rates**  
Per \$100 of Equalized Assessed Valuation(1)

	Levy Years					Maximum Allowable	Unused Margin
	2002	2003	2004	2005	2006		
Corporate .....	\$0.0950	\$0.0870	\$0.0840	\$0.0790	\$0.0740	\$0.2500	70.40%
Street and Bridge.....	0.0650	0.0570	0.0530	0.0480	0.0450	0.1000	55.00%
Fire Protection.....	0.0870	0.0780	0.0750	0.0700	0.0670	0.1500	55.33%
Playgrounds and Recreation.....	0.0330	0.0310	0.0300	0.0290	0.0290	0.0900	67.78%
Parks .....	0.0330	0.0310	0.0300	0.0290	0.0290	0.0750	61.33%
IMRF .....	0.0420	0.0380	0.0370	0.0350	0.0330	No Limit	
Police Pension .....	0.0720	0.0740	0.0750	0.0760	0.0750	No Limit	
Firefighters Pension.....	0.0590	0.0570	0.0550	0.0520	0.0520	No Limit	
Recreation for the Handicapped.....	0.0000	0.0000	0.0110	0.0110	0.0110	0.0400	72.50%
Limited Bonds .....	0.0290	0.0260	0.0000	0.0000	0.0000	No Limit	
Bonds .....	0.0000	0.0000	0.0240	0.0220	0.0200	No Limit	
Total Village Rate.....	\$0.5150	\$0.4790	\$0.4740	\$0.4510	\$0.4350		
Lake County .....	0.5020	0.4900	0.4650	0.4540	0.4500		
Lake County Forest Preserve District.....	0.2320	0.2250	0.2190	0.2100	0.2040		
Libertyville Township - Road and Bridge.....	0.0420	0.0420	0.0430	0.0420	0.0420		
Libertyville Township.....	0.2000	0.0600	0.0580	0.0570	0.0570		
Cook Memorial Library District.....	0.2470	0.2360	0.2310	0.2250	0.2220		
Central Lake County Joint Action Water Agency.....	0.0640	0.0580	0.0540	0.0490	0.0460		
School District Number 70.....	2.7920	2.5810	2.4990	2.3780	2.2970		
High School District Number 128.....	2.3910	2.3590	2.2910	2.2250	2.1790		
Community College District Number 532.....	0.2080	0.2010	0.2000	0.1970	0.1950		
Total(3) .....	\$7.1930	\$6.7310	\$6.5340	\$6.2880	\$6.1270		
Village as a percent of Total.....	7.2%	7.1%	7.3%	7.2%	7.1%		

Notes: (1) Source: Lake County Clerk.  
(2) Representative tax rates for Libertyville Township Tax Code Number 38 which represents 72.94% of the Village's 2006 Equalized Assessed Valuation.

**Village Tax Extensions and Collections(1)**

Levy Year	Coll. Year	Taxes	Taxes Collected	
		Extended	Amount	Percent
2001.....	2002.....	\$4,019,880	\$4,018,578	99.97%
2002.....	2003.....	4,128,313	4,090,037	99.07%
2003.....	2004.....	4,306,327	4,278,214	99.35%
2004.....	2005.....	4,526,009	4,516,208	99.78%
2005.....	2006.....	4,689,805	4,679,872	99.79%
2006.....	2007(2).....	4,907,276	1,882,374	38.36%

Notes: (1) Source: Lake County Treasurer.  
(2) In collection as of June 14, 2007.

