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Comprehensive Annual  
Financial Report



**Libertyville**  
spirit of independence

For the year ended  
April 30, 2006

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Village of Libertyville, IL

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED APRIL 30, 2006**

Prepared by the  
Finance Department

Patricia Wesolowski  
Director of Finance/Treasurer

VILLAGE OF LIBERTYVILLE, ILLINOIS

TABLE OF CONTENTS

---

	PAGE
<b><u>INTRODUCTORY SECTION</u></b>	
Transmittal Letter.....	i - vi
List of Principal Officials.....	vii
Organizational Chart.....	viii
Certificate of Achievement for Excellence in Financial Reporting .....	ix
<b><u>FINANCIAL SECTION</u></b>	
<b>INDEPENDENT AUDITORS' REPORT.....</b>	<b>1 - 2</b>
<b>MANAGEMENT'S DISCUSSION AND ANALYSIS.....</b>	<b>3 - 17</b>
<b>BASIC FINANCIAL STATEMENTS</b>	
Government-wide Financial Statements	
Statement of Net Assets .....	18 - 19
Statement of Activities.....	20 - 21
Fund Financial Statements	
Balance Sheet – Governmental Funds .....	22 - 23
Reconciliation of Total Governmental Fund Balance to the Statement of Net Assets - Governmental Activities .....	24
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	25 - 26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Activities.....	27
Statement of Net Assets – Proprietary Funds .....	28 - 29
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds.....	30
Statement of Cash Flows – Proprietary Funds.....	31
Statement of Net Assets – Fiduciary Funds .....	32
Statement of Changes in Net Assets – Fiduciary Funds .....	33
Notes to the Financial Statements.....	34 – 75

VILLAGE OF LIBERTYVILLE, ILLINOIS

TABLE OF CONTENTS

PAGE

FINANCIAL SECTION - Continued

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Funding Progress - Illinois Municipal Retirement Fund..... 76  
Schedule of Employer Contributions – Illinois Municipal Retirement Fund ..... 77  
Schedule of Funding Progress - Police Pension Fund ..... 78  
Schedule of Employer Contributions – Police Pension Fund ..... 79  
Schedule of Funding Progress – Firefighters’ Pension Fund..... 80  
Schedule of Employer Contributions – Firefighters’ Pension Fund ..... 81  
Schedule of Revenues, Expenditures, and Changes in  
Fund Balance – Budget and Actual – General Fund..... 82

**OTHER SUPPLEMENTARY INFORMATION**

Schedule of Revenues – Budget and Actual – General Fund .....83 - 85  
Schedule of Expenditures – Budget and Actual – General Fund .....86 - 103  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Debt Service Fund..... 104  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Capital Improvement – Capital Projects Fund..... 105  
Schedule of Expenditures – Budget and Actual  
Capital Improvement – Capital Projects Fund..... 106  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Tax Increment Financing Construction – Capital Projects Fund..... 107  
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
Commuter Parking System – Special Revenue Fund ..... 108  
Schedule of Expenditures – Budget and Actual –  
Commuter Parking – Special Revenue Fund ..... 109  
Schedule of Revenues, Expenses, and Changes in Net Assets – Budget and Actual  
Waterworks and Sewerage - Enterprise Fund ..... 110  
Schedule of Operating Expenses – Budget and Actual  
Waterworks and Sewerage – Enterprise Fund ..... 111 - 113  
Schedule of Capital Assets and Depreciation  
Waterworks and Sewerage – Enterprise Fund ..... 114  
Schedule of Revenues, Expenses, and Changes in Net Assets – Budget and Actual  
Libertyville Sports Complex – Enterprise Fund ..... 115  
Schedule of Operating Expenses – Budget and Actual  
Libertyville Sports Complex – Enterprise Fund ..... 116 - 118  
Schedule of Capital Assets and Depreciation  
Libertyville Sports Complex – Enterprise Fund ..... 119

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**TABLE OF CONTENTS**

---

	<b>PAGE</b>
<b><u>FINANCIAL SECTION – Continued</u></b>	
<b>OTHER SUPPLEMENTARY INFORMATION – Continued</b>	
Combining Schedule of Net Assets - Internal Service Funds .....	120
Combining Schedule of Revenues, Expenses, and Changes in Net Assets - Internal Service Funds.....	121
Combining Schedule of Cash Flows - Internal Service Funds .....	122
Schedule of Revenues, Expenses, and Changes in Net Assets – Budget and Actual Vehicle Maintenance and Replacement – Internal Service Fund.....	123
Schedule of Operating Expenses – Budget and Actual Vehicle Maintenance and Replacement – Internal Service Fund.....	124
Schedule of Capital Assets and Depreciation Vehicle Maintenance and Replacement – Internal Service Fund.....	125
Schedule of Revenues, Expenses, and Changes in Net Assets – Budget and Actual Technology Equipment and Replacement Service – Internal Service Fund .....	126
Schedule of Operating Expenses – Budget and Actual Technology Equipment and Replacement Service – Internal Service Fund.....	127
Combining Schedule of Net Plan Assets – Pension Trust Funds .....	128
Combining Schedule of Changes in Net Plan Assets – Pension Trust Funds.....	129
Schedule of Changes in Net Plan Assets –Budget and Actual Police Pension – Pension Trust Fund.....	130
Schedule of Changes in Net Plan Assets –Budget and Actual Firefighters’ Pension – Pension Trust Fund.....	131

VILLAGE OF LIBERTYVILLE, ILLINOIS

TABLE OF CONTENTS

PAGE

SUPPLEMENTAL SECTION

Long-Term Debt Requirements

General Obligation Sales Tax Alternative Revenue Bond Series of 1997.....	132
General Obligation Sales Tax Alternative Revenue Bond Series of 1998.....	133
General Obligation Limited Tax Bond Series of 2000 .....	134
General Obligation Refunding Bond Series of 2001 .....	135
General Obligation Refunding Bond Series of 2003A .....	136
General Obligation Refunding Bond Series of 2003B.....	137
General Obligation Alternate Revenue Bond Series of 2000 .....	138
General Obligation Refunding Waterworks and Sewerage Bond Series of 2001A.....	139
General Obligation Refunding Sports Complex Bond Series of 2001 .....	140
General Obligation Refunding Bond Series of 2004 .....	141
IEPA Sewer Revenue Bond Series of 1999 .....	142

STATISTICAL SECTION (Unaudited)

General Governmental Revenues by Source.....	143 - 144
General Governmental Expenditures by Function .....	145 - 146
Property Tax Levies and Collections .....	147
Actual and Estimated Actual Value of Taxable Property .....	148
Property Tax Rates – Direct and Overlapping Governments.....	149 - 150
Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita .....	151 - 152
Ratio of Annual Debt Service Expenditures for General Obligation Debt to Total General Governmental Expenditures.....	153 - 154
Schedule of Legal Debt Margin .....	155
Schedule of Direct and Overlapping Bonded Debt.....	156
Demographic Statistics.....	157
Property Value and Construction .....	158
Principal Taxpayers.....	159
Miscellaneous Statistics .....	160 - 161
Additional SEC Rule Disclosures .....	a - o

## **INTRODUCTORY SECTION**

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

October 9, 2006

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, 2006 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, 2006, 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, 2006, 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 \$202,488 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 recent rating upgrade to Aa1.

### **Major Initiatives**

During the 2005-06 fiscal year, the Village completed \$883,000 in Village-wide street rehabilitation projects which represented approximately 2 miles of the Village's approximate 80 mile street system. These projects were funded by a combination of Motor Fuel Tax funds, and vehicle sticker revenues. The Village Board approved increasing the cost of vehicle stickers from \$20 to \$30 per vehicle which will provide funding for future roadway improvements.

Over \$800,000 in improvements and repairs were made to the Village's water and sanitary sewer system. This included upgrades to the Village's SCADA system that allows water operators to monitor and control the water system from a remote location.

As part of the Mayor and Village Board's economic development strategy, the Village hired a professional for the newly created economic development coordinator position who will work to attract and attain business activity in the Village.

The Village Board also increased the Infrastructure Maintenance Fee that is assessed on all wired and wireless phone charges. The increase has been earmarked for economic development activity, technology needs and roadway improvements.

For the Future - For 2006, the Village will continue its emphasis on infrastructure and capital improvements. The 2006-07 budget includes \$1.1 million in Motor Fuel Tax and Capital Improvement Fund revenues for asphalt resurfacing, \$3.4 million in water main, sanitary sewer and wastewater treatment plant improvements, and funded a study to improve the Riverside Park Clubhouse. Overall, the Village has budgeted over \$5.8 million in capital expenditures for 2006-07.

The Village is near completion of a major project with the Army Corps of Engineers to implement planned improvements to Butler shoreline to include shoreline stabilization, native prairie restoration and shoreline fishing stations. The Village has also hired an environmental consultant to provide for cattail control once this project is completed.

The Village Board selected the Hummell Group as the developer of the School Street Redevelopment Project. Hummell proposes to construct 10 condominiums in the renovated Central School Building and 31 brownstone townhomes along School Street. In previous fiscal years, the Village had purchased the majority of the property along School Street with School District 70 owning the balance. The sale of the property took place in August and proceeds from the sale of the property to the Hummell Group will be shared between the Village and School District 70.

Village staff will work with the Village Board and a consultant to evaluate the possibility of extending the current Tax Increment Financing District (TIF) or to possibly create a new TIF area. Another option being considered is to establish a Special Service Area for the downtown area in order to provide funding for maintenance and improvements to the downtown area once the TIF is expired in 2009.

The Village is also looking to purchase property next to the downtown commuter train station in order to expand the parking and move the station further to the west. This will help alleviate traffic congestion along Milwaukee Avenue in the downtown area.

### **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, 2006, the average yield on General Fund investments was 4.02%. The Police and

Firefighters' pension funds realized a yield of 10.49% and 12.1% respectively for this same period. The Village earned 1.7 million on all investments for the year ended April 30, 2006. 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. Because of this change, the Village's premiums for 2006-07 did not increase over the 2005-06 costs.

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, 2005, in funding 62.2% of the Police Pension and 74.5% 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, 2005. This was the thirteenth 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 Assistant Finance Director, Paul Bober and Staff 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, 2006**

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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

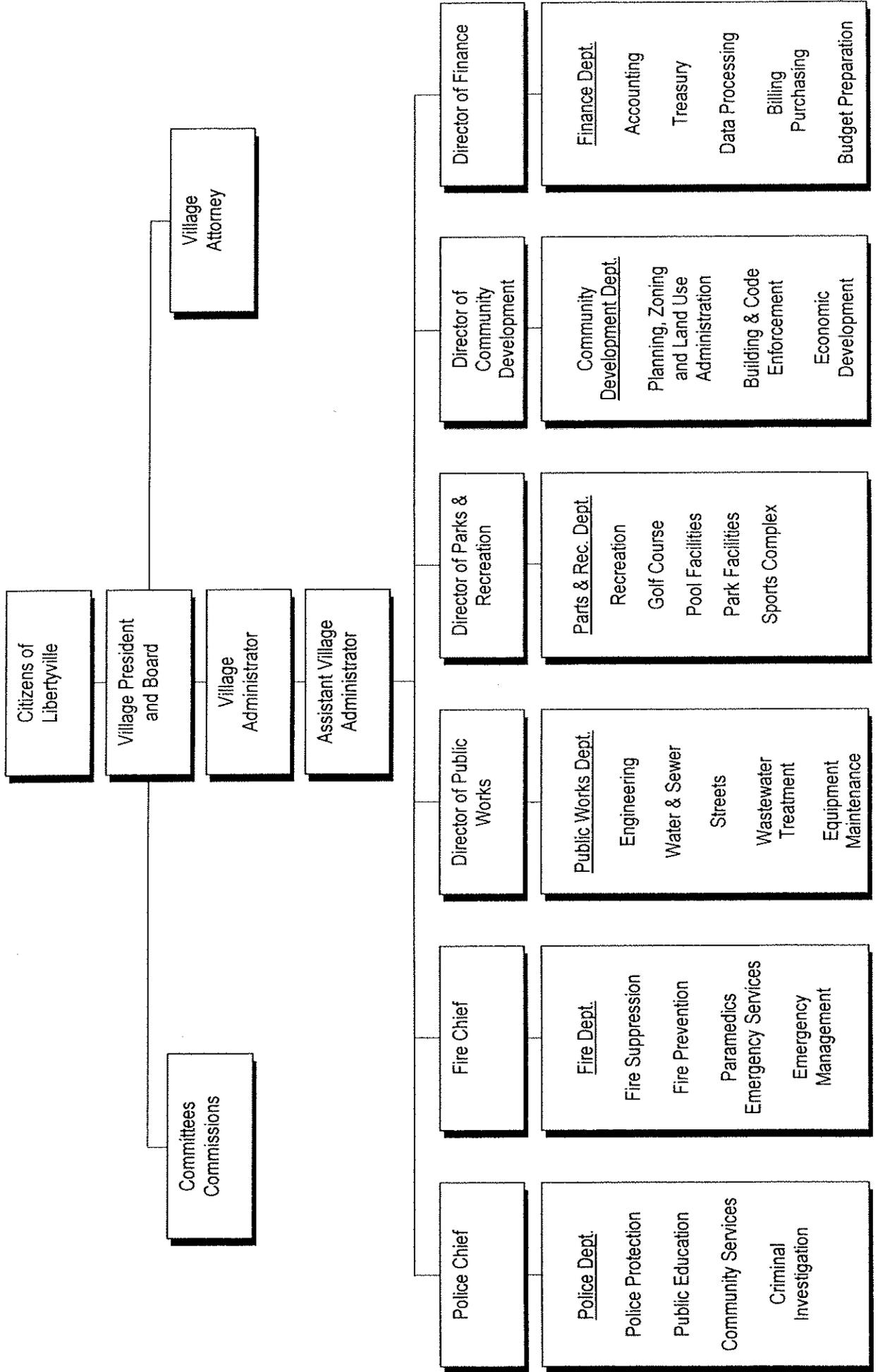
Director of Parks and Recreation

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, 2005

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.



*Carla E. Perry*

President

*Jeffrey R. Egan*

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

September 14, 2006

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 for the Village of Libertyville, Illinois as of and for the year ended April 30, 2006, which collectively comprise the Village of Libertyville's basic financial statements as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village of Libertyville, Illinois' management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of the Village of Libertyville, Illinois as of April 30, 2006, and the respective changes in financial position and the cash flows, were 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, 2006

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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, 2006. 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, 2006, by \$163,346,357. Net assets of governmental activities amounts to \$144,486,826 and for business activities are \$18,859,531. This is the first year that the Village has included infrastructure assets for governmental funds. In comparison, governmental net assets as of April 30, 2005, before the inclusion of governmental infrastructure, amounted to \$36,643,888.
- The Village of Libertyville's total net assets increased by \$271,895 with the general governmental activities net assets increasing by \$1,405,848 and the business-type activities net assets decreasing by \$1,133,953.
- Revenues for governmental activities increased by \$1,986,992 or 8.5% while expenses for governmental activities increased by \$2,485,501 or 11.6%.
- Revenues for business-type activities increased by \$219,295 or 2% while expenses for these activities increased \$229,837 or 2%.
- As of April 30, 2006, the unreserved fund balance for the governmental funds was \$12,590,571 or approximately 53% of total the governmental fund expenditures.
- The Village of Libertyville did not issue bonds during this fiscal year. Total bonded debt decreased by \$2,330,000 to \$32,890,000 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, 2006

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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, 2006

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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 activities, 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**

**April 30, 2006**

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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 - 131 of this report.

# Village of Libertyville, ILLINOIS

## Management's Discussion and Analysis

April 30, 2006

### 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 \$163.3 million. Net assets increased less than 1%, from \$163,074,462 to \$163,346,357. Total net assets for governmental activities increased by \$1,405,848. For business-type activities, net assets decreased by \$1,133,953 (5.67%).

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	\$ 137,481,370	138,663,313	-1,181,943	-0.85%	46,043,888	47,390,705	-1,346,817	-2.84%	183,525,258	186,054,018	-2,528,760	-1.36%
Current and other assets	24,522,931	21,896,734	2,636,197	12.04%	2,541,015	3,502,043	-961,028	-27.44%	27,063,946	25,388,777	1,675,169	6.60%
<b>Total assets</b>	<b>162,004,301</b>	<b>160,560,047</b>	<b>1,454,254</b>	<b>0.91%</b>	<b>48,584,903</b>	<b>50,892,748</b>	<b>-2,307,845</b>	<b>-4.53%</b>	<b>210,589,204</b>	<b>211,442,795</b>	<b>-853,591</b>	<b>-0.40%</b>
Long-term liabilities	6,743,060	7,617,499	-874,439	-11.48%	26,958,830	28,219,004	-1,260,174	-4.47%	33,701,890	35,836,503	-2,134,613	-5.96%
Other Liabilities	10,774,415	9,851,570	922,845	9.37%	2,766,542	2,680,260	86,282	3.22%	13,540,957	12,531,830	1,009,127	8.05%
<b>Total Liabilities</b>	<b>17,517,475</b>	<b>17,469,069</b>	<b>48,406</b>	<b>0.28%</b>	<b>29,725,372</b>	<b>30,899,264</b>	<b>-1,173,892</b>	<b>-3.80%</b>	<b>47,242,847</b>	<b>48,368,333</b>	<b>-1,125,486</b>	<b>-2.33%</b>
<b>Net assets:</b>												
Invested in capital assets, net of related debt	130,700,298	130,957,338	-257,040	-0.20%	18,046,127	18,071,197	-25,070	-0.14%	148,746,425	149,028,535	-282,110	-0.19%
Restricted	1,206,999	1,725,315	-518,316	-30.04%	-	-	-	-	1,206,999	1,725,315	-518,316	-
Unrestricted	12,579,529	10,398,325	2,181,204	20.98%	813,404	1,922,267	-1,108,863	-57.69%	13,392,933	12,320,612	1,072,321	8.70%
<b>Total net assets</b>	<b>144,486,826</b>	<b>143,090,978</b>	<b>1,405,848</b>	<b>0.98%</b>	<b>18,859,531</b>	<b>19,993,484</b>	<b>-1,133,953</b>	<b>-5.67%</b>	<b>163,346,357</b>	<b>163,074,462</b>	<b>271,895</b>	<b>0.17%</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

### Management's Discussion and Analysis

April 30, 2006

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By far the largest portion of the Village of Libertyville's net assets, which is 91 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. This is the first year the Village has reported governmental infrastructure assets. Net assets invested in capital assets increased from 76% of all assets to 91% due to this change.

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 8 percent, or \$13.4 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 1 percent (\$144,486,826 compared to \$143,080,978). Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints, total \$12,579,529. As of April 30, 2006, the unrestricted net assets amounts to 51% of operating expenses (\$24,530,949) of governmental activities.