**Principal Village Taxpayers(1)**

Taxpayer Name	Business/Service	2006 EAV(2)	Percent of Village
Motorola Inc.....	Portable and Cellular Mobile Telephones.....	\$17,172,675	1.52%
Hollister Incorporated.....	Corporate HQ and Health Care Products.....	10,087,963	0.89%
Abbott Laboratories.....	Pharmaceuticals - Hospital Supplies.....	9,087,682	0.81%
Manufacturers Life Insurance Company.....	Insurance Company.....	7,205,825	0.64%
Guaranty Bank.....	Commercial Bank.....	5,509,510	0.49%
Bradley Operating Ltd.....	Real Property.....	4,437,081	0.39%
Brea Property Management.....	Real Property.....	4,408,803	0.39%
Medical Center Properties, Inc.....	Real Property.....	3,515,360	0.31%
Libertyville Joint Venture.....	Real Property.....	3,305,025	0.29%
Calsters.....	Real Property.....	3,292,822	0.29%
Total.....		\$68,022,746	
Ten largest as a percent of the Village's 2006 EAV (\$1,127,812,367).....			6.03%

Notes: (1) Source: Lake County Assessor.  
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2006 EAV is the most current available.

## FINANCIAL INFORMATION

### Statement of Activities Governmental Activities

	Audited as of April 30:			
	2004	2005	2006(2)	2007
<b>Governmental Activities:</b>				
General Government(1).....	\$ (540,687)	\$ 274,419	\$ 678,302	\$ 1,259,593
Community Development.....	(891,775)	(771,732)	(704,558)	(713,616)
Public Safety.....	(8,661,026)	(8,730,503)	(11,009,891)	(7,917,239)
Public Works.....	(1,672,555)	(1,392,929)	(2,556,435)	(3,128,931)
Parks and Recreation.....	(2,541,198)	(2,353,691)	(1,760,288)	(1,799,711)
Economic Development.....	(109,275)	(703,633)	(124,291)	(939,443)
Interest of Long-Term Debt.....	(409,403)	(305,035)	(269,242)	(234,969)
Total Governmental Activities.....	<u>\$(14,825,919)</u>	<u>\$(13,983,104)</u>	<u>\$(15,746,403)</u>	<u>\$(13,474,316)</u>
<b>General Revenues:</b>				
<b>Taxes:</b>				
Property Taxes.....	\$ 5,523,186	\$ 5,938,095	\$ 6,405,525	\$ 6,868,027
Other Taxes.....	372,206	362,902	429,598	431,258
<b>Intergovernmental</b>				
Sales and Use Taxes.....	7,840,044	7,420,912	7,735,611	7,569,381
Income Taxes.....	1,253,563	1,404,226	1,584,940	1,748,207
Other.....	105,305	87,424	74,214	476,047
Interest Income.....	278,943	184,131	431,533	837,852
Miscellaneous.....	396,933	386,081	387,140	2,288,709
Transfers - Internal Activity.....	104,980	103,090	103,690	102,975
Total General Revenue.....	<u>\$ 15,875,160</u>	<u>\$ 15,886,861</u>	<u>\$ 17,152,251</u>	<u>\$ 20,322,456</u>
Change in Net Assets.....	\$ 1,049,241	\$ 1,903,757	\$ 1,405,848	\$ 6,848,140
Net Assets Beginning.....	<u>33,890,890</u>	<u>34,740,131</u>	<u>143,080,978</u>	<u>157,715,825</u>
Net Assets Ending.....	<u>\$ 34,940,131</u>	<u>\$ 36,643,888</u>	<u>\$144,486,826</u>	<u>\$164,563,965</u>

- Notes: (1) Expenses less Program Revenues for Charges for Services and Capital Grants/Contributions.  
(2) Net assets were restated due to addition of infrastructure assets.

**Statement of Revenues and Expenditures  
General Fund**

Audited Year Ended April 30:

	2003	2004	2005	2006	2007
<b>REVENUES:</b>					
Taxes.....	\$ 4,043,127	\$ 4,151,564	\$ 4,616,631	\$ 4,937,965	\$ 5,138,723
Licenses and Permits.....	861,165	1,023,211	931,936	1,051,786	1,615,635
Intergovernmental.....	8,298,709	8,119,505	8,006,837	8,428,129	8,834,956
Charges for Services.....	3,401,938	4,168,839	4,517,958	5,106,072	5,366,573
Fines and Forfeits.....	198,811	199,761	226,257	241,105	186,834
Interest.....	362,279	197,251	143,328	325,224	571,467
Grants.....	26,911	0	0	0	0
Miscellaneous.....	723,264	355,456	207,427	366,049	610,412
Total Revenues.....	\$17,916,204	\$18,215,587	\$18,650,374	\$20,456,330	\$22,324,600
<b>EXPENDITURES:</b>					
Current:					
General Government.....	\$ 2,768,509	\$ 1,989,388	\$ 2,296,028	\$ 2,318,431	\$ 2,277,783
Community Development.....	859,782	1,003,924	945,485	1,034,897	1,136,810
Public Safety.....	9,984,674	10,249,498	10,740,333	11,944,339	12,393,135
Public Works.....	1,857,618	1,942,383	2,052,131	2,083,919	2,075,338
Parks and Recreation.....	2,795,762	2,855,035	2,659,305	2,792,256	2,803,372
Total Expenditures.....	\$18,266,345	\$18,040,228	\$18,693,282	\$20,173,842	\$20,686,438
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	\$ (350,141)	\$ 175,359	\$ (42,908)	\$ 282,488	\$ 1,638,162
Other Financing Sources (Uses)					
Transfers In.....	\$ 39,000	\$ 394,517	\$ 0	\$ 0	\$ 0
Transfers Out.....	(95,000)	(45,000)	(60,000)	(80,000)	(555,000)
Total Other Financing Sources (Uses).....	\$ (56,000)	\$ 349,517	\$ (60,000)	\$ (80,000)	\$ (555,000)
Net Change in Fund Balances.....	\$ (406,141)	\$ 524,876	\$ (102,908)	\$ 202,488	\$ 1,083,162
Fund Balances - Beginning .....	9,855,924(1)	9,920,113(1)	10,444,989	10,342,081	10,544,569
Fund Balances - Ending.....	\$ 9,449,783	\$10,444,989	\$10,342,081	\$10,544,569	\$11,627,731

Note: (1) As restated.

**Budget and Unaudited  
General Fund**

	Budget 2007	Actual Fiscal Year 2007
<b>REVENUES:</b>		
Property Taxes.....	\$ 4,688,485	\$ 4,707,465
Other Taxes.....	370,000	431,258
Sales Taxes.....	6,337,700	6,331,313
Income Tax.....	1,642,700	1,748,207
Other Intergovernmental Revenue.....	345,700	755,436
Building Permits.....	610,000	1,201,033
Fines and Penalties.....	246,000	186,834
Libertyville Fire Protection District.....	2,216,170	2,105,192
Recreation Fees.....	1,317,995	1,287,104
Parking Fees.....	5,000	5,095
Interest Income.....	352,000	571,467
Transfers In.....	0	0
Other Revenues.....	<u>2,296,035</u>	<u>2,994,196</u>
Total General Fund Revenues.....	\$20,427,785	\$22,324,600
<b>EXPENDITURES:</b>		
Administration.....	\$ 1,115,505	\$ 1,096,536
Engineering.....	361,335	361,847
Highways & Bridges.....	1,408,500	1,387,149
Snow Removal and Ice Control.....	217,170	299,486
Planning.....	526,570	469,559
Building.....	691,890	662,953
Police.....	6,449,595	6,445,791
Fire.....	5,773,435	5,683,421
Parks.....	1,354,175	1,381,849
Recreation.....	955,785	920,733
Swimming Pool Operations.....	379,560	351,299
Riverside Park Golf Course.....	170,190	149,491
Senior Programs.....	63,421	59,421
Emergency Management Agency.....	9,675	9,388
Legislative Boards and Committees.....	113,805	111,282
Legal.....	372,000	378,849
Central Business District.....	33,970	13,769
Community Organizations/Activities.....	190,400	184,773
Public Buildings.....	179,885	182,658
Emergency Telephone System.....	308,785	254,535
Hotel/Motel Tax.....	267,990	250,495
Other Expenditures.....	<u>47,200</u>	<u>31,154</u>
Total Expenditures.....	\$20,990,841	\$20,686,438
Transfers Out.....	<u>0</u>	<u>0</u>
Excess of Income over Expenses.....	\$ (563,056)	\$ 1,638,162