During the 2005-06 fiscal year, net assets of business-type activities decreased by 5.7 percent (\$18,859,531 compared to \$19,993,484). 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 fourth year of operation for the Sports Complex and the Village had anticipated a loss for the first three years. The Village made adjustments to the 2005-06 budget 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 examine the possibility of selling 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 \$33,351,128 to \$35,558,015 or 7%. The total cost of all programs and services increased from \$32,647,495 to \$35,286,120 or 8%. 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, 2006

### 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>									
<b>Program revenues</b>									
General Government	\$ 3,272,877	3,041,474	231,403	-	-	-	3,272,877	3,041,474	231,403
Community Development	330,339	196,770	133,569	-	-	-	330,339	196,770	133,569
Public Safety	2,656,464	2,473,544	182,920	-	-	-	2,656,464	2,473,544	182,920
Public Works	669,307	618,286	51,021	-	-	-	669,307	618,286	51,021
Parks & Recreation	1,320,083	1,196,794	123,289	-	-	-	1,320,083	1,196,794	123,289
Economic Development	-	-	-	-	-	-	-	-	-
Waterworks and Sewerage	-	-	-	6,911,448	6,336,099	575,349	6,911,448	6,336,099	575,349
Libertyville Sports Complex	-	-	-	3,223,825	3,613,227	-389,402	3,223,825	3,613,227	-389,402
<b>General revenues</b>									
Taxes	6,835,123	6,300,997	534,126	26,784	26,784	-	6,861,907	6,327,781	534,126
Intergovernmental	9,394,765	8,912,562	482,203	-	-	-	9,394,765	8,912,562	482,203
Interest Income	431,533	184,131	247,402	90,327	56,379	33,948	521,860	240,510	281,350
Miscellaneous	367,140	386,081	1,059	8,000	8,000	-	395,140	394,081	1,059
<b>Total Revenues</b>	<b>25,297,631</b>	<b>23,310,639</b>	<b>1,986,992</b>	<b>10,260,384</b>	<b>10,040,489</b>	<b>219,895</b>	<b>35,558,015</b>	<b>33,351,128</b>	<b>2,206,887</b>
<b>Program Expenses</b>									
General Government	2,594,575	2,767,055	-172,480	-	-	-	2,594,575	2,767,055	-172,480
Community Development	1,034,897	968,502	66,395	-	-	-	1,034,897	968,502	66,395
Public Safety	13,666,355	11,204,047	2,462,308	-	-	-	13,666,355	11,204,047	2,462,308
Public Works	3,225,742	2,011,215	1,214,527	-	-	-	3,225,742	2,011,215	1,214,527
Parks & Recreation	3,080,371	3,550,485	-470,114	-	-	-	3,080,371	3,550,485	-470,114
Economic Development	124,291	703,633	-579,342	-	-	-	124,291	703,633	-579,342
Interest on Long-term Debt	269,242	305,035	-35,793	-	-	-	269,242	305,035	-35,793
Waterworks & Sewerage	-	-	-	7,303,198	6,507,588	795,610	7,303,198	6,507,588	795,610
Libertyville Sports Complex	-	-	-	3,987,449	4,553,222	-565,773	3,987,449	4,553,222	(565,773)
<b>Assets Before Transfers</b>	<b>23,995,473</b>	<b>21,509,972</b>	<b>2,485,501</b>	<b>11,280,647</b>	<b>11,060,810</b>	<b>229,837</b>	<b>35,286,120</b>	<b>32,647,495</b>	<b>2,715,338</b>
<b>Increase (Decrease) In Net Assets Before Transfers</b>									
	1,302,158	1,800,667	-498,509	-1,030,263	-1,020,321	-9,942	271,895	703,633	-508,451
<b>Transfers</b>									
	103,690	103,090	600	-103,690	-103,090	-600	-	-	-
<b>Change in Net assets</b>									
	1,405,848	1,903,757	-497,909	-1,133,953	-1,123,411	-10,542	271,895	703,633	-508,451
<b>Net Assets - Beginning as Restated</b>									
	143,060,978	34,740,131	108,340,847	19,993,484	21,117,211	-1,123,727	163,074,462	55,857,342	107,217,120
<b>Net Assets - Ending</b>									
	\$ 144,466,826	36,643,888	107,842,938	18,859,531	19,993,800	-1,134,269	163,346,357	56,637,688	106,708,669

### Governmental Activities

For the fiscal year ended April 30, 2006, revenues from governmental activities increased from \$23,413,729 to \$25,297,631 (8.5%). Intergovernmental Revenues, which consist of sales tax and state income taxes, which comprise the largest segment of governmental revenues increased 5% from \$8,912,562 to \$9,394,765.

Taxes, which is mainly comprised of property taxes, increased by \$534,126 (8%) to \$6,835,123. Taxes comprise 27% of the total governmental activities revenue. The Village's 2004 levy year equalized assessed valuation increased 6.16%, while the property tax rate for the village decreased from .479 to .474 per \$1000 of equalized assessed valuation for tax year 2004.

## Village of Libertyville, ILLINOIS

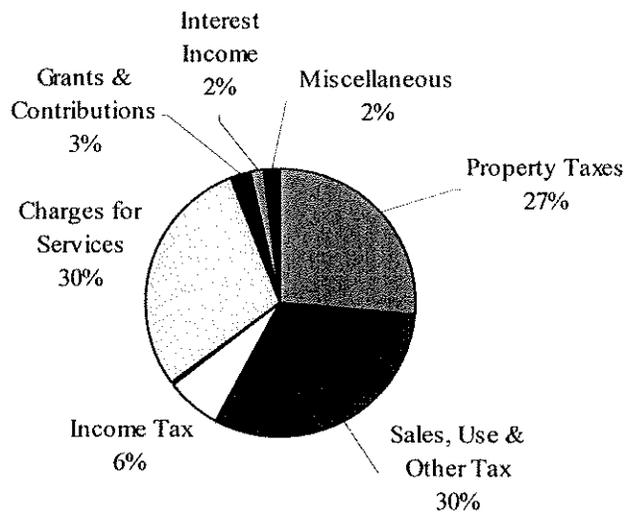
### Management's Discussion and Analysis

April 30, 2006

Program revenues, which include fire district payments, building fees, and parks and recreation fees, amounted to \$8,249,090 or 32% of governmental revenues. This revenue source increased \$722,202 (10%) from the previous fiscal year due to building permit and impact fees generated by several new developments approved in the Village.

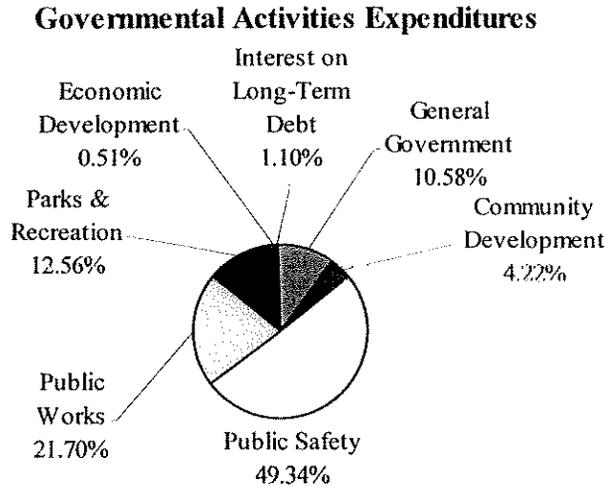
Sales tax revenues increased \$272,512 (4%) compared to the previous year and also ended the year slightly above final budget. Some revenue sources fell short of the final budget estimates, but overall revenues were above the final budget. Due to higher interest rates, investment income increased 34% from the previous year.

#### Revenues by Source - Governmental Activities



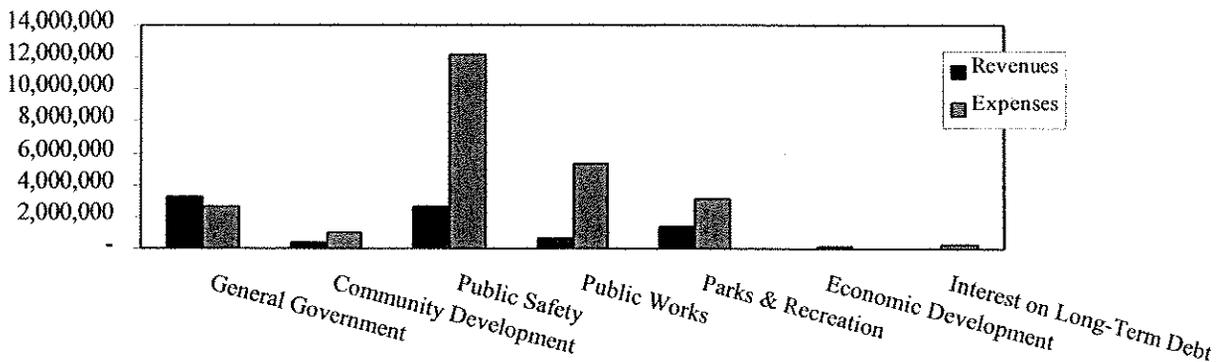
The above table graphically depicts the major revenue sources of the Village of Libertyville. It very clearly shows the reliance of sales and property taxes to fund governmental activities. Approximately 65% of sales tax revenue is generated from auto dealerships. This is down from 70% in previous years due to increased competition from new car dealerships in other surrounding towns and the automotive industry as a whole. The Village Board has approved the hiring of an economic development coordinator that will work in attaining and attracting business activity in Libertyville.

The cost of all governmental activities this year was \$24,530,949 compared to \$21,509,972 last fiscal year. Due to competition in the local area for qualified employees, the Village did grant a 3.0% salary range adjustment this fiscal year for its non-union employees and both the police and fire union contracts were settled. Expenditures for governmental funds were below budgeted amounts. The majority of the increase in expenditures was due to additional capital projects undertaken this fiscal year such as the Butler Lake improvements, roadway projects along with engineering fees for future projects. Total expenditures for governmental funds were below budgeted amounts.



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

## Management's Discussion and Analysis

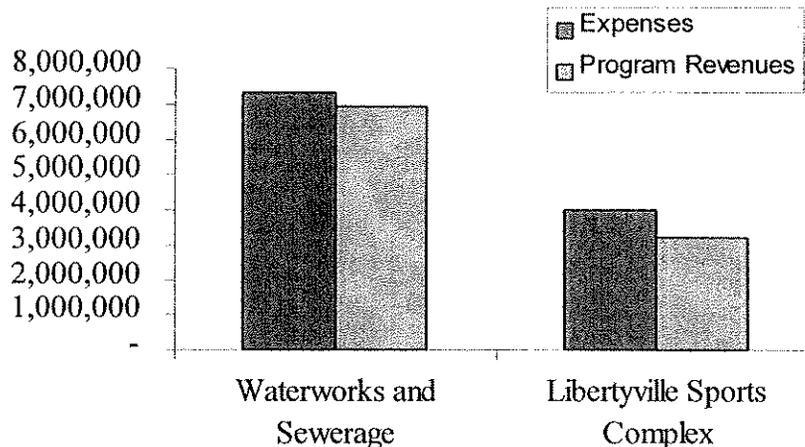
April 30, 2006

### Business-type activities

Revenues of the Village's business-type activities increased by 2% (\$10,040,489 in 2005 compared to \$10,260,384 in 2006) and expenses increased by 2% (\$11,060,810 in 2005 and \$11,290,647 in 2006). Key factors behind these results include:

- The waterworks and sewerage system saw increased revenues from charges for services due to the extremely dry summer months. Excluding depreciation, this fund had a change in net assets of \$700,069. Once depreciation of \$1,071,545 is included, this becomes a negative change in net assets of \$371,476. Expenses before depreciation amounted to \$6,231,653 compared to \$5,059,052 in 2005. This change is attributable to an increase in the amount of water purchased along with increased capital maintenance costs for infrastructure.
- The Libertyville Sports Complex had an operating income of \$438,584 compared to last year's income of \$407,618. With the addition of depreciation and debt expense, the complex had a net loss or decrease in net assets of \$762,477. Operating expenses before depreciation and debt amounted to \$2,307,613 compared to \$2,411,333 in 2005.

**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 has authorized staff to sell 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 April 30, 2006

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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 \$15,100,701, which is 12% above last year's total of \$13,492,019. Approximately 89% 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 (\$945,055), 2) to fund specific programs (\$726,535), or 3) for prepaid insurance premiums and special purposes (\$838,540).

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 \$9,706,124, while total fund balance reached \$10,544,569. This is slightly above last year's total fund balance of \$10,342,081. 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 48% of total general fund expenditures, while total fund balance represents 52% of that same amount.

The Debt Service Fund has a total fund balance of \$945,055, all of which is reserved for the payment of debt service. The fund balance increased \$21,646 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, 2006 is \$985,563, of which 100% is unreserved. The Capital Improvement Fund balance decreased by \$307,322 this fiscal year due to the costs of the Butler Lake Improvements. The Village used park impact fees that were collected in previous fiscal years to fund this improvement.

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. The total fund balance increased by \$1,518,161. Fund balance as of April 30, 2005 was \$380,723. The majority of streetscape and infrastructure projects have been completed in the TIF area. The Village is currently working on a parking study to provide for parking structures on both the east and west side of Milwaukee Avenue.

## Village of Libertyville, ILLINOIS

### Management's Discussion and Analysis

April 30, 2006

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The Commuter Parking Fund is included as a governmental fund but is considered a nonmajor fund. Fund balance increased by \$173,709 to \$726,630. The Village is planning on purchasing property to increase the size of the commuter parking facility and is planning on using some of this fund balance for repayment of a possible debt issue.

#### 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 \$4.18 per thousand gallons. For users connected to the Village's sewerage system, the charge is \$3.60 per thousand gallons for the first 4,000 gallons. For each additional 1,000 gallons, the charge is \$2.50. 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 deficit during the current fiscal year was \$371,476 which includes \$1,071,545 of depreciation. Net assets of the water and sewer fund at the end of the year amounted to \$24,802,967 compared to \$25,174,443 in 2005.

Net assets for the Libertyville Sports Complex Fund amounted to (\$5,943,436) compared to (\$5,180,959) at the end of 2005. The loss for 2006 amounts to \$762,477 which includes \$477,628 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 loss in the fourth year, the Village Board and Staff have recommended changes to the Sports Complex that will reduce the amount of debt and interest expense for the complex in order to break even or begin to generate a surplus.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

The 2005-2006 expenditure budget was revised once at the end of the fiscal year. The increases include:

- \$320,000 in Public Safety for additional payroll associated with a union contract settlement, additional transfers to the fleet internal service fund, costs associated with grant revenues received.
- \$20,000 in Public Buildings
- \$20,000 in Legislative Boards for costs associated with new Village Board initiatives.
- \$160,000 in Legal costs for expenses associated with labor negotiations.

## Village of Libertyville, ILLINOIS

### Management's Discussion and Analysis April 30, 2006

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- \$15,000 in Community Organizations for costs associated with spring clean-up and mosquito control.
- \$45,000 in Public Works for costs associated with transfers to fleet and unexpected insurance deductible costs.
- \$330,000 in Capital Improvements for unbudgeted costs associated with street construction and the Butler Lake Project.
- \$100,000 in Fire Pension for costs associated with a new pension and legal fees for a disability hearing.

Revenues in the general fund were \$20,456,330, which was \$843,425 above budget. The final expense budget amounted to \$20,618,558, a \$560,000 variance from the original budget of \$20,058,558. Actual expenses were below the final budget by \$444,716. Budgeted sales tax revenues were projected \$15,980 higher than the actual receipts. State Income Tax revenues were \$112,340 above amounts budgeted due to increased collections from the State of Illinois. Alarm fees ended the year above budget by \$53,652 due to new fee structure. Telecom Infrastructure Maintenance Fee also was above budget by \$62,005 due to the rate increase that became effective January 1, 2006. The Village also received a surplus distribution of \$178,292 from the Liability Insurance Pool the Village is part of, while only \$100,000 was budgeted.

### 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, 2006 was \$183.5 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 \$2,528,760 in its capital assets for the current fiscal year despite the addition of \$1,032,432 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 \$267,355 in storm sewer additions, \$169,840 in sanitary sewer additions and \$32,516 in watermain additions.

The governmental activities net capital assets decreased from last year by \$1,181,943 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 \$2,012,019 to a total of \$30,217,070.

For Business-type activities, the net capital assets decreased by \$1,346,817. A total of \$202,356 was added in water and sewer improvements while \$1,549,173 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.

## Village of Libertyville, ILLINOIS

### Management's Discussion and Analysis April 30, 2006

#### Debt Outstanding

At year-end, the Village of Libertyville had total outstanding bonded debt of \$32.9 million as compared to \$35.2 million the previous year, a decrease of 7 percent. The following is a comparative statement of outstanding debt:

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
General Obligation Bonds	\$ 6,155,000	7,345,000	26,735,000	27,875,000	32,890,000	35,220,000
IEPA Loans Payable	0	0	1,466,703	1,615,995	1,466,703	1,615,995
Installment Contracts	626,072	360,975	40,155	107,664	666,227	468,639
Total	6,781,072	7,705,975	28,241,858	29,598,659	35,022,930	37,304,634

The Village did not issue any general obligation bonds this fiscal year but did enter into an installment lease purchase for a new fire apparatus.

As of April 30, 2006, the Village of Libertyville maintained an AA2 rating from Moody's Investors Service for general obligation debt. Subsequent to April 30, 2006, the Village did receive a rating upgrade from Moody's and is now rated Aa1. 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 \$87.4 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 2006-07 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, 2006 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.

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 2006-07. Amounts available for appropriation in the General Fund budget are \$20,427,785, an increase of

## **Village of Libertyville, ILLINOIS**

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

**April 30, 2006**

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\$814,880 over the final 2005-06 budget of \$19,612,905. Budgeted expenditures are expected to increase \$54,022, from \$20,618,558 to \$20,672,580. Even with the economy improving, staff was forced to implement cuts in expenditures, reduced programs and deferred most capital purchases. The Village has added no major new programs or initiatives to the 2006-07 budget. The Village also implemented a resident ambulance billing charge and increased the ambulance fees for non-residents.

### **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, 2006**

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**See Following Page**

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Net Assets  
April 30, 2006

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 12,560,004	3,341,194	15,901,198
Receivables - Net	9,229,461	1,312,657	10,542,118
Internal Balances	2,219,484	(2,219,484)	-
Prepaid Items/Inventory	513,982	106,648	620,630
	<u>24,522,931</u>	<u>2,541,015</u>	<u>27,063,946</u>
<b>Capital Assets</b>			
Land	97,812,093	7,043,248	104,855,341
Buildings and Improvements	16,628,146	31,463,721	48,091,867
Machinery and Equipment	6,221,208	2,133,152	8,354,360
Infrastructure	47,036,993	-	47,036,993
Waterworks and Sewerage System	-	26,562,841	26,562,841
	<u>167,698,440</u>	<u>67,202,962</u>	<u>234,901,402</u>
Accumulated Depreciation	(30,217,070)	(21,159,074)	(51,376,144)
	<u>137,481,370</u>	<u>46,043,888</u>	<u>183,525,258</u>
<b>Total Assets</b>	<u>162,004,301</u>	<u>48,584,903</u>	<u>210,589,204</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	526,223	529,560	1,055,783
Accrued Payroll	645,064	110,230	755,294
Deposits Payable	684,571	18,650	703,221
Interest Payable	91,196	497,333	588,529
Unearned Revenues	7,143,835	193,391	7,337,226
Current Portion of Long-Term Debt	1,683,526	1,417,378	3,100,904
	<u>10,774,415</u>	<u>2,766,542</u>	<u>13,540,957</u>
<b>Noncurrent Liabilities</b>			
Net Pension Obligation	140,472	-	140,472
Compensated Absences Payable	1,204,034	302,758	1,506,792
Installment Contracts Payable	458,554	27,293	485,847
IEPA Loans Payable	-	1,312,876	1,312,876
General Obligation Bonds Payable	4,940,000	25,560,000	30,500,000
Unamortized Bond Discount	-	(244,097)	(244,097)
	<u>6,743,060</u>	<u>26,958,830</u>	<u>33,701,890</u>
<b>Total Liabilities</b>	<u>17,517,475</u>	<u>29,725,372</u>	<u>47,242,847</u>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	130,700,298	18,046,127	148,746,425
Restricted - Special Revenues	353,140	-	353,140
Restricted - Debt Service	853,859	-	853,859
Unrestricted	12,579,529	813,404	13,392,933
	<u>144,486,826</u>	<u>18,859,531</u>	<u>163,346,357</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, 2006

	Expenses	Program Revenues	
		Charges for Services	Capital Grants/ Contributions
<b>Governmental Activities</b>			
General Government	\$ 2,594,575	3,272,877	-
Community Development	1,034,897	330,339	-
Public Safety	13,666,355	2,656,464	-
Public Works	3,225,742	-	669,307
Parks and Recreation	3,080,371	1,320,083	-
Economic Development	124,291	-	-
Interest on Long-Term Debt	269,242	-	-
Total Governmental Activities	23,995,473	7,579,763	669,307
<b>Business-Type Activities</b>			
Waterworks and Sewerage	7,303,198	6,911,448	-
Libertyville Sports Complex	3,987,449	3,223,825	-
Total Business-Type Activities	11,290,647	10,135,273	-
	35,286,120	17,715,036	669,307

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
678,302	-	678,302
(704,558)	-	(704,558)
(11,009,891)	-	(11,009,891)
(2,556,435)	-	(2,556,435)
(1,760,288)	-	(1,760,288)
(124,291)	-	(124,291)
(269,242)	-	(269,242)
(15,746,403)	-	(15,746,403)
-	(391,750)	(391,750)
-	(763,624)	(763,624)
-	(1,155,374)	(1,155,374)
(15,746,403)	(1,155,374)	(16,901,777)
6,405,525	26,784	6,432,309
429,598	-	429,598
7,735,611	-	7,735,611
1,584,940	-	1,584,940
74,214	-	74,214
431,533	90,327	521,860
387,140	8,000	395,140
103,690	(103,690)	-
17,152,251	21,421	17,173,672
1,405,848	(1,133,953)	271,895
143,080,978	19,993,484	163,074,462
144,486,826	18,859,531	163,346,357