**Statement of Net Assets  
Governmental Activities**

	Audited as of April 30:			
	2004	2005	2006(1)	2007
<b>ASSETS:</b>				
<b>Current Assets</b>				
Cash and Investments.....	\$ 10,595,023	\$ 12,035,784	\$ 12,560,004	\$ 17,217,070
Receivables - Net.....	8,397,644	8,377,916	9,229,461	9,549,286
Internal Balances.....	1,079,633	1,036,604	2,219,484	3,097,125
Prepaid Items/Inventory.....	532,172	436,430	513,982	631,487
Total Current Assets.....	\$ 20,604,472	\$ 21,886,734	\$ 24,522,931	\$ 30,494,968
<b>Capital Assets</b>				
Land.....	\$ 2,976,162	\$ 2,976,162	\$ 97,812,093	\$ 98,301,694
Infrastructure.....	20,153,258	21,473,659	47,036,993	73,087,614
Buildings and Improvements.....	15,922,818	15,922,818	16,628,146	16,810,256
Machinery and Equipment.....	12,393,416	12,714,958	6,221,208	6,459,741
Total Capital Assets.....	\$ 51,445,654	\$ 53,087,597	\$167,698,440	\$194,659,305
Less: Accumulated Depreciation.....	(18,864,001)	(20,861,374)	(30,217,070)	(44,036,297)
Total Capital Assets.....	\$ 32,581,653	\$ 32,226,223	\$137,481,370	\$150,623,008
Total Assets.....	\$ 53,186,125	\$ 54,112,957	\$162,004,301	\$181,117,976
<b>LIABILITIES:</b>				
<b>Current Liabilities</b>				
Accounts Payable.....	\$ 577,390	\$ 333,744	\$ 526,223	\$ 375,049
Accrued Payroll.....	517,148	593,963	645,064	535,971
Deposits Payable.....	400,795	529,191	684,571	969,637
Interest Payable.....	120,151	104,826	91,196	80,233
Unearned Revenues.....	6,315,927	6,731,032	7,143,835	7,426,758
Current Portion of Long Term Debt.....	1,603,961	1,558,814	1,683,526	1,793,711
Total Current Assets.....	\$ 9,535,372	\$ 9,851,570	\$ 10,774,415	\$ 11,181,359
<b>Noncurrent Liabilities:</b>				
Net Pension Obligation.....	\$ 134,471	\$ 142,944	\$ 140,472	\$ 133,074
Compensated Absences Payable.....	1,008,794	1,061,915	1,204,034	1,247,904
Installment Contract Payable.....	222,357	257,640	458,554	291,674
IEPA Loans Payable.....	0	0	0	0
General Obligation Bonds Payable.....	7,345,000	6,155,000	4,940,000	3,700,000
Total Noncurrent Liabilities.....	\$ 8,710,622	\$ 7,617,499	\$ 6,743,060	\$ 5,372,652
Total Liabilities.....	\$ 18,245,994	\$ 17,469,069	\$ 17,517,475	\$ 16,554,011
<b>NET ASSETS:</b>				
Invested in Capital Assets - Net of Related Debt.....	\$ 23,528,062	\$ 24,520,248	\$130,700,298	\$145,149,599
Restricted - Special Revenues.....	394,517	906,732	353,140	416,939
Restricted - Debt Service.....	807,122	818,583	853,859	881,348
Unrestricted.....	10,210,430	10,398,325	12,579,529	18,116,079
Total Net Assets.....	\$ 34,940,131	\$ 36,643,888	\$144,486,826	\$164,563,965

Note: (1) Governmental Infrastructure Assets added in FY 2006 and other assets restated due to appraisal.

**Balance Sheet  
General Fund**

Audited as of April 30:

	2003	2004	2005	2006	2007
<b>ASSETS:</b>					
Cash and Investments .....	\$ 8,615,557	\$ 7,814,409	\$ 8,087,728	\$ 7,399,270	\$ 7,619,478
Receivables- Net of Allowances:					
Property Taxes .....	3,895,786	4,104,689	4,332,667	4,510,610	4,729,050
Other Taxes .....	0	1,751,960	1,514,950	1,608,462	1,795,554
Accounts .....	15,576	273,615	305,592	461,085	312,827
Accrued Interest .....	26,854	30,458	29,571	51,018	38,285
Due From Other Governments .....	1,863,148	0	0	0	0
Due From Other Funds .....	8,035	1,409,761	1,366,732	2,219,484	3,097,125
Prepaid Items .....	135,163	521,598	420,584	485,305	552,633
Total Assets .....	<u>\$14,560,119</u>	<u>\$15,906,490</u>	<u>\$16,057,824</u>	<u>\$16,735,234</u>	<u>\$18,144,952</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable .....	\$ 380,027	\$ 444,320	\$ 264,770	\$ 368,787	\$ 304,987
Accrued Liabilities .....	834,109	0	0	0	0
Accrued Payroll .....	0	499,773	576,342	626,697	515,749
Deposits Payable .....	0	400,795	529,191	684,571	967,435
Due to Other Funds .....	414	11,738	12,773	0	0
Unearned Revenues .....	3,895,786	4,104,875	4,332,667	4,510,610	4,729,050
Total Liabilities .....	<u>\$ 5,110,336</u>	<u>\$ 5,461,501</u>	<u>\$ 5,715,743</u>	<u>\$ 6,190,665</u>	<u>\$ 6,517,221</u>
<b>Fund Balances:</b>					
Reserved - Prepaid Items .....	\$ 135,163	\$ 521,598	\$ 420,584	\$ 485,305	\$ 552,633
Reserved - Special Revenues .....	0	394,517	353,811	353,140	416,939
Unreserved .....	9,314,620	9,528,874	9,567,686	9,706,124	10,658,159
Total Fund Balances .....	<u>\$ 9,449,783</u>	<u>\$10,444,989</u>	<u>\$10,342,081</u>	<u>\$10,544,569</u>	<u>\$11,627,731</u>
Total Liabilities and Fund Balances .....	<u>\$14,560,119</u>	<u>\$15,906,490</u>	<u>\$16,057,824</u>	<u>\$16,735,234</u>	<u>\$18,144,952</u>



**THE WATERWORKS AND SEWERAGE SYSTEM**

**Rates and Charges**

**Rates Per 1,000 Gallons**

	<u>July 1, 2003</u>	<u>Effective June 1, 2006</u>
Minimum - First 4,000 Gallons:		
Water.....	\$21.32	\$22.20
Sewer.....	14.40	14.80
Over 4,000 Gallons:		
Water.....	\$ 4.18	\$ 4.40
Sewer.....	2.50	2.60

**Major System Users  
(As of April 30, 2007)**

<u>Name</u>	<u>Dollars Billed</u>	<u>Gallons Used (1,000 Gallons)</u>
Motorola .....	\$146,972	24,700
Conde11 Hospital .....	112,886	18,500
Winchester House .....	94,508	18,030
Conde11 Hospital .....	92,396	13,300
Temperature Equipment .....	59,396	8,519
Zeller .....	55,403	7,907
Libertyville High School .....	51,952	7,414
Tempel Steel .....	50,202	7,164
Elcor/Spring Meadows .....	42,036	6,040
Liberty Tower .....	<u>27,592</u>	<u>3,934</u>
Total .....	\$733,343	115,508