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

VILLAGE OF LIBERTYVILLE, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2006

General

**ASSETS**

Cash and Investments	\$ 7,399,270
Receivables - Net of Allowances	
Property Taxes	4,510,610
Other Taxes	1,608,462
Accounts	461,085
Accrued Interest	51,018
Due from Other Funds	2,219,484
Prepays	485,305
	<hr/>
Total Assets	<u>16,735,234</u>

**LIABILITIES AND  
FUND BALANCES**

Liabilities

Accounts Payable	368,787
Accrued Payroll	626,697
Deposits Payable	684,571
Unearned Revenues	4,510,610
Total Liabilities	<u>6,190,665</u>

Fund Balances

Reserved - Prepays	485,305
Reserved - Special Revenues	353,140
Reserved - Debt Service	-
Reserved - Nonmajor Special Revenues	-
Unreserved	9,706,124
Total Fund Balances	<u>10,544,569</u>

Total Liabilities and Fund Balances 16,735,234

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
736,324	943,408	1,878,090	731,141	11,688,233
228,727	-	1,936,498	-	6,675,835
204,865	-	29,250	-	1,842,577
-	112,171	8,310	-	581,566
3,866	-	3,944	1,774	60,602
-	-	-	-	2,219,484
-	-	-	95	485,400
<u>1,173,782</u>	<u>1,055,579</u>	<u>3,856,092</u>	<u>733,010</u>	<u>23,553,697</u>
-	70,016	20,710	3,955	463,468
-	-	-	2,425	629,122
-	-	-	-	684,571
228,727	-	1,936,498	-	6,675,835
<u>228,727</u>	<u>70,016</u>	<u>1,957,208</u>	<u>6,380</u>	<u>8,452,996</u>
-	-	-	95	485,400
-	-	-	-	353,140
945,055	-	-	-	945,055
-	-	-	726,535	726,535
-	985,563	1,898,884	-	12,590,571
<u>945,055</u>	<u>985,563</u>	<u>1,898,884</u>	<u>726,630</u>	<u>15,100,701</u>
<u>1,173,782</u>	<u>1,055,579</u>	<u>3,856,092</u>	<u>733,010</u>	<u>23,553,697</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, 2006

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<b>Total Governmental Fund Balances</b>	<b>\$ 15,100,701</b>
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.	134,651,103
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.	2,568,418
Long-Term Liabilities are not Due and Payable in the Current Period and therefore are not Reported in the Funds.	
Pension Obligation Payable	(140,472)
Compensated Absences Payable	(1,446,728)
General Obligation Bonds Payable	(6,155,000)
Accrued Interest Payable	(91,196)
	<hr/>
<b>Net Assets of Governmental Activities</b>	<b><u>144,486,826</u></b>

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

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds  
Year Ended April 30, 2006**

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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, 2006

	<u>General</u>
Revenues	
Taxes	\$ 4,937,965
Licenses and Permits	1,051,786
Intergovernmental	8,428,129
Charges for Services	5,106,072
Fines and Forfeits	241,105
Interest	325,224
Miscellaneous	366,049
Total Revenues	<u>20,456,330</u>
Expenditures	
Current	
General Government	2,318,431
Community Development	1,034,897
Public Safety	11,944,339
Public Works	2,083,919
Parks and Recreation	2,792,256
Economic Development	-
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>20,173,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>282,488</u>
Other Financing Sources (Uses)	
Transfers In	-
Transfers Out	(80,000)
	<u>(80,000)</u>
Net Change in Fund Balances	202,488
Fund Balances - Beginning	<u>10,342,081</u>
Fund Balances - Ending	<u><u>10,544,569</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
228,520	-	1,668,638	-	6,835,123
-	811,477	-	-	1,863,263
819,460	669,307	147,176	-	10,064,072
-	64,641	-	304,682	5,475,395
-	-	-	-	241,105
13,688	20,521	47,221	15,713	422,367
-	19,099	1,967	25	387,140
1,061,668	1,585,045	1,865,002	320,420	25,288,465
-	-	-	146,711	2,465,142
-	-	-	-	1,034,897
-	-	-	-	11,944,339
-	-	-	-	2,083,919
-	-	-	-	2,792,256
-	-	124,291	-	124,291
-	1,865,757	-	-	1,865,757
1,190,000	-	-	-	1,190,000
282,872	-	-	-	282,872
1,472,872	1,865,757	124,291	146,711	23,783,473
(411,204)	(280,712)	1,740,711	173,709	1,504,992
432,850	55,000	-	-	487,850
-	(81,610)	(222,550)	-	(384,160)
432,850	(26,610)	(222,550)	-	103,690
21,646	(307,322)	1,518,161	173,709	1,608,682
923,409	1,292,885	380,723	552,921	13,492,019
945,055	985,563	1,898,884	726,630	15,100,701

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, 2006

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Net Change in Fund Balances - Total Governmental Funds \$ 1,608,682

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 302,669  
Depreciation Expense (1,663,438)

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.

Additions to Net Pension Obligation 2,472  
Additions to Compensated Absences Payable (142,252)  
Retirement of Debt 1,190,000

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.

13,630

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.

94,085

Changes in Net Assets of Governmental Activities

1,405,848

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, 2006**

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**See Following Page**

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Net Assets - Proprietary Funds  
 April 30, 2006

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Libertyville Sports Complex	Total	Activities Internal Service
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 3,341,194	-	3,341,194	871,771
Receivables - Net of Allowances				
Property Taxes	26,784	-	26,784	-
Accounts	1,246,871	26,264	1,273,135	66,599
Accrued Interest	12,738	-	12,738	2,282
Due from Other Funds	951,273	-	951,273	-
Inventory	-	37,681	37,681	28,582
Prepays	68,519	448	68,967	-
	<u>5,647,379</u>	<u>64,393</u>	<u>5,711,772</u>	<u>969,234</u>
Capital Assets				
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	5,657,251
Waterworks System	12,930,848	-	12,930,848	-
Sewerage System	13,631,993	-	13,631,993	-
	<u>44,536,258</u>	<u>22,666,704</u>	<u>67,202,962</u>	<u>5,657,251</u>
Accumulated Depreciation	(19,965,004)	(1,194,070)	(21,159,074)	(2,826,984)
	<u>24,571,254</u>	<u>21,472,634</u>	<u>46,043,888</u>	<u>2,830,267</u>
Total Assets	<u>30,218,633</u>	<u>21,537,027</u>	<u>51,755,660</u>	<u>3,799,501</u>

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Libertyville Sports Complex	Total	Activities Internal Service
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	465,817	63,743	529,560	62,755
Accrued Payroll	66,751	43,479	110,230	15,942
Deposits Payable	17,305	1,345	18,650	-
Accrued Interest Payable	62,059	435,274	497,333	-
Due to Other Funds	-	3,170,757	3,170,757	-
Unearned Revenues	136,000	57,391	193,391	468,000
Compensated Absences Payable	68,659	7,030	75,689	11,663
Installment Contract Payable	-	12,862	12,862	167,518
IEPA Loans Payable	153,827	-	153,827	-
General Obligation Bonds Payable	615,000	560,000	1,175,000	-
	<u>1,585,418</u>	<u>4,351,881</u>	<u>5,937,299</u>	<u>725,878</u>
<b>Noncurrent Liabilities</b>				
Compensated Absences Payable	274,637	28,121	302,758	46,651
Installment Contract Payable	-	27,293	27,293	458,554
IEPA Loans Payable	1,312,876	-	1,312,876	-
General Obligation Bonds Payable	2,285,000	23,275,000	25,560,000	-
Unamortized Bond Discount	(42,265)	(201,832)	(244,097)	-
	<u>3,830,248</u>	<u>23,128,582</u>	<u>26,958,830</u>	<u>505,205</u>
<b>Total Liabilities</b>	<u>5,415,666</u>	<u>27,480,463</u>	<u>32,896,129</u>	<u>1,231,083</u>
<b>NET ASSETS</b>				
<b>Invested in Capital Assets - Net of Related Debt</b>				
Unrestricted	20,246,816	(2,200,689)	18,046,127	2,204,195
	<u>4,556,151</u>	<u>(3,742,747)</u>	<u>813,404</u>	<u>364,223</u>
<b>Total Net Assets</b>	<u>24,802,967</u>	<u>(5,943,436)</u>	<u>18,859,531</u>	<u>2,568,418</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds  
Year Ended April 30, 2006

	Business-Type Activities - Enterprise			Governmental
	Waterworks and Sewerage	Libertyville Sports Complex	Total	Activities Internal Service
Operating Revenues				
Charges for Services	\$ 6,607,792	3,223,825	9,831,617	-
Interfund Services	-	-	-	1,612,381
Total Operating Revenues	6,607,792	3,223,825	9,831,617	1,612,381
Operating Expenses				
Operations	6,075,487	2,307,613	8,383,100	1,247,132
Depreciation	1,071,545	477,628	1,549,173	348,581
Total Operating Expenses	7,147,032	2,785,241	9,932,273	1,595,713
Operating Income (Loss)	(539,240)	438,584	(100,656)	16,668
Nonoperating Revenues (Expenses)				
Interest Income	89,180	1,147	90,327	9,166
Connection Fees	303,656	-	303,656	-
Property Tax	26,784	-	26,784	-
Other Income	8,000	-	8,000	83,932
Interest Expense and Fiscal Charges	(156,166)	(1,202,208)	(1,358,374)	(15,681)
	271,454	(1,201,061)	(929,607)	77,417
Income (Loss) Before Transfers	(267,786)	(762,477)	(1,030,263)	94,085
Transfers Out	(103,690)	-	(103,690)	-
Change in Net Assets	(371,476)	(762,477)	(1,133,953)	94,085
Net Assets - Beginning as Restated	25,174,443	(5,180,959)	19,993,484	2,474,333
Net Assets - Ending	24,802,967	(5,943,436)	18,859,531	2,568,418

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Cash Flows - Proprietary Funds  
Year Ended April 30, 2006

	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	\$ 7,024,642	3,222,690	10,247,332	-
Receipts from Interfund Services	-	-	-	1,637,065
Payments to Employees	(1,458,579)	(990,378)	(2,448,957)	(361,798)
Payments to Suppliers	(4,439,740)	(458,741)	(4,898,481)	(856,853)
	<u>1,126,323</u>	<u>1,773,571</u>	<u>2,899,894</u>	<u>418,414</u>
Cash Flows from Noncapital Financing Activities				
Transfers Out	(103,690)	-	(103,690)	-
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(202,356)	-	(202,356)	(527,407)
Issuance of Capital Debt	-	-	-	450,000
Interest on Capital Debt	(156,166)	(1,202,208)	(1,358,374)	(15,681)
Principal on Capital Debt	(784,292)	(572,510)	(1,356,802)	(184,902)
	<u>(1,142,814)</u>	<u>(1,774,718)</u>	<u>(2,917,532)</u>	<u>(277,990)</u>
Cash Flows from Investing Activities				
Interest Received	89,180	1,147	90,327	9,166
Net Change in Cash and Cash Equivalents	(31,001)	-	(31,001)	149,590
Cash and Cash Equivalents - Beginning	3,372,195	-	3,372,195	722,181
Cash and Cash Equivalents - Ending	<u>3,341,194</u>	<u>-</u>	<u>3,341,194</u>	<u>871,771</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating Income (Loss)	(539,240)	438,584	(100,656)	16,668
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation and Amortization Expense	1,071,545	477,628	1,549,173	348,581
Other Income	338,440	-	338,440	83,932
(Increase) Decrease in Current Assets	78,410	(1,135)	77,275	(59,248)
Increase (Decrease) in Current Liabilities	177,168	858,494	1,035,662	28,481
Net Cash Provided by Operating Activities	<u>1,126,323</u>	<u>1,773,571</u>	<u>2,899,894</u>	<u>418,414</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, 2006

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	<u>Pension Trust</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 1,834,266
Investments	
State and Local Obligations	538,076
U.S. Government and Agency Obligations	13,363,211
Mutual Funds	14,919,754
Receivables	
Accrued Interest	<u>189,328</u>
Total Assets	<u>30,844,635</u>
<b>LIABILITIES</b>	
Accounts Payable	<u>12,608</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><u>30,832,027</u></u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Statement of Changes in Net Assets - Fiduciary Funds  
Year Ended April 30, 2006

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	<u>Pension Trust</u>
<b>Additions</b>	
Contributions - Employer	\$ 1,258,344
Contributions - Plan Members	<u>505,484</u>
Total Contributions	<u>1,763,828</u>
Investment Income	
Interest Earned	1,216,433
Net Change in Fair Value	<u>1,805,807</u>
	3,022,240
Less Investment Expenses	<u>(60,493)</u>
	<u>2,961,747</u>
Total Additions	<u>4,725,575</u>
<b>Deductions</b>	
Administration	39,982
Benefits and Refunds	<u>1,570,088</u>
Total Deductions	<u>1,610,070</u>
<b>Change in Net Assets</b>	3,115,505
<b>Net Plan Assets Held in Trust for Pension Benefits</b>	
Beginning	<u>27,716,522</u>
Ending	<u><u>30,832,027</u></u>

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2006

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	PAGE
<b>NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	
Reporting Entity .....	36
Blended Component Unit.....	37
Basis of Presentation	
Government-Wide Statements.....	37 - 38
Fund Financial Statements.....	38 - 39
Governmental Funds.....	39
General Fund .....	39
Special Revenue Funds.....	39
Debt Service Funds.....	39
Capital Projects Fund .....	39 - 40
Proprietary Funds.....	40
Enterprise Funds.....	40
Internal Service Funds.....	40
Fiduciary Funds.....	41
Pension Trust Funds .....	41
Measurement Focus and Basis of Accounting .....	41
Measurement Focus .....	41 - 42
Basis of Accounting .....	42 - 43
Assets, Liabilities, and Net Assets or Equity	
Cash and Investments .....	43
Interfund Receivables, Payables and Activity .....	43
Inventories.....	43
Prepays.....	44
Receivables .....	44
Capital Assets.....	44 - 45
Compensated Absences.....	45
Long-Term Obligations .....	45
Unearned Revenue .....	46
Fund Equity.....	46
<b>NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY</b>	
Budgetary Information .....	46 - 47
Excess of Actual Expenditures/Expenses over Budget in Individual Funds .....	47
Deficit Fund Equity .....	47
<b>NOTE 3 – DETAIL NOTES ON ALL FUNDS</b>	
Deposits and Investments.....	47 – 48
Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk	
Village .....	49 - 51
Police Pension Fund .....	51 - 52
Firefighters' Pension Fund .....	52 - 53

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2006**

	<b>PAGE</b>
<b>NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued</b>	
Property Taxes.....	53
Capital Assets	
Governmental Activities.....	54
Business-Type Activities.....	55
Interfund Receivables, Payables and Transfers	
Interfund Balances.....	56
Interfund Transfers.....	56
Long-Term Debt	
General Obligation Bonds/Certificates.....	57 - 59
IEPA Loans Payable.....	60
Installment Contracts Payable.....	60 - 61
Long-Term Liability Activity.....	61 - 62
Debt Service Requirements to Maturity.....	62 - 63
Legal Debt Margin.....	63 - 64
Bond Defeasances.....	64
Fund Equity	
Restatements.....	64
Fund Balance – Reserved for Special Revenues.....	65
<b>NOTE 4 – OTHER INFORMATION</b>	
Risk Management.....	66
Post-employment Benefits.....	67
Contingent Liabilities	
Commitments – CLC-JAWA.....	67
Litigation.....	67
Grants.....	68
Joint Ventures.....	68
Employee Retirement System – Defined Benefit Pension Plans.....	69
Plan Descriptions, Provisions and Funding Policies	
Illinois Municipal Retirement System.....	69
Police Pension Plan.....	70
Firefighters’ Pension Plan.....	71 - 72
Summary of Significant Accounting Policies and Plan Asset Matters	
Basis of Accounting.....	72
Method Used to Value Investments.....	72
Significant Investments.....	72
Related Party Transactions.....	72
Annual Pension Cost and Net Pension Obligation.....	73 - 74
Trend Information.....	75
Subsequent Event.....	75

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements April 30, 2006

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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, 2006

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## 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 nine-member pension board. The Village's President, Treasurer, Clerk, Attorney and Fire Chief, one elected pension beneficiary and three elected firefighters 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 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, 2006

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### 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, 2006

---

### 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, 2006

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## 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, 2006

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### 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, 2006

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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, 2006

---

### 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, 2006**

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**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, 2006

---

### 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, 2006

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

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

#### Unearned 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, 2006**

---

**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:

Fund	Excess
Technology Equipment and Replacement Service	\$ 7,801
Police Pension	42,081

**DEFICIT FUND EQUITY**

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

Fund	Deficit
Libertyville Sports Complex	\$ 5,943,436
Technology Equipment and Replacement Service	411,133

**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, 2006

---

#### 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, 2006

### 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 \$3,719,593 and the bank balances totaled \$3,969,092.

*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	\$ 6,590,616	5,359,178	1,231,438	-
Federal Home Loan Mortgage Corp	147,250	147,250	-	-
Federal National Mortgage Association	569,064	445,939	123,125	-
Illinois Metropolitan Investment Trust	2,067,736	2,067,736	-	-
Illinois Funds	2,806,939	2,806,938	-	-
	12,181,605	10,827,041	1,354,563	-

*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, 2006

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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, 2006**

**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 \$425,796 and the bank balances totaled \$434,615.

*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
Treasury Notes	\$ 2,042,872	100,676	-	1,942,196
Federal Home Loan Bank	1,838,713	-	483,437	1,355,276
Federal Home Loan Mortgage Corp	1,143,582	-	67,927	1,075,655
Federal Farm Credit Bank	2,407,961	300,093	902,088	1,205,780
Government National Mortgage Association	64,493	-	40,675	23,818
Municipal Bonds	538,076	-	-	538,076
	<u>8,035,697</u>	<u>400,769</u>	<u>1,494,127</u>	<u>6,140,801</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, 2006**

**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 \$8,115,025 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 (\$1,293,438), Enterprise Group Funds (\$1,227,608) and Vanguard (\$2,294,932).

**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 \$1,408,470 and the bank balances totaled \$1,454,253.

*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	\$ 3,365,513	1,738,090	1,627,423	-
Federal Home Loan Mortgage Corp	435,024	-	435,024	-
Federal Farm Credit Bank	368,554	175,054	193,500	-
Federal National Mortgage Association	1,692,918	545,884	1,147,034	-
Government National Mortgage Association	3,581	92	3,489	-
	<u>5,865,590</u>	<u>2,459,120</u>	<u>3,406,470</u>	<u>-</u>

## VILLAGE OF LIBERTYVILLE, ILLINOIS

### Notes to the Financial Statements April 30, 2006

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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 \$6,804,729 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 (\$896,663), Fidelity (\$1,435,711), T Rowe Price (\$1,930,052) and Vanguard (\$2,345,662).

##### **PROPERTY TAXES**

Property taxes for 2005 attach as an enforceable lien on January 1, 2005, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, 2006, and September 1, 2006. 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, 2006

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
Capital Assets- Not Being Depreciated				
Land	\$ 97,812,093	-	-	97,812,093
Other Capital Assets				
Buildings and Improvements	16,628,146	-	-	16,628,146
Machinery and Equipment	5,685,732	562,721	27,245	6,221,208
Infrastructure	46,769,638	267,355	-	47,036,993
	69,083,516	830,076	27,245	69,886,347
Less Accumulated Depreciation				
Buildings and Improvements	6,923,483	500,467	-	7,423,950
Machinery and Equipment	2,607,629	400,334	27,245	2,980,718
Infrastructure	18,701,184	1,111,218	-	19,812,402
	28,232,296	2,012,019	27,245	30,217,070
Total Other Capital Assets	40,851,220	(1,181,943)	-	39,669,277
Total Capital Assets	138,663,313	(1,181,943)	-	137,481,370

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 72,100
Public Safety	161,400
Public Works	1,141,823
Culture and Recreation	288,115
Internal Service	348,581
	<u>2,012,019</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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 as Restated	Increases	Decreases	Ending Balances
Capital Assets - Not Being Depreciated				
Land	\$ 7,043,248	-	-	7,043,248
Other Capital Assets				
Buildings and Improvements	31,463,721	-	-	31,463,721
Machinery and Equipment	2,133,152	-	-	2,133,152
Waterworks System	12,898,332	32,516	-	12,930,848
Sewerage System	13,462,153	169,840	-	13,631,993
	<u>59,957,358</u>	<u>202,356</u>	<u>-</u>	<u>60,159,714</u>
Less Accumulated Depreciation				
Buildings and Improvements	6,745,045	767,788	-	7,512,833
Machinery and Equipment	1,273,582	117,315	-	1,390,897
Waterworks System	5,523,720	323,271	-	5,846,991
Sewerage System	6,067,554	340,799	-	6,408,353
	<u>19,609,901</u>	<u>1,549,173</u>	<u>-</u>	<u>21,159,074</u>
Total Other Capital Assets	<u>40,347,457</u>	<u>(1,346,817)</u>	<u>-</u>	<u>39,000,640</u>
Total Capital Assets	<u>47,390,705</u>	<u>(1,346,817)</u>	<u>-</u>	<u>46,043,888</u>

Depreciation expense was charged to business-type as follows:

Waterworks and Sewerage	\$ 1,071,545
Libertyville Sports Complex	477,628
	<u>1,549,173</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2006**

**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	\$ 2,219,484
Waterworks and Sewerage	Libertyville Sports Complex	<u>951,273</u>
		<u><u>3,170,757</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	55,000	80,000
Capital Improvement	81,610	-	81,610
TIF Construction	222,550	-	222,550
Waterworks and Sewerage	103,690	-	103,690
	<u>432,850</u>	<u>55,000</u>	<u>487,850</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, 2006**

**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	Balances May 1	Issuances	Retirements	Balances April 30
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	\$ 745,000	-	45,000	700,000
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	1,645,000	-	390,000	1,255,000
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	1,735,000	-	30,000	1,705,000

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

General Obligation Bonds/Certificates – Continued

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30
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	\$ 1,545,000	-	375,000	1,170,000
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	575,000	-	80,000	495,000
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	1,100,000	-	270,000	830,000
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	4,630,000	-	195,000	4,435,000

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT – Continued

General Obligation Bonds/Certificates – Continued

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30
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	\$ 3,535,000	-	635,000	2,900,000
General Obligation 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	17,275,000	-	310,000	16,965,000
General Obligation Taxable 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
		<u>35,220,000</u>	<u>-</u>	<u>2,330,000</u>	<u>32,890,000</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2006**

**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	Balances May 1	Issuances	Retirements	Balances April 30
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	\$ 1,615,995	-	149,292	1,466,703

**Installment Contracts Payable**

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

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30
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	\$ 107,664	-	67,509	40,155
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	341,270	450,000	171,896	619,374

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

NOTE 3 – DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT – Continued

Installment Contracts Payable – Continued

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30
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	\$ 19,705	-	13,007	6,698
		468,639	450,000	252,412	666,227

Long-term Liability Activity

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

Type of Debt	Beginning Balances as Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Net Pension Obligation	\$ 142,944	-	2,472	140,472	-
Compensated Absences	1,327,394	355,296	177,648	1,505,042	301,008
Installment Contracts	360,975	450,000	184,903	626,072	167,518
General Obligation Bonds	7,345,000	-	1,190,000	6,155,000	1,215,000
	9,176,313	805,296	1,555,023	8,426,586	1,683,526
<b>Business-type Activities</b>					
Compensated Absences	320,372	116,150	58,075	378,447	75,689
Installment Contracts	107,664	-	67,509	40,155	12,862
IEPA Loans Payable	1,615,995	-	149,292	1,466,703	153,827
General Obligation Bonds	27,875,000	-	1,140,000	26,735,000	1,175,000
	29,919,031	116,150	1,414,876	28,620,305	1,417,378

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2006**

**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
2007	\$ 1,215,000	243,191	188,380	35,416
2008	1,240,000	206,724	200,502	16,497
2009	1,315,000	167,360	135,214	7,967
2010	180,000	123,398	101,976	2,446
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>6,155,000</b>	<b>1,429,401</b>	<b>626,072</b>	<b>62,326</b>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Notes to the Financial Statements  
April 30, 2006**

**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
2007	\$ 1,175,000	1,260,272	153,827	43,071	12,862	1,395
2008	1,205,000	1,219,320	158,500	38,398	13,377	881
2009	1,595,000	1,166,865	163,315	33,583	13,916	343
2010	1,650,000	1,097,773	168,276	28,622	-	-
2011	1,725,000	1,024,136	173,388	23,510	-	-
2012	1,800,000	946,816	178,655	18,243	-	-
2013	1,885,000	860,761	184,081	12,816	-	-
2014	1,985,000	770,009	189,673	7,224	-	-
2015	1,690,000	682,805	96,988	1,462	-	-
2016	1,770,000	599,684	-	-	-	-
2017	1,860,000	512,344	-	-	-	-
2018	1,950,000	420,396	-	-	-	-
2019	2,045,000	323,849	-	-	-	-
2020	2,145,000	222,393	-	-	-	-
2021	2,255,000	113,983	-	-	-	-
<b>Total</b>	<b>26,735,000</b>	<b>11,221,406</b>	<b>1,466,703</b>	<b>206,929</b>	<b>40,155</b>	<b>2,619</b>

**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, 2006**

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

**LONG-TERM DEBT – Continued**

**Legal Debt Margin – Continued**

Assessed Valuation - 2005	<u>\$ 1,039,667,041</u>
Legal Debt Limit - 8.625% of Assessed Valuation	89,671,282
Amount of Debt Applicable to Debt Limit	
General Obligation Bonds of 2000	1,705,000
General Obligation Bonds of 2003A	<u>495,000</u>
Legal Debt Margin	<u>87,471,282</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 \$1,330,000 are still outstanding as of the date of this report.

**FUND EQUITY**

**Restatements**

Beginning net assets balances were increased/decreased in the following funds:

Fund Equity	As Reported	As Restated	Increase (Decrease)
Waterworks and Sewerage	\$ 24,627,500	25,174,443	546,943
Libertyville Sports Complex	(4,633,700)	(5,180,959)	(547,259)
Vehicle Maintenance and Replacement Service	2,525,237	3,016,655	491,418
Technology Equipment and Replacement Service	(522,946)	(542,322)	(19,376)
Governmental Activities Net Assets	36,643,888	143,080,978	106,437,090

Beginning net assets in the above funds were increase/decreased to reflect an error in accounting for capital assets.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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	\$ 269,375	320,089	351,553	237,911
Foreign Fire Insurance	61,378	32,105	60,000	33,483
Tim/Creek Special Service Area	4,811	17,491	17,693	4,609
Hotel/Motel Tax	18,247	245,883	188,128	76,002
Lucerne/Interlaken Special Service Area	(7,595)	19,043	10,313	1,135
	346,216	<u>634,611</u>	<u>627,687</u>	353,140
Plus Negative Reserves Allocated to Unreserved Fund Balance	<u>7,595</u>			<u>-</u>
	<u>353,811</u>			<u>353,140</u>
Nonmajor Governmental Funds				
Commuter Parking	<u>552,921</u>	<u>320,420</u>	<u>146,711</u>	<u>726,630</u>
Total Reserved Amount	<u>906,732</u>			<u>1,079,770</u>

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Notes to the Financial Statements

April 30, 2006

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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, 2006**

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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
2006	\$ 2,377,045
2007	2,388,055
2008	2,393,129
2009	1,686,900
2010-2029	32,051,119
	<u>40,896,248</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, 2006

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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 contacts entered into while bound by the intergovernmental agreement, until those contacts 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, 2006

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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 2004 was 8.72 percent.

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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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:

Police	
Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	25
Current Employees	
Vested	25
Nonvested	17
	<u>67</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, 2006**

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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	10
Current Employees	
Vested	17
Nonvested	13
	<u>40</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, 2006**

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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, 2006**

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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	\$ 667,352	516,428	1,183,780
Interest on the NPO	5,599	5,122	10,721
Adjustment to the ARC	(3,594)	(3,288)	(6,882)
Annual Pension Cost	669,357	518,262	1,187,619
Actual Contribution	670,984	519,107	1,190,091
Increase in the NPO	(1,627)	(845)	(2,472)
NPO Beginning of Year	74,653	68,291	142,944
NPO End of Year	73,026	67,446	140,472

VILLAGE OF LIBERTYVILLE, ILLINOIS

Notes to the Financial Statements  
April 30, 2006

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
Contribution Rates			
Employer	9.06%	22.71%	23.97%
Employee	4.50%	9.91%	9.455%
Annual Pension Cost	\$556,124	\$669,357	\$518,262
Contributions Made	\$556,124	\$724,464	\$533,880
Actuarial Valuation Date	12/31/03	4/30/05	4/30/05
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	10	28 Years	28 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
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, 2006

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NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows: The NPO is the cumulative difference between the ARC and the contributions actually made.

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Required Contribution (ARC)	2004	\$ 389,481	587,484	478,147
	2005	540,962	667,352	516,428
	2006	556,124	719,433	527,909
Actual Contributions	2004	389,481	582,020	478,900
	2005	540,962	670,984	519,107
	2006	556,124	724,464	553,880
Percentage of ARC Contributed	2004	100.00%	99.07%	100.16%
	2005	100.00%	100.54%	100.52%
	2006	100.00%	100.70%	104.92%
Net Pension Obligation	2004	-	67,306	67,165
	2005	-	74,653	68,291
	2006	-	73,026	67,446

SUBSEQUENT EVENT

On July 26, 2006, the Village issued \$3,000,000 General Obligation Waterworks and Sewerage Alternate Revenues Sources Bonds Series of 2006, due in annual installments of \$75,000 to \$330,000 plus interest at 3.90% to 4.20%. Effective May 1, 2006 the health benefits carrier changed from North Suburban Employee Benefit Cooperative (NSEBC) to Intergovernmental Personnel Benefit Cooperative (IPBC).

## 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
  
- 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, 2006

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)
2000	\$ 11,026,524	\$ 9,711,828	113.54%	\$ (1,314,696)	\$ 4,667,646	(28.17%)
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%

VILLAGE OF LIBERTYVILLE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2006

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Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ 320,200	\$ 320,200	100.00%
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%

VILLAGE OF LIBERTYVILLE, ILLINOIS

Police Pension Fund

Required Supplementary Information  
 Schedule of Funding Progress  
 April 30, 2006

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)
2000	\$ 13,852,123	\$ 17,363,881	79.78%	\$ 3,511,758	\$ 2,335,296	150.38%
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%

VILLAGE OF LIBERTYVILLE, ILLINOIS

Police Pension Fund

Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2006

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ 424,328	\$ 423,258	100.25%
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%

VILLAGE OF LIBERTYVILLE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Schedule of Funding Progress

April 30, 2006

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)
2000	\$ 10,318,365	11,845,804	87.11%	\$ 1,527,439	\$ 1,660,124	92.01%
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%

VILLAGE OF LIBERTYVILLE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information  
Schedule of Employer Contributions  
April 30, 2006

Fiscal Year Ended	Employer Contributions	Annual Required Contribution	Percent Contributed
2001	\$ 358,660	358,207	100.13%
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%

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 4,854,050	4,854,050	4,937,965
Licenses and Permits	717,870	717,870	1,051,786
Intergovernmental	8,326,200	8,326,200	8,428,129
Charges for Services	5,000,585	5,000,585	5,106,072
Fines and Forfeits	231,000	231,000	241,105
Interest	304,600	304,600	325,224
Miscellaneous	178,600	178,600	366,049
Total Revenues	<u>19,612,905</u>	<u>19,612,905</u>	<u>20,456,330</u>
Expenditures			
General Government	2,220,410	2,415,410	2,318,431
Community Development	1,102,575	1,102,575	1,034,897
Public Safety	11,697,628	12,017,628	11,944,339
Public Works	2,109,825	2,154,825	2,083,919
Parks and Recreation	2,928,120	2,928,120	2,792,256
Total Expenditures	<u>20,058,558</u>	<u>20,618,558</u>	<u>20,173,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(445,653)	(1,005,653)	282,488
Other Financing (Uses) Transfers Out	<u>(60,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>
Net Change in Fund Balance	<u>(505,653)</u>	<u>(1,085,653)</u>	202,488
Fund Balance - Beginning			<u>10,342,081</u>
Fund Balance - Ending			<u><u>10,544,569</u></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, 2006

	Budget		Actual
	Original	Final	
Taxes			
Property Taxes			
General Corporate	\$ 800,000	800,000	800,272
Fire Protection	713,000	713,000	714,464
Parks	280,000	280,000	285,876
Recreation	280,000	280,000	285,876
Highway and Bridges - Village	541,000	541,000	505,815
Highway and Bridges - Township	150,000	150,000	184,912
Municipal Retirement	350,000	350,000	352,264
Police Pension	709,400	709,400	714,464
Fire Pension	517,900	517,900	523,880
Special Recreation	104,000	104,000	104,776
Concord/Interlaken Special Service Area	18,750	18,750	18,750
Timber Creek Special Service Area	17,000	17,000	17,018
Leased Car Tax	53,000	53,000	55,786
Hotel/Motel Tax	220,000	220,000	240,690
Foreign Fire Insurance Tax	30,000	30,000	31,772
Personal Property Replacement Tax			
General	50,000	50,000	81,350
Police	10,000	10,000	10,000
Fire	10,000	10,000	10,000
	<u>4,854,050</u>	<u>4,854,050</u>	<u>4,937,965</u>
Licenses and Permits			
Building Plan Review Fees	59,370	59,370	76,605
Building Permits	494,000	494,000	769,895
Zoning Fees	30,000	30,000	60,761
Fire Bureau - Permits/Fees	62,500	62,500	75,835
Liquor Licenses	60,000	60,000	56,465
Other Licenses	12,000	12,000	12,225
	<u>717,870</u>	<u>717,870</u>	<u>1,051,786</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Intergovernmental			
Sales Tax	\$ 6,528,500	6,528,500	6,512,520
Income Tax	1,472,600	1,472,600	1,584,940
Use Tax	228,100	228,100	256,455
Street/Signal Maintenance Fees	72,000	72,000	37,273
Grants	25,000	25,000	36,941
	<u>8,326,200</u>	<u>8,326,200</u>	<u>8,428,129</u>
Charges for Services			
Libertyville Fire Protection	2,110,640	2,110,640	2,110,651
Ambulance Fees	180,000	180,000	187,805
Golf Rentals	6,300	6,300	3,836
Golf Special Events	12,000	12,000	-
Recreation Fees	813,000	813,000	762,589
Green Fees	117,000	117,000	95,017
Swimming Fees	261,155	261,155	263,627
Swimming Programs	154,590	154,590	133,314
Senior Meals Fees	22,000	22,000	13,806
Parking Fees	4,000	4,000	5,065
Engineering	50,000	50,000	73,816
Burglary Fire Alarm Fees	191,000	191,000	244,652
Elevator Inspection Fees	15,000	15,000	11,871
Fire Services	-	-	30,926
Legal Fee Reimbursement	10,000	10,000	77,877
Birth/Death Certificates	129,500	129,500	118,679
Cable Franchise Fee	192,000	192,000	210,403
Telecom Infrastructure Maintenance Fee	265,000	265,000	327,005
Police Services	78,000	78,000	85,977
Damage to Village Property	-	-	5,269
Senior Center Sponsorship	16,500	16,500	3,700
Concessions - Pools	40,000	40,000	42,016
Pro Shop Merchandise	1,500	1,500	2,178
Telephone Surcharge	203,190	203,190	188,089
Wireless Surcharge	128,210	128,210	107,904
	<u>5,000,585</u>	<u>5,000,585</u>	<u>5,106,072</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Fines and Forfeits			
Local Fines	\$ 85,000	85,000	103,763
Circuit Court Fines	140,000	140,000	132,398
DUI Fines - Senate Bill 740	6,000	6,000	4,944
	<u>231,000</u>	<u>231,000</u>	<u>241,105</u>
Interest			
Investment Income	<u>304,600</u>	<u>304,600</u>	<u>325,224</u>
Miscellaneous			
Park Rentals	2,500	2,500	2,007
Scholarship/Donations	5,000	5,000	15,000
Tree Program	10,500	10,500	15,067
Hazardous Materials Reimbursement	-	-	1,760
Drug Forfeiture	500	500	6,615
D.A.R.E. Donations	-	-	50
Cash Over	100	100	58
Insurance Surplus	100,000	100,000	178,292
Miscellaneous	60,000	60,000	147,200
	<u>178,600</u>	<u>178,600</u>	<u>366,049</u>
Total Revenues	<u>19,612,905</u>	<u>19,612,905</u>	<u>20,456,330</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government			
Legislative	\$ 108,885	128,885	126,757
Administration and Finance	1,114,670	1,114,670	1,058,744
Legal	308,000	468,000	461,755
Public Buildings	182,345	182,345	180,120
Community Organization/Activities	200,000	215,000	216,013
Senior Programs	69,680	69,680	60,464
Central Business District Parking	28,570	28,570	26,450
Hotel/Motel Tax	208,260	208,260	188,128
	<u>2,220,410</u>	<u>2,415,410</u>	<u>2,318,431</u>
Community Development			
Planning	420,565	420,565	404,568
Building Services	682,010	682,010	630,329
	<u>1,102,575</u>	<u>1,102,575</u>	<u>1,034,897</u>
Public Safety			
Police Department			
Administration/Communication/Records	1,887,020	1,887,020	1,892,309
Patrol Services	3,434,100	3,634,100	3,742,287
Investigation	515,650	515,650	385,842
Public Education	84,650	84,650	66,303
Community Service	160,305	160,305	155,980
	<u>6,081,725</u>	<u>6,281,725</u>	<u>6,242,721</u>
Fire Services Department			
Administration	274,740	274,740	237,486
Fire Prevention	146,900	146,900	145,057
Emergency Services	4,320,750	4,345,750	4,341,053
Support Services	492,630	567,630	571,901
Foreign Fire Insurance	60,000	60,000	60,000
	<u>5,295,020</u>	<u>5,395,020</u>	<u>5,355,497</u>
Emergency Management Agency	4,950	24,950	19,568
Emergency Telephone System (911)	315,933	315,933	326,553
Total Public Safety	<u>11,697,628</u>	<u>12,017,628</u>	<u>11,944,339</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works			
Engineering	\$ 410,280	410,280	406,348
Highways and Bridges	1,403,585	1,448,585	1,427,599
Snow Removal and Ice Control	246,460	246,460	221,966
Concord/Interlaken Special Service Area	28,500	28,500	10,313
Timber Creek Special Service Area	21,000	21,000	17,693
	<u>2,109,825</u>	<u>2,154,825</u>	<u>2,083,919</u>
Parks and Recreation			
Parks	1,218,300	1,218,300	1,240,737
Recreation	1,109,670	1,109,670	1,034,833
Libertyville Golf Course	207,385	207,385	165,750
Swimming Pool	392,765	392,765	350,936
	<u>2,928,120</u>	<u>2,928,120</u>	<u>2,792,256</u>
Total Expenditures	<u>20,058,558</u>	<u>20,618,558</u>	<u>20,173,842</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Salaries	\$ 45,600	45,600	45,600
Employer Contribution - IMRF	1,550	1,550	1,042
Employer Contribution - FICA & Medicare	4,635	4,635	4,188
Travel, Training, Subscriptions and Dues	20,100	30,100	30,738
Appearance Review Committee	3,500	3,500	1,450
Board of Police and Fire Commissions	12,000	12,000	8,468
Economic Development Commission	3,000	3,000	2,004
Keep Libertyville Beautiful	1,500	1,500	1,286
Plan Commission/Zoning Board of Appeals	12,000	12,000	10,885
Miscellaneous	5,000	15,000	21,096
	<u>108,885</u>	<u>128,885</u>	<u>126,757</u>
Administration and Finance			
Salaries	567,220	567,220	563,274
Employer Contribution - IMRF	51,725	51,725	51,905
Employer Contribution - FICA & Medicare	39,980	39,980	38,973
Materials and Supplies	4,000	4,000	3,103
Telephone	19,750	19,750	17,482
Maintenance - Computer	220	220	252
Maintenance - Copy Machines	18,300	18,300	10,227
Maintenance - Motor Vehicles	2,000	2,000	4,000
Maintenance - Other Equipment	1,650	1,650	1,959
Vital Records	18,250	18,250	18,878
Insurance	121,875	121,875	106,771
Intergovernmental Risk Management Agency	87,100	87,100	75,568
Postage	18,250	18,250	20,622
Office Supplies	10,000	10,000	8,381
Audit Services	17,950	17,950	19,315
Travel, Training, Subscriptions and Dues	9,950	9,950	11,742
Technical Services	22,800	22,800	22,015
Credit Card/Bank Fees	20,000	20,000	2,380
Publication	17,800	17,800	20,016
Printing	21,150	21,150	22,387
Section 125 Administration Fees	4,350	4,350	4,177