**Waterworks and Sewerage Fund**  
**Statement of Net Assets - Fiscal Years 2004, through 2007**  
**Balance Sheets - Fiscal Year 2003**

	Audited as of April 30:				
	2003	2004	2005	2006	2007
<b>ASSETS:</b>					
Cash and Investments.....	\$ 4,665,225	\$ 4,598,421	\$ 3,372,195	\$ 3,341,194	\$ 5,831,552
Receivables - Net of Allowances					
Property Taxes.....	26,828	26,784	26,784	26,784	26,784
Accounts.....	1,136,796	1,121,483	1,015,635	1,246,871	1,166,541
Accrued Interest.....	36,571	32,380	8,775	12,738	12,107
Due From Other Funds.....	1,753,501	1,281,401	1,281,401	951,273	951,273
Prepaid Expenses.....	60,485	52,000	52,000	68,519	54,466
Total.....	<u>\$ 7,679,406</u>	<u>\$ 7,112,469</u>	<u>\$ 5,756,790</u>	<u>\$ 5,647,379</u>	<u>\$ 8,042,723</u>
Capital Assets(1)					
Land.....	\$ 0	\$ 68,920	\$ 68,920	\$ 2,272,080	\$ 2,272,080
Buildings and Improvements.....	0	8,068,322	8,290,450	14,016,621	14,016,621
Machinery and Equipment.....	0	3,224,782	3,224,782	1,684,716	1,684,716
Waterworks System.....	0	17,268,716	18,367,884	12,930,848	13,648,356
Sewerage System.....	0	19,220,180	19,409,971	13,631,993	14,200,740
Total.....	<u>\$ 46,650,756</u>	<u>\$ 47,850,920</u>	<u>\$ 49,362,007</u>	<u>\$ 44,536,258</u>	<u>\$ 45,822,513</u>
Accumulated Depreciation.....	(21,608,485)	(23,033,424)	(24,468,507)	(19,965,004)	(20,972,743)
Net Capital Assets.....	<u>\$ 25,042,271</u>	<u>\$ 24,817,496</u>	<u>\$ 24,893,500</u>	<u>\$ 24,571,254</u>	<u>\$ 24,849,770</u>
Total Assets.....	<u>\$ 32,721,677</u>	<u>\$ 31,929,965</u>	<u>\$ 30,650,290</u>	<u>\$ 30,218,633</u>	<u>\$ 32,892,493</u>
<b>LIABILITIES:</b>					
<b>Current Liabilities</b>					
Accounts Payable.....	\$ 298,769	\$ 669,645	\$ 338,749	\$ 465,817	\$ 262,808
Retainage Payable.....	106,207	0	0	0	0
Accrued Payroll.....	288,016	63,537	60,005	66,751	67,854
Deposits Payable.....	19,385	20,522	20,682	17,305	34,065
Accrued Interest Payable (2).....	(2)	83,537	73,336	62,059	113,041
Unearned Revenues.....	130,000	152,000	144,000	136,000	128,000
Compensated Absences Payable.....	0	56,279	57,763	68,659	55,628
Interest Payable - Bonds.....	79,449	0	0	0	0
Interest Payable - IEPA Loan.....	9,555	0	0	0	0
IEPA Loans Payable.....	140,619	144,891	149,292	153,827	158,500
General Obligation Bonds Payable.....	595,000	615,000	635,000	615,000	365,000
Total Current Liabilities.....	<u>\$ 1,667,000</u>	<u>\$ 1,805,411</u>	<u>\$ 1,478,827</u>	<u>\$ 1,585,418</u>	<u>\$ 1,184,896</u>
<b>Noncurrent Liabilities</b>					
Compensated Absences Payable.....	\$ 0	\$ 225,117	\$ 231,052	\$ 274,637	\$ 222,511
IEPA Loans Payable.....	1,760,886	1,615,995	1,466,703	1,312,876	1,154,375
General Obligation Bonds Payable.....	4,150,000	3,535,000	2,900,000	2,285,000	4,920,000
Unamortized Bond Discount.....	(82,563)	(67,244)	(53,792)	(42,265)	(32,669)
Total Noncurrent Liabilities.....	<u>\$ 5,828,323</u>	<u>\$ 5,308,868</u>	<u>\$ 4,543,963</u>	<u>\$ 3,830,248</u>	<u>\$ 6,264,217</u>
Total Liabilities.....	<u>\$ 7,495,323</u>	<u>\$ 7,114,279</u>	<u>\$ 6,022,790</u>	<u>\$ 5,415,666</u>	<u>\$ 7,449,113</u>
<b>FUND EQUITY:</b>					
Contributed Capital.....	\$ 12,943,592				
Retained Earnings - Unreserved.....	12,282,762				
Total Fund Equity.....	<u>\$ 25,226,354</u>				
Total Liabilities and Fund Equity.....	<u>\$ 32,721,677</u>				
<b>NET ASSETS(3)</b>					
Invested in Capital Assets					
- Net of Available Debt.....		\$ 18,973,854	\$ 19,796,297	\$ 20,246,816	\$ 18,284,563
Unrestricted.....		5,841,832	4,831,203	4,566,151	7,158,817
Total Net Assets.....		<u>\$ 24,815,686</u>	<u>\$ 24,627,500</u>	<u>\$ 24,802,967</u>	<u>\$ 25,443,380</u>