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006**

	Budget		Actual
	Original	Final	
<b>General Government - Continued</b>			
<b>Administration and Finance - Continued</b>			
Employee Programs	\$ 15,800	15,800	11,578
Cash Under	-	-	37
Technology Equipment and Replacement Fees	16,300	16,300	16,300
Vehicle Replacement Fees	4,250	4,250	4,250
Miscellaneous	4,000	4,000	3,152
	<u>1,114,670</u>	<u>1,114,670</u>	<u>1,058,744</u>
<b>Legal</b>			
Village Attorney	200,000	189,000	188,167
Village Prosecutor	48,000	45,200	41,196
Labor Counsel	18,000	137,000	136,401
Litigation	30,000	70,000	69,447
Special Projects	10,000	11,000	10,768
Miscellaneous	2,000	15,800	15,776
	<u>308,000</u>	<u>468,000</u>	<u>461,755</u>
<b>Public Buildings</b>			
Salaries	47,375	47,375	46,363
Employer Contribution - IMRF	4,360	4,360	4,331
Employer Contribution - FICA & Medicare	3,625	3,625	3,349
Materials and Supplies	-	-	7
North Shore Gas	750	750	7,334
Maintenance - Village Hall	22,000	22,000	21,293
Maintenance - Schertz Building	74,000	74,000	70,266
Maintenance - Motor Vehicle	2,000	2,000	2,000
Insurance	10,485	10,485	11,103
Intergovernmental Risk Management Agency	5,000	5,000	5,712
Uniforms	250	250	140
Civic Center	10,000	10,000	5,758
Miscellaneous	2,500	2,500	2,464
	<u>182,345</u>	<u>182,345</u>	<u>180,120</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government - Continued			
Community Organization/Activities			
Dial-A-Ride	\$ 20,000	20,000	16,325
Northern Illinois Special Recreation Assn.	104,000	104,000	104,318
Village Band	3,000	3,000	3,648
Special Events	20,000	20,000	20,530
Spring Cleanup	30,000	38,000	37,063
Mosquito Control	23,000	30,000	34,129
	<u>200,000</u>	<u>215,000</u>	<u>216,013</u>
Senior Programs			
Salaries	24,830	24,830	25,940
Employer Contribution - IMRF	2,100	2,100	2,227
Employer Contribution - FICA & Medicare	1,900	1,900	1,985
Materials and Supplies	5,250	5,250	2,999
Meal Supplies	200	200	251
Contractual Services	24,000	24,000	23,280
Senior Trips	9,200	9,200	3,360
Office Supplies	100	100	81
Publicity	-	-	60
Special Events	2,000	2,000	252
Miscellaneous	100	100	29
	<u>69,680</u>	<u>69,680</u>	<u>60,464</u>
Central Business District Parking			
Materials and Supplies	1,800	1,800	-
Maintenance - Parking Lots	4,000	4,000	3,680
Rent	22,770	22,770	22,770
	<u>28,570</u>	<u>28,570</u>	<u>26,450</u>
Hotel/Motel Tax			
Libertyville Days	24,000	24,000	23,960
Cook House	5,000	5,000	9,724
Chamber Book	-	-	1,795
Mainstreet Libertyville	25,000	25,000	25,000

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Fund**

**Schedule of Expenditures - Budget and Actual - Continued**  
**Year Ended April 30, 2006**

	Budget		Actual
	Original	Final	
<b>General Government - Continued</b>			
Hotel/Motel Tax - Continued			
Lake County Convention	\$ 10,000	10,000	10,000
Sports Complex Marketing	125,000	125,000	110,948
Adler Cultural Center	5,000	5,000	4,807
Lease Payments	14,260	14,260	1,894
	<u>208,260</u>	<u>208,260</u>	<u>188,128</u>
 Total General Government	 <u>2,220,410</u>	 <u>2,415,410</u>	 <u>2,318,431</u>
 <b>Community Development</b>			
Planning			
Salaries	261,380	261,380	259,785
Employer Contribution - IMRF	24,050	24,050	24,270
Employer Contribution - FICA & Medicare	19,275	19,275	18,983
Materials and Supplies	4,000	4,000	3,841
Telephone	4,000	4,000	4,077
Maintenance - Motor Vehicle	1,500	1,500	3,000
Insurance	54,680	54,680	50,330
Intergovernmental Risk Management Agency	5,000	5,000	5,712
Postage	2,000	2,000	1,706
Technical Services	4,000	4,000	5,054
Travel, Training, Subscriptions and Dues	4,500	4,500	2,877
Consulting Services	11,000	11,000	1,000
Printing and Photoprocessing	12,000	12,000	12,569
Publication Notices	1,000	1,000	49
Technology Equipment and Replacement Fees	6,300	6,300	6,300
Vehicle Replacement Fees	4,380	4,380	4,380
Miscellaneous	1,500	1,500	635
	<u>420,565</u>	<u>420,565</u>	<u>404,568</u>
 <b>Building Services</b>			
Salaries	449,450	449,450	414,378
Employer Contribution - IMRF	40,140	40,140	38,654
Employer Contribution - FICA & Medicare	34,380	34,380	30,655

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Community Development - Continued			
Building Services - Continued			
Materials and Supplies	\$ 5,000	5,000	3,160
Telephone	4,000	4,000	3,171
Maintenance - Motor Vehicle	7,900	7,900	10,000
Maintenance - Other Equipment	1,950	1,950	2,338
Insurance	80,090	80,090	73,991
Intergovernmental Risk Management Agency	11,000	11,000	11,423
Office Supplies	4,000	4,000	3,606
Travel, Training, Subscriptions and Dues	5,800	5,800	3,374
Technical Services	20,000	20,000	20,012
Reimbursable Expenses	1,500	1,500	960
Printing and Publication	5,000	5,000	3,528
Technology Equipment and Replacement Fees	10,300	10,300	10,300
Miscellaneous	1,500	1,500	779
	<u>682,010</u>	<u>682,010</u>	<u>630,329</u>
Total Community Development	<u>1,102,575</u>	<u>1,102,575</u>	<u>1,034,897</u>
Public Safety			
Police Department			
Administration/Communication/Records			
Salaries - Uniformed	372,175	372,175	356,801
Salaries - Civilian	171,060	171,060	157,416
Salaries - Dispatchers	285,950	285,950	319,584
Employer Contribution - IMRF	42,045	42,045	44,402
Employer Contribution - FICA & Medicare	36,590	36,590	36,995
Contractual Services	41,000	41,000	47,547
Materials and Supplies	6,000	6,000	6,742
Telephone	22,000	22,000	22,504
Maintenance - Motor Vehicles Fees	3,500	3,500	5,000
Maintenance - Other Equipment	5,000	5,000	5,111
Insurance	662,200	662,200	653,784
Intergovernmental Risk Management Agency	95,000	95,000	90,078
Postage	5,000	5,000	4,808

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Administration/Communication/Records - Continued			
Office Supplies	\$ 11,000	11,000	10,545
Travel, Training, Subscriptions and Dues	11,000	11,000	7,918
Medical Services	500	500	785
Photocopying	6,000	6,000	6,837
Printing and Publications	4,000	4,000	4,515
Uniforms	5,000	5,000	8,944
Technology Equipment and Replacement Fees	97,000	97,000	97,000
Miscellaneous	5,000	5,000	4,993
	<u>1,887,020</u>	<u>1,887,020</u>	<u>1,892,309</u>
Patrol Services			
Salaries - Uniformed	2,398,820	2,562,820	2,676,452
Employer Contribution - FICA & Medicare	28,700	28,700	30,800
Contractual Services	1,000	1,000	500
Materials and Supplies	23,000	23,000	22,766
Maintenance - Motor Vehicles Fees	65,000	101,000	100,259
Maintenance - Other Equipment	4,100	4,100	4,317
Squad Equipment Changeover	23,500	23,500	23,797
Travel, Training, Subscriptions and Dues	20,000	20,000	4,347
Equipment Rental and User Fees	4,480	4,480	-
Uniforms	35,000	35,000	18,701
Northern Illinois Crime Lab	21,000	21,000	21,000
Police Pension	709,400	709,400	724,464
Capital Outlays	-	-	14,884
Vehicle Replacement Fees	100,000	100,000	100,000
Miscellaneous	100	100	-
	<u>3,434,100</u>	<u>3,634,100</u>	<u>3,742,287</u>
Investigations			
Salaries - Uniformed	473,950	473,950	346,881
Employer Contribution - FICA & Medicare	6,870	6,870	4,991
Materials and Supplies	4,000	4,000	1,732

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Police Department - Continued			
Investigations - Continued			
Maintenance - Motor Vehicles Fees	\$ 11,000	11,000	11,000
Maintenance - Other Equipment	1,000	1,000	307
Travel, Training, Subscriptions and Dues	1,000	1,000	888
Uniforms	6,000	6,000	5,086
Northern Illinois Crime Lab	10,830	10,830	10,824
Drug Forfeiture Expense	500	500	1,780
Capital Outlays	-	-	961
Miscellaneous	500	500	1,392
	<u>515,650</u>	<u>515,650</u>	<u>385,842</u>
Public Education			
Salaries - Uniformed	70,525	70,525	53,323
Employer Contribution - FICA & Medicare	1,025	1,025	768
Materials and Supplies	10,000	10,000	10,273
Maintenance - Motor Vehicles Fees	1,500	1,500	1,500
Travel, Training, Subscriptions and Dues	500	500	300
Uniforms	600	600	-
Miscellaneous	500	500	139
	<u>84,650</u>	<u>84,650</u>	<u>66,303</u>
Community Services			
Salaries - Civilian	130,165	130,165	123,777
Employer Contribution - IMRF	8,585	8,585	8,148
Employer Contribution - FICA & Medicare	9,955	9,955	9,114
Materials and Supplies	1,000	1,000	914
Maintenance - Motor Vehicles Fees	5,000	5,000	8,000
Travel, Training, Subscriptions and Dues	500	500	100
Animal Care	3,000	3,000	1,775
Uniforms	2,100	2,100	4,152
	<u>160,305</u>	<u>160,305</u>	<u>155,980</u>
Total Police Department	<u>6,081,725</u>	<u>6,281,725</u>	<u>6,242,721</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Fire Department			
Administration			
Salaries - Uniformed	\$ 100,415	100,415	67,360
Salaries - Civilian	49,865	49,865	49,857
Employer Contribution - IMRF	4,585	4,585	4,657
Employer Contribution - FICA & Medicare	3,815	3,815	3,452
Telephone	23,000	23,000	22,294
Maintenance - Radio Equipment	360	360	-
Computer Equipment and Supplies	1,700	1,700	500
Postage	500	500	746
Office Supplies	2,500	2,500	1,948
Travel, Training, Subscriptions and Dues	500	500	496
Photocopying	5,000	5,000	3,541
Technology Equipment and Replacement Fees	82,000	82,000	82,000
Miscellaneous	500	500	635
	<u>274,740</u>	<u>274,740</u>	<u>237,486</u>
Fire Prevention			
Salaries - Uniformed	86,815	86,815	86,826
Salaries - Paid on Call	-	-	225
Salaries - Civilian	44,275	44,275	44,275
Employer Contribution - IMRF	4,075	4,075	4,136
Employer Contribution - FICA & Medicare	3,385	3,385	3,310
Maintenance - Motor Equipment Fees	2,000	2,000	2,000
Maintenance - Other Equipment	100	100	-
Postage	1,000	1,000	256
Office Supplies	100	100	83
Public Education	2,425	2,425	2,030
Travel, Training, Subscriptions and Dues	2,300	2,300	1,916
Photocopying	100	100	-
Uniforms	325	325	-
	<u>146,900</u>	<u>146,900</u>	<u>145,057</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Emergency Services			
Salaries - Uniformed	\$ 2,268,530	2,293,530	2,290,779
Salaries - Paid on Call	67,400	67,400	32,837
Salaries - Dispatchers	189,355	189,355	211,599
Employer Contribution - IMRF	17,420	17,420	19,677
Employer Contribution - FICA & Medicare	41,650	41,650	45,218
Contractual Services	620,870	620,870	615,955
Firefighter/EMS Supplies	15,500	15,500	15,116
Insurance	455,245	455,245	436,440
Intergovernmental Risk Management Agency	95,200	95,200	81,601
Office Supplies	200	200	-
Travel, Training, Subscriptions and Dues	13,720	13,720	15,640
Technical Services	3,500	3,500	38,345
Photocopying	100	100	-
Firefighters' Pension	527,910	527,910	533,880
Paid on Call Pensions	3,150	3,150	2,975
Miscellaneous	1,000	1,000	991
	<u>4,320,750</u>	<u>4,345,750</u>	<u>4,341,053</u>
Support Services			
Salaries - Uniformed	26,360	26,360	26,534
Employer Contribution - FICA & Medicare	-	-	77
Materials and Supplies	15,590	15,590	15,150
Firefighter/EMS Supplies	23,030	68,030	68,050
Utilities	19,000	19,000	24,730
Maintenance - Buildings	20,000	20,000	22,813
Maintenance - Motor Equipment	90,000	120,000	120,000
Maintenance - Other Equipment	8,700	8,700	5,196
Uniforms	14,450	14,450	13,940
Vehicle Replacement Fees	275,000	275,000	275,000
Miscellaneous	500	500	411
	<u>492,630</u>	<u>567,630</u>	<u>571,901</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire Department - Continued			
Foreign Fire Insurance			
Firefighting/EMS Equipment	\$ 60,000	60,000	60,000
Total Fire Department	5,295,020	5,395,020	5,355,497
Emergency Management Agency			
Materials and Supplies	100	100	-
Electricity	500	500	298
Telephone	2,000	2,000	2,137
Maintenance - Other Equipment	1,000	1,000	-
Computer Equipment and Supplies	1,000	1,000	1,000
Office Supplies	100	100	-
Public Education	-	20,000	15,872
Travel, Training, Subscriptions and Dues	200	200	261
Photocopying	50	50	-
	4,950	24,950	19,568
Emergency Telephone System (911)			
Salaries	70,200	70,200	74,324
Employer Contribution - IMRF	6,460	6,460	6,813
Employer Contribution - FICA & Medicare	5,370	5,370	5,645
Materials and Supplies	500	500	-
Telephone	61,000	61,000	70,480
Maintenance - Other Equipment	34,550	34,550	10,426
Maintenance - 911 Equipment	89,623	89,623	101,985
Computer Equipment and Supplies	6,000	6,000	392
Insurance	5,730	5,730	5,671
Intergovernmental Risk Management Agency	7,500	7,500	8,567
Office Supplies	500	500	1,079
Travel, Training, Subscriptions and Dues	7,000	7,000	5,148
Technical Services	4,000	4,000	1,313
Capital Outlay	17,500	17,500	34,710
	315,933	315,933	326,553
Total Public Safety	11,697,628	12,017,628	11,944,339

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works			
Engineering			
Salaries	\$ 267,470	267,470	262,711
Employer Contribution - IMRF	24,150	24,150	24,123
Employer Contribution - FICA & Medicare	20,460	20,460	19,383
Materials and Supplies	2,400	2,400	1,521
Telephone	4,900	4,900	3,443
Maintenance - Vehicles	7,400	7,400	10,000
Maintenance - Other Equipment	700	700	1,556
Insurance	58,500	58,500	58,525
Intergovernmental Risk Management Agency	5,100	5,100	5,826
Office Supplies	6,200	6,200	5,624
Travel, Training, Subscriptions and Dues	600	600	990
Technical Services	200	200	446
Technology Equipment and Replacement Fees	6,700	6,700	6,700
Vehicle Replacement Fees	5,500	5,500	5,500
	<u>410,280</u>	<u>410,280</u>	<u>406,348</u>
Highways and Bridges			
Salaries - Administration	94,625	94,625	94,781
Salaries - Clerical	13,540	13,540	13,545
Salaries - Maintenance	358,970	358,970	334,958
Employer Contribution - IMRF	42,315	42,315	42,316
Employer Contribution - FICA & Medicare	35,945	35,945	32,781
Materials and Supplies	18,000	18,000	13,684
Streetlights - Energy	84,960	84,960	99,137
Streetlights - Maintenance	56,000	56,000	101,259
Maintenance - Buildings	10,500	10,500	9,193
Maintenance - Roadway Medians	6,200	6,200	5,704
Maintenance - Motor Equipment Fees	113,000	128,000	130,000
Maintenance - Other Equipment	1,800	1,800	2,843
Maintenance - Streets and Alleys	80,500	80,500	59,816
Maintenance - Sidewalks	40,000	40,000	39,592
Maintenance - Storm Sewers	24,000	24,000	16,294
Maintenance - Signs	14,000	14,000	12,906

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works - Continued			
Highways and Bridges - Continued			
Insurance	\$ 157,000	157,000	154,246
Intergovernmental Risk Management Agency	43,600	73,600	59,336
Maintenance Radios	1,000	1,000	-
Office Supplies	-	-	323
Refuse Disposal	4,000	4,000	3,592
Equipment Rental	7,000	7,000	5,841
Travel, Training, Subscriptions and Dues	400	400	378
Technical Services	1,450	1,450	1,873
Traffic Signal Maintenance	38,500	38,500	37,968
Uniforms	6,600	6,600	6,373
Technology Equipment and Replacement Fees	24,000	24,000	24,000
Vehicle Replacement Fees	124,680	124,680	124,680
Miscellaneous	1,000	1,000	180
	<u>1,403,585</u>	<u>1,448,585</u>	<u>1,427,599</u>
Snow Removal and Ice Control			
Salaries - Administration	16,850	16,850	16,898
Salaries - Maintenance	116,845	116,845	107,025
Employer Contribution - IMRF	11,840	11,840	10,792
Employer Contribution - FICA & Medicare	10,225	10,225	8,361
Materials and Supplies	71,700	71,700	67,179
Maintenance - Other Equipment	7,500	7,500	3,185
Intergovernmental Risk Management Agency	5,500	5,500	6,283
Contractual Service	5,000	5,000	1,521
Miscellaneous	1,000	1,000	722
	<u>246,460</u>	<u>246,460</u>	<u>221,966</u>
Concord/Interlaken Special Service Area			
Maintenance of Retention Pond	4,500	4,500	5,273
Landscaping	16,000	16,000	5,040
Miscellaneous	8,000	8,000	-
	<u>28,500</u>	<u>28,500</u>	<u>10,313</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Public Works - Continued			
Timber Creek Special Service Area			
Maintenance of Retention Pond	\$ 3,000	3,000	2,120
Landscaping	14,000	14,000	15,573
Miscellaneous	4,000	4,000	-
	<u>21,000</u>	<u>21,000</u>	<u>17,693</u>
Total Public Works	<u>2,109,825</u>	<u>2,154,825</u>	<u>2,083,919</u>
Parks and Recreation			
Parks			
Salaries - Full Time	612,925	612,925	623,770
Salaries - Part Time	46,070	46,070	46,828
Employer Contribution - IMRF	56,390	56,390	58,886
Employer Contribution - FICA & Medicare	50,415	50,415	50,652
Contractual Services	21,070	21,070	15,536
Materials and Supplies	21,320	21,320	13,107
Electricity	6,000	6,000	6,643
North Shore Gas	2,500	2,500	2,042
Telephone	6,000	6,000	5,494
Gasoline and Oil	1,700	1,700	2,106
Maintenance - Building	14,150	14,150	16,598
Maintenance - Grounds	31,500	31,500	39,913
Maintenance - Motor Vehicles	33,000	33,000	38,000
Maintenance - Other Equipment	15,115	15,115	24,816
Maintenance - Roads and Parking Lots	2,500	2,500	295
Insurance	156,605	156,605	158,189
Intergovernmental Risk Management Agency	22,000	22,000	28,542
Office Supplies	300	300	227
Travel, Training, Subscriptions and Dues	890	890	915
Tree Surgery and Spraying	28,215	28,215	19,741
Nursery Stock and Trees	21,000	21,000	19,701
Equipment Rental	600	600	704
Maintenance Radios	200	200	-

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Parks - Continued			
Unemployment Benefits	\$ 5,025	5,025	4,021
Uniform	7,910	7,910	7,626
Technology Equipment and Replacement Fees	24,400	24,400	24,400
Vehicle Replacement Fees	30,000	30,000	30,000
Miscellaneous	500	500	1,985
	<u>1,218,300</u>	<u>1,218,300</u>	<u>1,240,737</u>
Recreation			
Salaries - Administrative Staff	228,360	228,360	175,664
Salaries - Tot Programs	71,585	71,585	94,910
Salaries - Youth/Teen Programs	115,020	115,020	109,982
Salaries - Special/Cultural Events	118,310	118,310	79,836
Employer Contribution - IMRF	19,780	19,780	19,106
Employer Contribution - FICA & Medicare	40,800	40,800	34,222
Supplies and Expenses - Tot Programs	15,780	15,780	9,614
Supplies and Expenses - Youth Programs	29,000	29,000	28,773
Electricity	30,000	30,000	32,723
North Shore Gas	4,500	4,500	2,612
Telephone	9,000	9,000	9,703
Maintenance - Motor Vehicles	2,500	2,500	2,500
Maintenance - Building	29,000	29,000	33,729
Independent Contractor	141,375	141,375	192,591
Cultural Arts Expenses	36,900	36,900	19,115
Insurance	43,810	43,810	35,711
Intergovernmental Risk Management Agency	20,000	20,000	20,916
Seasonal Brochures	38,000	38,000	31,731
Office Supplies	10,300	10,300	9,244
Family Trips	850	850	-
Travel, Training, Subscriptions and Dues	1,630	1,630	573
Supplies and Expenses - Special Event Family	5,400	5,400	3,215
Supplies and Expenses - Special Event Youth	4,800	4,800	4,680
Credit Card Bank Fee	45,000	45,000	39,802
Photoprocessing	3,095	3,095	4,242

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Recreation - Continued			
Supplies and Expenses - Teen Program	\$ 13,075	13,075	7,663
Refunds	-	-	(140)
Technology Equipment and Replacement Fees	24,400	24,400	24,400
Vehicle Replacement Fees	5,000	5,000	5,000
Miscellaneous	2,400	2,400	2,716
	<u>1,109,670</u>	<u>1,109,670</u>	<u>1,034,833</u>
Libertyville Golf Course			
Salaries - Administration	17,625	17,625	1,608
Salaries - Pro Shop	25,750	25,750	22,492
Salaries - Maintenance	62,425	62,425	63,174
Employer Contribution - IMRF	5,530	5,530	4,196
Employer Contribution - FICA & Medicare	8,095	8,095	6,706
Materials and Supplies	1,050	1,050	652
Electricity	2,000	2,000	-
North Shore Gas	-	-	6
Telephone	2,000	2,000	2,869
Maintenance - Building	2,800	2,800	1,138
Maintenance - Grounds	16,600	16,600	10,816
Maintenance - Motor Vehicles	-	-	300
Maintenance - Other Equipment	8,620	8,620	4,164
Intergovernmental Risk Management Agency	11,000	11,000	11,421
Publicity	2,700	2,700	4,112
Travel, Training, Subscriptions and Dues	1,050	1,050	810
Golf Course Supplies	1,000	1,000	372
Special Events	6,100	6,100	2,661
Pro Shop Merchandise	1,150	1,150	-
Unemployment Insurance	6,490	6,490	3,595
Uniform	400	400	-
Capital Outlay	4,500	4,500	4,525
Vehicle Replacement Fees	20,000	20,000	20,000
Miscellaneous	500	500	133
	<u>207,385</u>	<u>207,385</u>	<u>165,750</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Parks and Recreation - Continued			
Swimming Pool			
Salaries - Administration	\$ 33,760	33,760	28,946
Salaries - Concessions	17,040	17,040	9,355
Salaries - Public Swim	113,630	113,630	103,349
Salaries - Swim Lessons	68,765	68,765	64,348
Employer Contribution - IMRF	2,800	2,800	1,285
Employer Contribution - FICA & Medicare	17,850	17,850	15,754
Supplies - Swim Lessons	2,150	2,150	2,112
Materials and Supplies	3,600	3,600	3,684
Supplies - Maintenance	500	500	180
Electricity	20,000	20,000	18,604
North Shore Gas	35,000	35,000	25,506
Telephone	-	-	410
Maintenance - Building	9,300	9,300	9,893
Maintenance - Office Equipment	250	250	-
Maintenance - Pools	23,275	23,275	24,095
Intergovernmental Risk Management Agency	11,000	11,000	11,425
Office Supplies	500	500	429
Travel, Training, Subscriptions and Dues	1,530	1,530	703
Equipment Rental	1,015	1,015	995
Concession Expense	17,500	17,500	17,293
Special Events	2,730	2,730	2,436
Birthday Parties	800	800	78
Printing and Photocopying	900	900	1,324
Uniforms	4,670	4,670	3,871
Capital Outlay	1,700	1,700	2,295
Miscellaneous	2,500	2,500	2,566
	392,765	392,765	350,936
Total Culture and Recreation	2,928,120	2,928,120	2,792,256
Total Expenditures	20,058,558	20,618,558	20,173,842

VILLAGE OF LIBERTYVILLE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures, and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 220,000	220,000	228,520
Intergovernmental			
Sales Tax	819,460	819,460	819,460
Interest			
Investment Income	500	500	13,688
Total Revenues	<u>1,039,960</u>	<u>1,039,960</u>	<u>1,061,668</u>
Expenditures			
Debt Service			
Principal Retirement	1,190,000	1,190,000	1,190,000
Interest	279,545	279,545	279,272
Fiscal Charges	5,100	5,100	3,600
Total Expenditures	<u>1,474,645</u>	<u>1,474,645</u>	<u>1,472,872</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(434,685)	(434,685)	(411,204)
Other Financing Sources			
Transfers In	<u>432,830</u>	<u>432,830</u>	<u>432,850</u>
Net Change in Fund Balance	<u>(1,855)</u>	<u>(1,855)</u>	21,646
Fund Balance - Beginning			<u>923,409</u>
Fund Balance - Ending			<u><u>945,055</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, 2006

	Budget		Actual
	Original	Final	
Revenues			
Licenses and Permits	\$ 299,510	299,510	459,533
Park Impact Fees	255,000	255,000	351,944
Vehicle Licenses			
Intergovernmental			
Federal Reimbursement	110,000	110,000	59,968
Motor Fuel Tax Allotments	830,000	830,000	609,339
Charges for Services			
Telecommunication Revenue	-	-	64,641
Interest	6,000	6,000	20,521
Miscellaneous	15,500	15,500	19,099
Total Revenues	<u>1,516,010</u>	<u>1,516,010</u>	<u>1,585,045</u>
Expenditures			
Capital Outlay	<u>1,740,300</u>	<u>2,070,300</u>	<u>1,865,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(224,290)</u>	<u>(554,290)</u>	<u>(280,712)</u>
Other Financing Sources (Uses)			
Transfers In	45,000	45,000	55,000
Transfers Out	(81,610)	(81,610)	(81,610)
	<u>(36,610)</u>	<u>(36,610)</u>	<u>(26,610)</u>
Net Change in Fund Balance	<u>(260,900)</u>	<u>(590,900)</u>	<u>(307,322)</u>
Fund Balance - Beginning			<u>1,292,885</u>
Fund Balance - Ending			<u>985,563</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Capital Improvement - Capital Projects Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Capital Outlay			
Asphalt Resurfacing	\$ 600,000	600,000	564,641
Village Hall	6,000	6,000	6,788
Civic Center	10,000	10,000	-
Fire Stations	10,000	10,000	12,498
Schertz Municipal Building	25,000	25,000	3,567
Park Building	11,000	11,000	13,180
Park Improvement	444,300	604,300	605,299
Annual Road Improvement Program	280,000	280,000	318,439
Storm Sewer Improvements	15,000	15,000	20,033
Streetlight Replacement	15,000	15,000	-
Engineering Fourth/Garfield	198,000	198,000	121,363
Lake Street Bridge Replacement	55,000	55,000	26,864
Sidewalks and Bike Paths	16,000	16,000	-
Miscellaneous	55,000	225,000	173,085
Total Expenditures	1,740,300	2,070,300	1,865,757

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, 2006

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property Tax	\$ 1,525,000	1,525,000	1,668,638
Intergovernmental			
Sales Tax	131,000	131,000	147,176
Interest	10,000	10,000	47,221
Miscellaneous			
Other	-	-	1,967
Total Revenues	<u>1,666,000</u>	<u>1,666,000</u>	<u>1,865,002</u>
Expenditures			
Economic Development			
Maintenance Streetscape	10,000	10,000	25,537
Intergovernmental Risk Management Agency	45,000	45,000	51,404
Consulting Services	30,000	30,000	16,120
Storm Sewer Improvements	30,000	30,000	-
Landscape/Streetscape	12,250	12,250	9,167
Parking Improvements	35,000	35,000	-
Sidewalk Replacement	5,000	5,000	10,114
Land Acquisition	200,000	200,000	1,800
Loan Pools	1,100	1,100	41
Miscellaneous	3,000	3,000	10,108
Total Expenditures	<u>371,350</u>	<u>371,350</u>	<u>124,291</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,294,650</u>	<u>1,294,650</u>	<u>1,740,711</u>
Other Financing Sources (Uses)			
Sale of Land	1,600,000	1,600,000	-
Transfers Out	(219,120)	(222,550)	(222,550)
	<u>1,380,880</u>	<u>1,377,450</u>	<u>(222,550)</u>
Net Change in Fund Balance	<u>2,675,530</u>	<u>2,672,100</u>	1,518,161
Fund Balance - Beginning			<u>380,723</u>
Fund Balance - Ending			<u>1,898,884</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, 2006

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Permit Fees	\$ 135,000	135,000	144,376
Daily Fees	137,600	137,600	160,306
Interest	-	-	15,713
Miscellaneous	-	-	25
Total Revenues	<u>272,600</u>	<u>272,600</u>	320,420
Expenditures			
General Government	<u>179,100</u>	<u>179,100</u>	146,711
Net Change in Fund Balance	<u>93,500</u>	<u>93,500</u>	173,709
Fund Balance - Beginning			<u>552,921</u>
Fund Balance - Ending			<u>726,630</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Commuter Parking - Special Revenue Fund

Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
General Government			
Salaries	\$ 49,130	49,130	51,310
Employer Contribution - IMRF	4,520	4,520	4,650
Employer Contribution - FICA & Medicare	3,750	3,750	3,742
Materials and Supplies	5,000	5,000	4,234
Electricity	10,000	10,000	4,790
Maintenance - Grounds	45,000	45,000	35,763
Insurance	15,000	15,000	15,145
Intergovernmental Risk Management Agency	10,000	10,000	11,423
Rental of Land	9,700	9,700	10,050
Refunds	1,500	1,500	1,590
Major Repairs	10,000	10,000	-
Milwaukee Station Improvements	10,000	10,000	-
North Central Station Improvements	500	500	-
Miscellaneous	5,000	5,000	4,014
Total Expenditures	179,100	179,100	146,711

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, 2006

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Water Sales	\$ 3,780,500	3,780,500	4,281,269
Sewer Service Charges	2,231,000	2,231,000	2,290,799
Damage to Village Property	1,000	1,000	3,065
Meters and Readouts	25,000	25,000	25,755
Miscellaneous	5,000	5,000	6,904
Total Operating Revenues	6,042,500	6,042,500	6,607,792
Operating Expenses			
Operations			
Water Operations	3,381,315	3,381,315	3,608,871
Sewer Operations	730,890	730,890	741,258
Wastewater Treatment Plant	992,005	992,005	1,006,125
Water and Sewer Capital Improvements	1,360,600	1,360,600	719,233
Depreciation	-	-	1,071,545
Total Operating Expenses	6,464,810	6,464,810	7,147,032
Operating Income (Loss)	(422,310)	(422,310)	(539,240)
Nonoperating Revenues (Expenses)			
Interest Income	130,000	130,000	89,180
Connection Fees	202,000	202,000	303,656
Property Tax	26,780	26,780	26,784
Other Income	-	-	8,000
Interest and Fiscal Charges	(167,750)	(167,750)	(156,166)
	191,030	191,030	271,454
Income (Loss) Before Transfers	(231,280)	(231,280)	(267,786)
Transfers Out	(103,690)	(103,690)	(103,690)
Change in Net Assets	(334,970)	(334,970)	(371,476)
Net Assets - Beginning as Restated			25,174,443
Net Assets - Ending			24,802,967

VILLAGE OF LIBERTYVILLE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations			
Water Operations			
Salaries - Administrative	\$ 152,125	152,125	157,270
Salaries - Clerical	140,800	140,800	143,420
Salaries - Engineering	73,115	73,115	75,720
Salaries - Maintenance	324,410	324,410	345,695
Employer Contribution - IMRF	62,540	62,540	63,300
Employer Contribution - FICA & Medicare	50,160	50,160	49,888
Materials and Supplies	8,500	8,500	6,391
Electricity	21,500	21,500	27,336
North Shore Gas	6,500	6,500	6,560
Telephone	9,500	9,500	8,452
Maintenance - Building and Grounds	5,600	5,600	7,901
Maintenance - Motor Vehicles	17,500	17,500	17,500
Maintenance - Other Equipment	6,000	6,000	6,905
Maintenance - Water Lines	20,000	20,000	30,538
Insurance	56,700	56,700	57,583
Intergovernmental Risk Management Agency	24,200	24,200	20,204
Postage	12,800	12,800	9,836
Office Supplies	1,500	1,500	1,267
Travel, Training, Subscriptions and Dues	2,300	2,300	3,342
Technical Services	28,400	28,400	34,100
Meters - New Construction	30,000	30,000	43,303
Credit Card Fees	-	-	660
Uniforms	3,810	3,810	4,013
Bad Debt Expense	500	500	45,792
Technology Equipment and Replacement	25,000	25,000	25,000
Vehicle Replacement Fees	39,520	39,520	39,520
Purchase of Water - CLCJAWA	2,257,585	2,257,585	2,375,845
Miscellaneous	750	750	1,530
	<u>3,381,315</u>	<u>3,381,315</u>	<u>3,608,871</u>
Sewer Operations			
Salaries - Administrative	106,890	106,890	108,911
Salaries - Engineering	73,115	73,115	77,540
Salaries - Maintenance	235,925	235,925	230,401

VILLAGE OF LIBERTYVILLE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Continued			
Sewer Operations - Continued			
Employer Contribution - IMRF	\$ 37,600	37,600	37,563
Employer Contribution - FICA & Medicare	30,870	30,870	29,678
Materials and Supplies	3,500	3,500	2,793
County Sewer Service	43,000	43,000	40,441
Telephone	-	-	574
Maintenance - Motor Equipment	13,350	13,350	13,350
Maintenance - Lift Stations	44,800	44,800	47,291
Maintenance - Sewer Lines	31,500	31,500	30,204
Insurance	35,700	35,700	35,377
Intergovernmental Risk Management Agency	24,000	24,000	21,320
Postage	4,500	4,500	7,606
Travel, Training, Subscriptions and Dues	200	200	175
Technical Services	1,650	1,650	1,128
Uniforms	1,390	1,390	1,678
Amortization Schedule Expense	-	-	11,525
Technology Equipment and Replacement	25,000	25,000	25,000
Vehicle Replacement Fees	17,700	17,700	17,700
Miscellaneous	200	200	1,003
	<u>730,890</u>	<u>730,890</u>	<u>741,258</u>
Wastewater Treatment Plant			
Salaries - Administrative	31,050	31,050	32,736
Salaries - Operators	302,240	302,240	286,886
Employer Contribution - IMRF	30,665	30,665	29,316
Employer Contribution - FICA & Medicare	24,935	24,935	22,852
Materials and Supplies	23,000	23,000	24,963
Chemicals	13,900	13,900	16,225
Electricity	226,000	226,000	209,570
North Shore Gas	28,050	28,050	42,951
Telephone	5,100	5,100	4,945
Maintenance - Building and Grounds	18,300	18,300	16,869
Maintenance - Motor Equipment	5,165	5,165	5,165
Maintenance - Other Equipment	32,350	32,350	46,091
Sludge Removal	113,320	113,320	141,451

VILLAGE OF LIBERTYVILLE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Continued			
Wastewater Treatment Plant - Continued			
Refuse Disposal	\$ 5,010	5,010	5,373
Insurance	57,000	57,000	52,620
Intergovernmental Risk Management Agency	24,200	24,200	20,726
Travel, Training, Subscriptions and Dues	200	200	628
Technical Services	25,300	25,300	20,788
Uniforms	3,550	3,550	2,737
Technology Equipment and Replacement	10,000	10,000	10,000
Vehicle Replacement Fees	12,170	12,170	12,170
Miscellaneous	500	500	1,063
	<u>992,005</u>	<u>992,005</u>	<u>1,006,125</u>
Water and Sewer Capital Improvements			
Sanitary Sewer Improvements	20,000	20,000	-
Watermain Replacements	20,000	20,000	6,490
WWTP Improvements	355,000	355,000	52,236
Butterfield Road Watermain Loop	480,000	480,000	436,699
Sanitary Sewer Repairs	220,000	220,000	205,207
Dawes Lift Station Generator	22,000	22,000	6,584
Water and Sewer River Crossing	10,000	10,000	41,351
Butterfield Corridor Replacement	45,000	45,000	43,852
SCADA Upgrades	83,000	83,000	42,630
Replacement Meters	25,600	25,600	37,575
Hydrants, Valves, Miscellaneous	25,000	25,000	18,100
4th Avenue Watermain	-	-	5,000
Water Storage Tank Rehabilitation	5,000	5,000	7,341
Miscellaneous	50,000	50,000	18,524
	<u>1,360,600</u>	<u>1,360,600</u>	<u>921,589</u>
Less Nonoperating Items			
Fixed Assets Capitalized	-	-	(202,356)
	<u>1,360,600</u>	<u>1,360,600</u>	<u>719,233</u>
 Total Operations	 <u>6,464,810</u>	 <u>6,464,810</u>	 <u>6,075,487</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Waterworks and Sewerage - Enterprise Fund

Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2006

	Capital Assets			
	Beginning Balances as Restated	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	12,898,332	32,516	-	12,930,848
Sewerage System	13,462,153	169,840	-	13,631,993
<b>Total Fixed Assets</b>	<b>44,333,902</b>	<b>202,356</b>	<b>-</b>	<b>44,536,258</b>

	Accumulated Depreciation			
	Beginning Balances as Restated	Additions	Retirements/ Transfers	Balances Ending
Buildings and Improvements	6,095,868	335,004	-	6,430,872
Machinery and Equipment	1,206,317	72,471	-	1,278,788
Waterworks System	5,523,720	323,271	-	5,846,991
Sewerage System	6,067,554	340,799	-	6,408,353
<b>Total Accumulated Depreciation</b>	<b>18,893,459</b>	<b>1,071,545</b>	<b>-</b>	<b>19,965,004</b>
<b>Total Fixed Assets (Net of Accumulated Depreciation)</b>	<b>25,440,443</b>			<b>24,571,254</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, 2006