- Notes: (1) Detail not available for fiscal year 2003.  
(2) Detailed separately in 2003, as Interest Payable - Bonds and Interest Payable - IEPA Loan.  
(3) Not comparable to fiscal year 2003.

**Waterworks and Sewerage Fund  
Revenues and Expenditures**

Audited Year Ended April 30:

	2003	2004	2005	2006	2007
<b>OPERATING REVENUES:</b>					
Charges for Services					
Water Sales.....	\$ 3,542,108	\$ 3,705,574	\$ 3,637,883	\$ 4,281,269	\$ 3,935,662
Sewer Service Charges.....	2,009,932	2,179,293	2,142,981	2,290,799	2,221,981
Sewer Process Fees.....	165,626	0	0	0	0
Damage to Village Property.....	0	130	3,829	3,065	5
Meters and Readouts.....	0	24,929	32,156	25,755	28,935
Miscellaneous.....	122,543	10,699	14,425	6,904	6,078
Total Charges for Service.....	<u>\$ 5,840,209</u>	<u>\$ 5,920,625</u>	<u>\$ 5,831,274</u>	<u>\$ 6,607,792</u>	<u>\$ 6,192,661</u>
<b>OPERATING EXPENSES:</b>					
Operations(1).....	\$ 2,498,786				
Purchase of Water(2).....	2,140,617				
Water Operations.....	0	\$ 3,201,567	\$ 3,219,716	\$ 3,608,871	\$ 3,404,182
Sewer Operations.....	0	538,106	667,936	741,258	720,074
Wastewater Treatment Plant.....	0	952,777	907,712	1,006,125	985,041
Water and Sewer Capital Improvements.....	0	391,467	81,745	719,233	576,775
Depreciation and Amortization.....	1,393,527	1,440,259	1,448,536	1,071,545	1,054,302
Total Operating Expenses.....	<u>\$ 6,032,930</u>	<u>\$ 6,524,176</u>	<u>\$ 6,325,645</u>	<u>\$ 7,147,032</u>	<u>\$ 6,740,374</u>
Operating Income (Loss).....	\$ (192,721)	\$ (603,551)	\$ (494,371)	\$ (539,240)	\$ (547,713)
<b>Nonoperating Revenues (Expenses):</b>					
Interest Income.....	\$ 193,823	\$ 118,190	\$ 51,609	\$ 89,180	\$ 252,059
Connection Fees.....	0	488,370	504,825	303,656	611,285
Property Tax.....	26,840	26,784	26,784	26,784	31,542
Other Income.....	0	8,000	8,000	8,000	8,000
Interest and Fiscal Charges.....	(234,440)	(210,309)	(181,943)	(156,166)	(272,282)
Loss on Disposal of Fixed Assets.....	0	0	0	0	(35,151)
Total Non Operating Revenues (Expenses)....	<u>\$ (13,777)</u>	<u>\$ 431,035</u>	<u>\$ 409,275</u>	<u>\$ 271,454</u>	<u>\$ 595,453</u>
Income (Loss) Before Contributions and Transfers.....	\$ (206,498)	\$ (172,516)	\$ (85,096)	\$ (267,786)	\$ 47,740
Transfers Out, net.....	(131,630)	(104,980)	(103,090)	(103,690)	(102,975)
Capital Contributions.....	0	0	0	0	695,648
Intrafund Transfer from Restricted Retained Earnings.....	0				
Net Income (Loss).....	\$ (338,128)				
Retained Earnings (Deficit), May 1.....	12,722,831				
Prior Period Adjustment.....	(101,941)				
Retained Earnings (Deficit), April 30.....	<u>\$12,282,762</u>				
Change in Net Assets.....		\$ (277,496)	\$ (188,186)	\$ (371,476)(4)	\$ 640,413
Net Assets - Beginning(3).....		25,093,182	24,815,686	25,174,443	24,802,967
Net Assets - Ending(3).....		<u>\$24,815,686</u>	<u>\$24,627,500</u>	<u>\$24,802,967</u>	<u>\$25,443,380</u>