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services			
Indoor Sports Center	\$ 3,332,170	3,244,865	2,471,012
Golf Learning Center	689,680	644,442	589,304
Family Entertainment Center	277,060	235,630	163,509
Total Operating Revenues	<u>4,298,910</u>	<u>4,124,937</u>	<u>3,223,825</u>
Operating Expenses			
Operations			
Indoor Sports Center	1,938,980	1,938,980	1,806,764
Golf Learning Center	398,310	398,310	407,822
Family Entertainment Center	93,920	93,920	93,027
Depreciation	-	-	477,628
Total Operating Expenses	<u>2,431,210</u>	<u>2,431,210</u>	<u>2,785,241</u>
Operating Income	<u>1,867,700</u>	<u>1,693,727</u>	<u>438,584</u>
Nonoperating Revenues (Expenses)			
Interest Income	-	-	1,147
Interest and Fiscal Charges	(1,071,501)	(1,691,410)	(1,202,208)
	<u>(1,071,501)</u>	<u>(1,691,410)</u>	<u>(1,201,061)</u>
Change in Net Assets	<u>796,199</u>	<u>2,317</u>	<u>(762,477)</u>
Net Assets - Beginning as Restated			<u>(5,180,959)</u>
Net Assets - Ending			<u>(5,943,436)</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Libertyville Sports Complex - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations			
Indoor Sports Center			
Salaries - Administrative	\$ 157,015	157,015	159,724
Salaries - Maintenance	111,875	111,875	107,665
Salaries - Fitness	239,885	239,885	236,479
Salaries - Conference/Front Desk/Parties	207,675	207,675	165,215
Salaries - Programs	140,000	140,000	93,576
Employer Contribution - IMRF	35,110	35,110	36,778
Employer Contribution - FICA & Medicare	65,040	65,040	57,019
Materials and Supplies	25,000	25,000	23,304
Contracted Services	165,680	165,680	122,073
Electricity	170,000	170,000	159,531
North Shore Gas	36,000	36,000	30,335
Telephone	7,000	7,000	4,037
Maintenance - Building	169,500	169,500	218,830
Maintenance - Independent Contractors	27,250	27,250	37,578
Maintenance - Grounds	10,000	10,000	9,970
Materials and Supplies - Soccer	-	-	51
Corporate Contracted Services	130,000	130,000	65,909
Insurance	67,200	67,200	59,344
Intergovernmental Risk Management Agency	35,000	35,000	48,136
Office Supplies	3,000	3,000	2,234
Materials and Supplies - Adult Athletic Programs	15,000	15,000	3,284
Travel, Training, Subscriptions and Dues	500	500	506
Materials and Supplies - Conference Rooms	4,070	4,070	1,613
Materials and Supplies - Fitness	9,500	9,500	10,010
Credit Card Bank Fee	25,600	25,600	25,907
Club Volleyball	-	-	702
Photoprocessing	7,230	7,230	9,737
Refunds	-	-	(30)
Climbing Wall/Front Desk	6,000	6,000	2,512
Uniforms	-	-	213
Fitness Equipment Lease	56,850	56,850	1,438
Cash Short/Over	-	-	487
Technology Equipment & Replacement	12,000	12,000	12,000
Capital Outlays	-	-	100,000
Miscellaneous	-	-	597
	<u>1,938,980</u>	<u>1,938,980</u>	<u>1,806,764</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Libertyville Sports Complex - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Continued			
Golf Learning Center			
Salaries - Administrative	\$ 27,390	27,390	39,159
Salaries - Maintenance	68,925	68,925	69,251
Salaries - Pro Shop	70,000	70,000	64,838
Salaries - Instructors	38,800	38,800	146
Salaries - Range Attendants	-	-	(1,595)
Employer Contribution - IMRF	11,930	11,930	7,547
Employer Contribution - FICA & Medicare	15,690	15,690	12,731
Materials and Supplies	4,500	4,500	2,812
Electricity	10,000	10,000	15,843
North Shore Gas	8,000	8,000	13,382
Telephone	3,500	3,500	2,066
Maintenance - Building	4,100	4,100	185
Maintenance - Grounds	18,215	18,215	13,882
Maintenance - Motor Vehicle Fees	-	-	890
Maintenance - Other Equipment	6,000	6,000	6,450
Insurance	13,760	13,760	11,029
Intergovernmental Risk Management Agency	15,000	15,000	17,135
Office Supplies	1,000	1,000	413
Travel, Training, Subscriptions and Dues	800	800	100
Materials and Supplies - Pro Shop	34,050	34,050	21,027
Materials and Supplies - Lessons	3,350	3,350	52,738
Pro Shop Merchandise	40,000	40,000	57,082
Photoprocessing	1,700	1,700	841
Refunds	-	-	(130)
Uniforms	1,100	1,100	-
Miscellaneous	500	500	-
	<u>398,310</u>	<u>398,310</u>	<u>407,822</u>
Family Entertainment Center			
Salaries - Administrative	3,250	3,250	2,301
Salaries - Maintenance	25,005	25,005	24,882
Salaries - Attendants	30,000	30,000	28,737
Employer Contribution - IMRF	2,255	2,255	3,322
Employer Contribution - FICA & Medicare	4,460	4,460	4,179
Materials and Supplies	1,500	1,500	645

VILLAGE OF LIBERTYVILLE, ILLINOIS

Libertyville Sports Complex - Enterprise Fund

Schedule of Operating Expenses - Budget and Actual - Continued  
 Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations - Continued			
Family Entertainment Center - Continued			
Electricity	\$ 5,000	5,000	7,988
North Shore Gas	4,500	4,500	3,451
Telephone	1,500	1,500	1,377
Maintenance - Building	3,900	3,900	(177)
Maintenance - Grounds	2,000	2,000	2,551
Maintenance - Other Equipment	-	-	165
Intergovernmental Risk Management Agency	8,000	8,000	9,139
Office Supplies	200	200	294
Materials and Supplies - Mini Golf	950	950	1,076
Materials and Supplies - Batting Cages	1,000	1,000	449
Photoprocessing	100	100	648
Uniforms	300	300	-
Miscellaneous	-	-	2,000
	<u>93,920</u>	<u>93,920</u>	<u>93,027</u>
Total Operating Expenses	<u>2,431,210</u>	<u>2,431,210</u>	<u>2,307,613</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Libertyville Sports Complex - Enterprise Fund

Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2006

	Capital Assets			
	Beginning Balances as Restated	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	22,666,704	-	-	22,666,704

	Accumulated Depreciation			
	Beginning Balances as Restated	Additions	Retirements/ Transfers	Balances Ending
Buildings and Improvements	649,177	432,784	-	1,081,961
Machinery and Equipment	67,265	44,844	-	112,109
Total Accumulated Depreciation	716,442	477,628	-	1,194,070
Total Fixed Assets (Net of Accumulated Depreciation)	21,950,262			21,472,634

VILLAGE OF LIBERTYVILLE, ILLINOIS

Combining Schedule of Net Assets - Internal Service Funds  
April 30, 2006

ASSETS	Vehicle Maintenance and Replacement Service	Technology Equipment and Replacement Service	Total
Current Assets			
Cash and Investments	\$ 820,126	51,645	871,771
Receivables - Net of Allowances			
Accounts	1,958	64,641	66,599
Accrued Interest	2,282	-	2,282
Inventory	28,582	-	28,582
	<u>852,948</u>	<u>116,286</u>	<u>969,234</u>
Capital Assets			
Machinery and Equipment	5,657,251	-	5,657,251
Accumulated Depreciation	(2,826,984)	-	(2,826,984)
	<u>2,830,267</u>	<u>-</u>	<u>2,830,267</u>
Total Assets	<u>3,683,215</u>	<u>116,286</u>	<u>3,799,501</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	52,225	10,530	62,755
Accrued Payroll	12,155	3,787	15,942
Deferred Revenues	-	468,000	468,000
Compensated Absences Payable	3,982	7,681	11,663
Installment Contracts Payable	160,820	6,698	167,518
	<u>229,182</u>	<u>496,696</u>	<u>725,878</u>
Noncurrent Liabilities			
Compensated Absences Payable	15,928	30,723	46,651
Installment Contracts Payable	458,554	-	458,554
	<u>474,482</u>	<u>30,723</u>	<u>505,205</u>
Total Liabilities	<u>703,664</u>	<u>527,419</u>	<u>1,231,083</u>
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	2,210,893	(6,698)	2,204,195
Unrestricted	768,658	(404,435)	364,223
Total Net Assets	<u>2,979,551</u>	<u>(411,133)</u>	<u>2,568,418</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Combining Schedule of Revenues, Expenses, and Changes in Net Assets  
 Internal Service Funds  
 Year Ended April 30, 2006

	Vehicle Maintenance and Replacement Service	Technology Equipment and Replacement Service	Total
Operating Revenues			
Interfund Services	\$ 1,184,340	428,041	1,612,381
Operating Expenses			
Operations	901,946	345,186	1,247,132
Depreciation	348,581	-	348,581
Total Operating Expenses	1,250,527	345,186	1,595,713
Operating Income (Loss)	(66,187)	82,855	16,668
Nonoperating Revenues (Expenses)			
Interest Income	9,033	133	9,166
Other Income	35,731	48,201	83,932
Interest and Fiscal Charges	(15,681)	-	(15,681)
	29,083	48,334	77,417
Change in Net Assets	(37,104)	131,189	94,085
Net Assets - Beginning as Restated	3,016,655	(542,322)	2,474,333
Net Assets - Ending	2,979,551	(411,133)	2,568,418

VILLAGE OF LIBERTYVILLE, ILLINOIS

Combining Schedule of Cash Flows - Internal Service Funds  
Year Ended April 30, 2006

	Vehicle Maintenance and Replacement Service	Technology Equipment and Replacement Service	Total
Cash Flows from Operating Activities			
Receipts from Interfund Services	\$ 1,224,938	412,127	1,637,065
Payments to Employees	(247,359)	(114,439)	(361,798)
Payments to Suppliers	(623,684)	(233,169)	(856,853)
	<u>353,895</u>	<u>64,519</u>	<u>418,414</u>
Cash Flows from Capital and Related Financing Activities			
Purchase of Capital Assets	(527,407)	-	(527,407)
Issuance of Capital Debt	450,000	-	450,000
Interest on Capital Debt	(15,681)	-	(15,681)
Principal on Capital Debt	(171,895)	(13,007)	(184,902)
	<u>(264,983)</u>	<u>(13,007)</u>	<u>(277,990)</u>
Cash Flows from Investing Activities			
Interest Received	9,033	133	9,166
Net Change in Cash and Cash Equivalents	<u>97,945</u>	<u>51,645</u>	<u>149,590</u>
Cash and Cash Equivalents - Beginning	<u>722,181</u>	<u>-</u>	<u>722,181</u>
Cash and Cash Equivalents - Ending	<u>820,126</u>	<u>51,645</u>	<u>871,771</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income (Loss)	(66,187)	82,855	16,668
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation and Amortization Expense	348,581	-	348,581
Other Income	35,731	48,201	83,932
(Increase) Decrease in Current Assets	4,867	(64,115)	(59,248)
Increase (Decrease) in Current Liabilities	30,903	(2,422)	28,481
Net Cash Provided by Operating Activities	<u>353,895</u>	<u>64,519</u>	<u>418,414</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, 2006

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 1,044,200	1,044,200	1,184,340
Operating Expenses			
Operations	1,011,092	1,011,092	901,946
Depreciation	-	-	348,581
Total Operating Expenses	1,011,092	1,011,092	1,250,527
Operating Income (Loss)	33,108	33,108	(66,187)
Nonoperating Revenues (Expenses)			
Interest Income	10,000	10,000	9,033
Other Income	5,000	5,000	35,731
Principal Lease Payments	(188,710)	(188,710)	-
Interest and Fiscal Charges	-	-	(15,681)
	(173,710)	(173,710)	29,083
Change in Net Assets	(140,602)	(140,602)	(37,104)
Net Assets - Beginning as Restated			3,016,655
Net Assets - Ending			2,979,551

VILLAGE OF LIBERTYVILLE, ILLINOIS

Vehicle Maintenance and Replacement Service - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations			
Salaries - Administration	\$ 84,930	84,930	77,887
Salaries - Clerical	4,514	4,514	4,666
Salaries - Maintenance	183,423	183,423	164,806
Employer Contribution - IMRF	25,100	25,100	23,418
Employer Contribution - FICA & Medicare	20,875	20,875	18,187
Shop Supplies	5,500	5,500	5,622
Tools	3,500	3,500	3,256
Telephone	550	550	-
Gasoline and Oil	160,000	160,000	206,210
Maintenance Shop Facilities	1,000	1,000	451
Vehicle Washing	5,400	5,400	2,567
Non-Stocked Vehicle Parts	106,800	106,800	83,350
Maintenance Other Equipment	7,500	7,500	5,581
Insurance	60,000	60,000	55,684
Intergovernmental Risk Management Agency	12,500	12,500	15,879
Travel, Training and Dues	400	400	325
Contractual Repair Services	15,000	15,000	15,258
Uniforms	2,250	2,250	1,934
License, Title and Inspection Fees	2,600	2,600	1,947
Transfer Vehicle Replacement	7,250	7,250	-
Vehicle Replacement Costs	252,000	252,000	239,392
Fire Contractual Repairs	35,000	35,000	30,488
Police Contractual Repairs	4,000	4,000	3,455
Accident Damage Expense	10,000	10,000	17,345
Miscellaneous	1,000	1,000	1,645
	<u>1,011,092</u>	<u>1,011,092</u>	<u>979,353</u>
Less Nonoperating Items			
Fixed Assets Capitalized	-	-	(77,407)
	<u>1,011,092</u>	<u>1,011,092</u>	<u>901,946</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Vehicle Maintenance and Replacement Service - Internal Service Fund

Schedule of Capital Assets and Depreciation  
Year Ended April 30, 2006

	Capital Assets			
	Beginning Balances as Restated	Additions	Retirements/ Transfers	Balances Ending
Machinery and Equipment	\$ 5,157,089	527,407	27,245	5,657,251
	Accumulated Depreciation			
	Beginning Balances as Restated	Additions	Retirements/ Transfers	Balances Ending
Machinery and Equipment	2,505,648	348,581	27,245	2,826,984
Total Fixed Assets (Net of Accumulated Depreciation)	<u>2,651,441</u>			<u>2,830,267</u>

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, 2006

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 363,400	363,400	428,041
Operating Expenses			
Operations	337,385	337,385	345,186
Operating Income	26,015	26,015	82,855
Nonoperating Revenues			
Interest Income	100	100	133
Other Income	3,600	3,600	48,201
	3,700	3,700	48,334
Change in Net Assets	29,715	29,715	131,189
Net Assets - Beginning as Restated			(542,322)
Net Assets - Ending			(411,133)

VILLAGE OF LIBERTYVILLE, ILLINOIS

Technology Equipment Replacement - Internal Service Fund

Schedule of Operating Expenses - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
Operations			
Salaries Administration	\$ 75,100	75,100	114,439
Employer Contribution - IMRF	6,910	6,910	7,105
Employer Contribution - FICA & Medicare	5,750	5,750	5,802
Computer Supplies	12,000	12,000	20,179
Wireless Service	30,000	30,000	21,671
Hardware Maintenance	4,000	4,000	6,727
Internet Access	14,900	14,900	14,377
Insurance	100	100	99
Travel, Training, Subscriptions and Dues	500	500	740
Consulting Services	8,000	8,000	3,535
Software, Licensing and Updates	52,475	52,475	54,546
Web Page Services	15,000	15,000	16,249
Computer Leases	18,850	18,850	589
Capital Outlay	92,800	92,800	78,849
Miscellaneous	1,000	1,000	279
Total Operations	337,385	337,385	345,186

VILLAGE OF LIBERTYVILLE, ILLINOIS

Pension Trust Funds

Combining Schedule of Net Plan Assets  
April 30, 2006

	Police Pension	Firefighters' Pension	Totals
<b>Assets</b>			
Cash and Cash Equivalents	\$ 425,796	1,408,470	1,834,266
Investments			
State and Local Obligations	538,076	-	538,076
U.S. Government and Agency Obligations	7,497,621	5,865,590	13,363,211
Mutual Funds	8,115,025	6,804,729	14,919,754
Receivables - Accrued Interest	108,906	80,422	189,328
Total Assets	16,685,424	14,159,211	30,844,635
<b>Liabilities</b>			
Accounts Payable	-	12,608	12,608
<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)			
	16,685,424	14,146,603	30,832,027

VILLAGE OF LIBERTYVILLE, ILLINOIS

Pension Trust Funds

Combining Schedule of Changes in Net Plan Assets  
Year Ended April 30, 2006

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 724,464	533,880	1,258,344
Contributions - Plan Members	288,540	216,944	505,484
Total Contributions	1,013,004	750,824	1,763,828
<b>Investment Income</b>			
Interest Earned	746,975	469,458	1,216,433
Net Change in Fair Value	752,633	1,053,174	1,805,807
	1,499,608	1,522,632	3,022,240
Less Investment Expenses	(32,846)	(27,647)	(60,493)
	1,466,762	1,494,985	2,961,747
Total Additions	2,479,766	2,245,809	4,725,575
<b>Deductions</b>			
Administration	25,459	14,523	39,982
Benefits and Refunds			
Benefits	1,003,781	533,116	1,536,897
Refunds	33,191	-	33,191
Total Deductions	1,062,431	547,639	1,610,070
Change in Net Assets	1,417,335	1,698,170	3,115,505
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning	15,268,089	12,448,433	27,716,522
Ending	16,685,424	14,146,603	30,832,027

VILLAGE OF LIBERTYVILLE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 719,400	719,400	724,464
Contributions - Plan Members	295,970	295,970	288,540
Total Contributions	<u>1,015,370</u>	<u>1,015,370</u>	<u>1,013,004</u>
Investment Income			
Interest Earned	650,000	650,000	746,975
Net Change in Fair Value	-	-	752,633
	<u>650,000</u>	<u>650,000</u>	<u>1,499,608</u>
Less Investment Expenses	(31,000)	(31,000)	(32,846)
	<u>619,000</u>	<u>619,000</u>	<u>1,466,762</u>
Net Investment Income			
Total Additions	<u>1,634,370</u>	<u>1,634,370</u>	<u>2,479,766</u>
<b>Deductions</b>			
Administration	22,000	22,000	25,459
Benefits and Refunds			
Benefits	998,350	998,350	1,003,781
Refunds	-	-	33,191
Total Deductions	<u>1,020,350</u>	<u>1,020,350</u>	<u>1,062,431</u>
<b>Change in Net Assets</b>	<u>614,020</u>	<u>614,020</u>	<u>1,417,335</u>
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning			<u>15,268,089</u>
Ending			<u>16,685,424</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual  
Year Ended April 30, 2006

	Budget		Actual
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 527,900	527,900	533,880
Contributions - Plan Members	206,000	206,000	216,944
Total Contributions	<u>733,900</u>	<u>733,900</u>	<u>750,824</u>
Investment Income			
Interest Earned	400,000	400,000	469,458
Net Change in Fair Value	-	-	1,053,174
	<u>400,000</u>	<u>400,000</u>	<u>1,522,632</u>
Less Investment Expenses	(25,000)	(25,000)	(27,647)
Net Investment Income	<u>375,000</u>	<u>375,000</u>	<u>1,494,985</u>
Total Additions	<u>1,108,900</u>	<u>1,108,900</u>	<u>2,245,809</u>
<b>Deductions</b>			
Administration	7,000	7,000	14,523
Benefits and Refunds			
Benefits	458,750	568,750	533,116
Total Deductions	<u>465,750</u>	<u>575,750</u>	<u>547,639</u>
<b>Change in Net Assets</b>	<u>643,150</u>	<u>533,150</u>	1,698,170
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning			<u>12,448,433</u>
Ending			<u>14,146,603</u>

## **SUPPLEMENTAL SECTION**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Sales Tax Alternative Revenue Bond Series of 1997  
April 30, 2006**

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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
2005	\$ 45,000	34,583	79,583	2005	17,291	2005	17,292
2006	45,000	32,535	77,535	2006	16,267	2006	16,268
2007	50,000	30,465	80,465	2007	15,233	2007	15,232
2008	50,000	28,115	78,115	2008	14,057	2008	14,058
2009	55,000	25,715	80,715	2009	12,858	2009	12,857
2010	55,000	23,047	78,047	2010	11,523	2010	11,524
2011	60,000	20,353	80,353	2011	10,177	2011	10,176
2012	60,000	17,352	77,352	2012	8,676	2012	8,676
2013	65,000	14,353	79,353	2013	7,177	2013	7,176
2014	70,000	11,037	81,037	2014	5,519	2014	5,518
2015	70,000	7,468	77,468	2015	3,734	2015	3,734
2016	75,000	3,862	78,862	2016	1,931	2016	1,931
	<u>700,000</u>	<u>248,885</u>	<u>948,885</u>		<u>124,443</u>		<u>124,442</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Sales Tax Alternative Revenue Bond Series of 1998  
April 30, 2006**

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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
2005	\$ 405,000	46,652	451,652	2006	23,326	2006	23,326
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>1,255,000</u>	<u>94,633</u>	<u>1,349,633</u>		<u>47,317</u>		<u>47,316</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Long-Term Debt Requirements

General Obligation Limited Tax Bond Series of 2000  
April 30, 2006

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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
2005	\$ 10,000	93,232	103,232	2005	46,616	2005	46,616
2006	15,000	92,708	107,708	2006	46,354	2006	46,354
2007	25,000	91,920	116,920	2007	45,960	2007	45,960
2008	30,000	90,606	120,606	2008	45,303	2008	45,303
2009	35,000	89,032	124,032	2009	44,516	2009	44,516
2010	140,000	87,194	227,194	2010	43,597	2010	43,597
2011	150,000	79,844	229,844	2011	39,922	2011	39,922
2012	155,000	71,970	226,970	2012	35,985	2012	35,985
2013	165,000	63,754	228,754	2013	31,877	2013	31,877
2014	175,000	54,844	229,844	2014	27,422	2014	27,422
2015	185,000	45,308	230,308	2015	22,654	2015	22,654
2016	195,000	35,040	230,040	2016	17,520	2016	17,520
2017	210,000	24,122	234,122	2017	12,061	2017	12,061
2018	215,000	12,256	227,256	2018	6,128	2018	6,128
	<u>1,705,000</u>	<u>931,830</u>	<u>2,636,830</u>		<u>465,915</u>		<u>465,915</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2001  
April 30, 2006**