- Notes: (1) Totals listed for 2003.  
(2) Not detailed separately in 2004 through 2007.  
(3) Not comparable to 2003.  
(4) Net assets beginning were restated due to change in fixed assets.

**Coverage  
Waterworks and Sewerage Fund**

Fiscal Year	Net Available For Debt Service(2)	Debt Service(1)			Coverage	Available for Subordinate Obligation	Subordinate Obligation	
		Series 2001A	The Bonds(3)	Total			EPA Loan	Coverage
2008	\$1,946,708	\$ 389,548	\$ 198,193	\$ 587,740	3.31X	\$1,358,968	\$ 196,897	6.90X
2009	1,946,708	373,078	200,268	573,345	3.40X	1,373,363	196,898	6.97X
2010	1,946,708	376,488	202,148	578,635	3.36X	1,368,073	196,898	6.95X
2011	1,946,708	378,688	198,790	577,478	3.37X	1,369,231	196,898	6.95X
2012	1,946,708	380,288	200,433	580,720	3.35X	1,365,988	196,897	6.94X
2013	1,946,708	390,938	201,833	592,770	3.28X	1,353,938	196,898	6.88X
2014	1,946,708	0	333,033	333,033	5.85X	1,613,676	196,898	8.20X
2015	1,946,708	0	333,833	333,833	5.83X	1,612,876	98,450	16.38X
2016	1,946,708	0	334,113	334,113	5.83X	1,612,596	0	
2017	1,946,708	0	333,863	333,863	5.83X	1,612,846	0	
2018	1,946,708	0	338,138	338,138	5.76X	1,608,571	0	
2019	1,946,708	0	341,725	341,725	5.70X	1,604,983	0	
2020	1,946,708	0	339,690	339,690	5.73X	1,607,018	0	
2021	1,946,708	0	342,090	342,090	5.69X	1,604,618	0	
2022	1,946,708	0	343,860	343,860	5.66X	1,602,848	0	
Total		\$2,289,025	\$4,242,005	\$6,531,030			\$1,476,734	

- Notes: (1) For debt service including the May 1 principal and interest due.  
(2) Source: The Village's 2007 Comprehensive Annual Financial Report. This amount includes \$6,192,661 total charges for service less \$5,109,297 total operating expenses not including \$576,775 of capital improvements and \$1,054,302 of depreciation and amortization, plus \$252,059 of interest income and \$611,285 of connection fees.