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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
2005	\$ 380,000	41,188	421,188	2005	20,594	2005	20,594
2006	390,000	28,838	418,838	2006	14,419	2006	14,419
2007	400,000	15,188	415,188	2007	7,594	2007	7,594
	<u>1,170,000</u>	<u>85,214</u>	<u>1,255,214</u>		<u>42,607</u>		<u>42,607</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2003A**

**April 30, 2006**

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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
2005	\$ 105,000	11,042	116,042	2006	5,521	2006	5,521
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>495,000</u>	<u>34,302</u>	<u>529,302</u>		<u>17,151</u>		<u>17,151</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Bond Series of 2003B  
April 30, 2006

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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
2005	\$ 270,000	16,494	286,494	2006	8,247	2006	8,247
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>830,000</u>	<u>34,534</u>	<u>864,534</u>		<u>17,267</u>		<u>17,267</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Alternate Revenue Bond Series of 2000  
April 30, 2006**

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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
2005	\$ 205,000	227,588	432,588	2005	113,794	2005	113,794
2006	215,000	217,082	432,082	2006	108,541	2006	108,541
2007	225,000	206,062	431,062	2007	103,031	2007	103,031
2008	235,000	194,532	429,532	2008	97,266	2008	97,266
2009	250,000	182,488	432,488	2009	91,244	2009	91,244
2010	260,000	169,674	429,674	2010	84,837	2010	84,837
2011	275,000	156,350	431,350	2011	78,175	2011	78,175
2012	285,000	142,256	427,256	2012	71,128	2012	71,128
2013	300,000	127,650	427,650	2013	63,825	2013	63,825
2014	320,000	112,276	432,276	2014	56,138	2014	56,138
2015	335,000	95,876	430,876	2015	47,938	2015	47,938
2016	355,000	78,706	433,706	2016	39,353	2016	39,353
2017	370,000	60,512	430,512	2017	30,256	2017	30,256
2018	390,000	41,458	431,458	2018	20,729	2018	20,729
2019	415,000	21,370	436,370	2019	10,685	2019	10,685
	<u>4,435,000</u>	<u>2,033,880</u>	<u>6,468,880</u>		<u>1,016,940</u>		<u>1,016,940</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Waterworks and Sewerage Bond Series of 2001A  
April 30, 2006

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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
2005	\$ 615,000	99,538	714,538	2005	54,689	2005	44,849
2006	290,000	84,622	374,622	2006	44,848	2006	39,774
2007	310,000	73,813	383,813	2007	39,774	2007	34,039
2008	305,000	62,283	367,283	2008	34,039	2008	28,244
2009	320,000	50,079	370,079	2009	28,235	2009	21,844
2010	335,000	36,988	371,988	2010	21,844	2010	15,144
2011	350,000	23,113	373,113	2011	15,144	2011	7,969
2012	375,000	7,969	382,969	2012	7,969	2012	-
	<u>2,900,000</u>	<u>438,405</u>	<u>3,338,405</u>		<u>246,542</u>		<u>191,863</u>

VILLAGE OF LIBERTYVILLE, ILLINOIS

Long-Term Debt Requirements

General Obligation Refunding Sports Complex Bond Series of 2001  
April 30, 2006

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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
2005	\$ 355,000	829,768	1,184,768	2005	414,884	2005	414,884
2006	700,000	814,238	1,514,238	2006	407,119	2006	407,119
2007	935,000	783,612	1,718,612	2007	391,806	2007	391,806
2008	970,000	742,706	1,712,706	2008	371,353	2008	371,353
2009	1,015,000	699,056	1,714,056	2009	349,528	2009	349,528
2010	1,050,000	653,382	1,703,382	2010	326,691	2010	326,691
2011	1,095,000	600,882	1,695,882	2011	300,441	2011	300,441
2012	1,145,000	546,132	1,691,132	2012	273,066	2012	273,066
2013	1,195,000	488,882	1,683,882	2013	244,441	2013	244,441
2014	1,255,000	429,132	1,684,132	2014	214,566	2014	214,566
2015	1,315,000	366,382	1,681,382	2015	183,191	2015	183,191
2016	1,380,000	300,632	1,680,632	2016	150,316	2016	150,316
2017	1,450,000	231,632	1,681,632	2017	115,816	2017	115,816
2018	1,515,000	159,132	1,674,132	2018	79,566	2018	79,566
2019	1,590,000	81,488	1,671,488	2019	40,744	2019	40,744
	<u>16,965,000</u>	<u>7,727,056</u>	<u>24,692,056</u>		<u>3,863,528</u>		<u>3,863,528</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**General Obligation Refunding Bond Series of 2004**

**April 30, 2006**

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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
2006	\$ -	103,378	103,378	2006	51,689	2006	51,689
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>1,022,070</u>	<u>3,457,070</u>		<u>511,035</u>		<u>511,035</u>

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Long-Term Debt Requirements**

**IEPA Sewer Revenue Bond Series of 1999**

**April 30, 2006**

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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	
2007	\$ 153,827	43,070	196,897
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>1,466,703</u>	<u>206,927</u>	<u>1,673,630</u>

## **STATISTICAL SECTION**

### **(Unaudited)**

This section includes selected financial and demographic information, generally presented on a multi-year basis.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Governmental Revenues by Source**

**Last Ten Fiscal Years**

**April 30, 2006**

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**See Following Page**

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Governmental Revenues by Source  
(In Thousands)  
Last Ten Fiscal Years  
April 30, 2006**

Fiscal Year	1997	1998	1999	2000
Taxes	\$ 3,704	4,379	4,523	4,663
Licenses and permits	679	1,115	1,314	1,299
Intergovernmental	8,242	9,098	9,762	9,947
Charges for services	2,326	2,537	3,653	3,425
Fines and forfeits	185	183	188	188
Interest	815	861	914	1,076
Grants	434	26	23	425
Miscellaneous	1,039	528	988	1,018
<b>Total</b>	<b>17,424</b>	<b>18,727</b>	<b>21,365</b>	<b>22,041</b>

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

Data Source: Village Records

2001	2002	2003	2004	2005	2006
4,890	5,284	5,750	5,895	6,301	6,835
935	1,390	1,168	1,324	1,888	1,863
10,171	10,474	10,049	9,802	9,531	10,065
3,530	3,858	3,881	4,679	4,795	5,475
169	183	199	200	226	241
1,313	814	447	252	171	422
220	296	236	-	-	-
1,203	1,010	998	397	386	387
22,431	23,309	22,728	22,549	23,298	25,288

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**General Government Expenditures by Function  
(In Thousands)  
Last Ten Fiscal Years  
April 30, 2006**

Fiscal Year	1997	1998	1999	2000
General Government	\$ 3,149	2,073	1,773	2,123
Community Development	-	-	715	725
Public Safety	5,630	5,876	6,912	7,793
Public Works	2,599	2,523	2,072	2,541
Parks and Recreation	1,963	2,140	2,256	2,502
Economic Development	-	-	-	-
Capital Outlay	4,071	4,576	3,080	3,794
Debt Service	1,142	1,148	1,218	1,594
	<u>18,554</u>	<u>18,336</u>	<u>18,026</u>	<u>21,072</u>

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

Data Source: Village Records

2001	2002	2003	2004	2005	2006
2,373	2,766	3,117	2,369	2,454	2,465
823	868	860	1,004	945	1,035
8,258	9,554	10,358	10,730	10,740	11,944
2,280	2,306	2,948	2,618	2,052	2,084
2,765	3,262	2,796	2,855	2,659	2,792
-	-	-	604	704	124
4,934	6,724	5,483	439	978	1,866
1,631	662	1,593	1,614	1,460	1,473
23,064	26,142	27,155	22,233	21,992	23,783

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Property Tax Levies and Collections  
(In Thousands)  
Last Ten Fiscal Years  
April 30, 2006**

Tax Levy Year	Tax Levy Extended	Collections	Percent of Levy Collected
1997	\$ 3,433	\$ 3,442	100.26%
1998	3,550	3,515	99.01%
1999	3,667	3,650	99.54%
2000	3,894	3,864	99.23%
2001	4,075	4,072	99.93%
2002	4,184	4,146	99.09%
2003	4,365	4,279	98.03%
2004	4,589	4,520	98.50%
2005	4,766	* 4,416	92.66%
2006	4,639	N/A	N/A

\*Collections accounts through 9/06

N/A - Not applicable

Data Source: Village Records

## VILLAGE OF LIBERTYVILLE, ILLINOIS

### Actual and Estimated Actual Value of Taxable Property (In Thousands) Last Ten Levy Years April 30, 2006

Tax Levy Year	Equalized Assessed Value	Estimated Actual Value	Ratio of Equalized Assessed Value to Estimated Actual Value
1996	\$ 572,883	\$ 1,718,649	0.333
1997	603,542	1,810,626	0.333
1998	621,155	1,863,465	0.333
1999	659,459	1,978,377	0.333
2000	699,751	2,099,253	0.333
2001	758,653	2,275,959	0.333
2002	801,816	2,405,448	0.333
2003	899,255	2,697,765	0.333
2004	954,658	2,863,974	0.333
2005	1,039,667	3,119,001	0.333

Data Source: Lake County Tax Extension Division

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Property Tax Rates\* - Direct and Overlapping Governments  
Last Ten Levy Years  
April 30, 2006**

Tax Levy Year	1996	1997	1998	1999
Tax Rates*				
Village	0.582	0.565	0.567	0.552
Grade School District #70	3.059	3.043	3.034	2.965
High School District #128	1.722	1.937	1.929	1.886
Lake County	0.525	0.531	0.531	0.521
Libertyville Township	0.329	0.310	0.297	0.288
Library	0.258	0.259	0.260	0.257
Other	0.465	0.462	0.460	0.477
<b>Total Tax Rate</b>	<b>6.940</b>	<b>7.107</b>	<b>7.078</b>	<b>6.946</b>
Village's Share of Total Tax Rate	8.39%	7.95%	8.01%	7.95%

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

2000	2001	2002	2003	2004	2005
0.549	0.530	0.515	0.479	0.474	0.451
2.932	2.870	2.792	2.581	2.499	2.378
2.203	2.344	2.391	2.359	2.291	2.225
0.521	0.516	0.502	0.490	0.465	0.454
0.272	0.256	0.232	0.060	0.058	0.057
0.256	0.254	0.247	0.236	0.231	0.225
0.538	0.498	0.514	0.526	0.516	0.498
7.271	7.268	7.193	6.731	6.534	6.288
7.55%	7.29%	7.16%	7.12%	7.25%	7.17%

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Ratio of Net General Obligation Bonded Debt to Assessed Value  
and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years  
April 30, 2006**

Fiscal Year	1997	1998	1999	2000
Population	19,174	19,174	19,174	19,174
Assessed Value (In Thousands)	\$ 572,883	603,542	621,155	659,459
Gross General Obligation Bonded Debt (In Thousands)	8,965	9,230	12,130	11,070
Less Debt Service Funds (In Thousands)	944	825	842	860
Net General Obligation Bonded Debt (In Thousands)	8,021	8,405	11,288	10,210
Ratio of Net General Obligation Bonded Debt to Assessed Value	1.40%	1.39%	1.82%	1.55%
Net General Obligation Bonded Debt Per Capita	418.33	438.35	588.71	532.49

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

2001	2002	2003	2004	2005	2006
20,742	20,742	20,742	20,742	20,742	20,742
699,751	758,653	801,816	899,255	954,658	1,039,667
11,760	10,740	9,615	8,490	7,345	26,735
844	925	1,007	927	923	946
10,916	9,815	8,608	7,563	6,422	25,789
1.56%	1.29%	1.07%	0.84%	0.67%	2.48%
526.28	473.19	415.00	364.62	309.61	1243.32

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Ratio of Annual Debt Service Expenditures for General Obligation Debt  
To Total General Governmental Expenditures  
Last Ten Fiscal Years  
April 30, 2006**

Fiscal Year	1997	1998	1999	2000
Principal	\$ 710,000	735,000	795,000	1,060,000
Interest	431,719	413,548	423,242	534,552
Total Debt Service	1,141,719	1,148,548	1,218,242	1,594,552
Total General Governmental Expenditures (In Thousands)	18,554	18,336	18,026	21,072
Ratio of Debt Service Expenditures to General Governmental Expenditures	6.15%	6.26%	6.76%	7.57%

2001	2002	2003	2004	2005	2006
1,110,000	140,000	1,125,000	1,170,000	1,140,000	1,190,000
520,819	522,044	467,723	408,488	320,035	282,872
1,630,819	662,044	1,592,723	1,578,488	1,460,035	1,472,872
23,064	26,142	27,155	22,233	21,985	22,784
7.07%	2.53%	5.87%	7.10%	6.64%	6.46%

VILLAGE OF LIBERTYVILLE, ILLINOIS

Schedule of Legal Debt Margin  
April 30, 2006

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Assessed Valuation - 2005	<u>\$ 1,039,667,041</u>
Legal Debt Limit - 8.625% of Assessed Valuation	89,671,282
Amount of Debt Applicable to Debt Limit	
General Obligation Bonds of 2000	1,705,000
General Obligation Bonds of 2003A	<u>495,000</u>
Legal Debt Margin	<u>87,471,282</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

Schedule of Direct and Overlapping Bonded Debt  
April 30, 2006

Governmental Unit	Gross Bonded Debt	Percentage of Debt Applicable to Government	Village's Share of Debt
Village of Libertyville	\$ 32,890,000	100.00%	\$ 32,890,000
Overlapping Debt:			
Libertyville School District #70	8,834,172	90.82%	8,023,195
Hawthorn School District #73	41,936,175	14.14%	5,929,775
Fremont Center School District #79	9,790,000	4.51%	441,529
Community High School District #128	43,160,000	36.36%	15,692,976
Mundelein High School District #120	9,961,759	5.77%	574,793
Grayslake High School District #127	54,409,516	0.10%	54,410
Lake County Community College #532	11,926,084	4.35%	518,785
Lake County	5,480,000	4.13%	226,324
Lake County Forest Preserve District	200,896,729	4.13%	8,297,035
Central Lake County JAWA	29,170,000	15.86%	4,626,362
Fremont Public Library District	8,450,000	2.92%	246,740
Subtotal	424,014,435		44,631,924
Total	456,904,435		77,521,924

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

# VILLAGE OF LIBERTYVILLE, ILLINOIS

## Demographic Statistics

### Last Ten Fiscal Years

April 30, 2006

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Fiscal Year	(1) Population	(2) Per Capita Income	(3) School Enrollment
1997	19,174	N/A	2,521
1998	19,174	N/A	2,469
1999	19,174	N/A	2,536
2000	19,174	40,426	2,647
2001	20,742	40,426	2,671
2002	20,742	40,426	2,649
2003	20,742	40,426	2,665
2004	20,742	40,426	2,714
2005	20,742	40,426	2,656
2006	20,742	40,426	2,650

#### Data Sources:

(1) U.S. Bureau of the Census

(2) Local Chamber of Commerce

(3) School District Administrative Offices - District 70

N/A - Not Available

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Property Value and Construction  
(In Thousands)  
Last Ten Fiscal Years  
April 30, 2006**

Calendar Year	Commercial Construction		Residential Construction		Property Value
	Number of Permits	Value	Number of Permits	Value	
1997	258	\$ 23,837	704	\$ 15,968	1,810,626
1998	326	30,027	767	20,506	1,863,464
1999	427	43,125	829	21,728	1,978,378
2000	316	44,827	859	22,538	2,099,253
2001	545	30,201	935	15,048	2,298,948
2002	515	92,646	1,664	21,283	2,405,449
2003	620	32,247	1,784	25,736	2,697,765
2004	642	31,876	2,790	44,284	N/A
2005	668	20,026	2,289	39,250	N/A
2006	631	38,929	2,115	31,152	N/A

Data Sources: Based on building permits issued by the Village's Department of Community Development. Includes all construction activities: new buildings, additions, and remodeling.

**VILLAGE OF LIBERTYVILLE, ILLINOIS**

**Principal Taxpayers  
April 30, 2006**

Taxpayers	Type of Business	2005 Assessed Valuation	Percentage of Total Assessed Valuation
Motorola	Portable and Cellular Mobile Telephones	\$ 16,659,716	1.60 %
Hollister Incorporated	Health Care Products	9,841,969	0.95
Medical Center Properties Inc.	Condell Medical Center/Hospital	3,973,335	0.38
Brea Property Management	Commercial Property	8,136,113	0.78
Manufacturers Life Ins. Co.	Commercial Insurance	7,259,681	0.70
Temperature Equipment Corp.	Heating/Air Conditioning Equipment	6,188,557	0.60
Guaranty Bank	Commercial Bank	5,197,432	0.50
Libertyville Joint Venture	Commercial Property	3,221,331	0.31
Bradley Operating Ltd	Shopping Center	3,921,351	0.38
California Tristate Teachers Retirement System	Industrial Property	4,211,105	0.41
		<u>68,610,590</u>	<u>6.61</u>

## VILLAGE OF LIBERTYVILLE, ILLINOIS

### Miscellaneous Statistics April 30, 2006

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Date of Incorporation:	April 15, 1882
Form of Government:	Council/Manager
Number of Employees	
Full-time	177
Part-time	654
Land Area:	9 square miles
Miles of Streets:	80
Number of Street Lights	2,281
Culture and Recreation	
Parks	20
Park acreage	604
Golf courses	1
Swimming pools	2
Tennis courts	7
Fire Protection	
Number of Stations	3
Number of Firefighters	31
Number of Calls Answered	3,661
Number of Inspections Conducted	1,025
Police Protection	
Number of Stations	1
Number of Sworn Officers	42
Number of Civilian Employees	19
Number of Patrol Units	25
Number of Law Violations	
Physical Arrests	451
Traffic Violations	2,378
Parking Violations	5,139

## VILLAGE OF LIBERTYVILLE, ILLINOIS

### Miscellaneous Statistics

April 30, 2006

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#### Sewerage System

Miles of Sanitary Sewers	95
Miles of Storm Sewers	92
Number of Treatment Plants	1
Number of Service Connections	7,550
Average Daily Treatment (in Gallons)	3,650,000
Maximum Daily Capacity of Treatment Plant (in Gallons)	28,000,000

#### Water System

Miles of Water Mains	82
Number of Service Connections	7,550
Number of Fire Hydrants	1,300
Average Daily Consumption (in Gallons)	2,800,000

#### Education

Number of Elementary Schools	5
Number of Elementary School Instructors	165
Number of Secondary Schools	1
Number of Secondary School Instructors	176

#### Hospitals

Number of Hospitals	1
Number of Patient Beds	279

Data Source: Village Records

## **2006 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(I)

	Amount Applicable	Ratio To		Per Capita (2000 Census 20,742)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2005.....	\$1,039,667,041	100.00%	33.33%	\$ 50,123.76
Estimated Actual Value, 2005.....	3,119,001,123	300.00%	100.00%	150,371.28
Direct Bonded Debt(1).....	\$ 35,275,000	3.39%	1.13%	\$ 1,700.66
Less: Self Supporting.....	(33,080,000)	(3.18%)	(1.06%)	\$ (1,594.83)
Net Direct Bonded Debt.....	\$ 2,195,000	0.21%	0.07%	\$ 105.82
Overlapping Bonded Debt(2)				
Schools.....	\$ 31,235,463	3.00%	1.00%	\$ 1,505.90
All Others.....	13,396,461	1.29%	0.43%	\$ 645.86
Total Overlapping Bonded Debt.....	\$ 44,631,924	4.29%	1.43%	\$ 2,151.77
Total Net Direct & Overlapping Debt.....	\$ 46,826,924	4.50%	1.50%	\$ 2,257.59

- Notes: (1) Source: The Village. Excludes installment contracts.  
(2) As of March 31, 2006. Excludes maturities through May 1, 2006 and includes \$45,000,000 of Lake County Forest Preserve District Bonds that sold on May 12, 2006.

### Legal Debt Margin(I) (As of April 30, 2006)

	8.625% of EAV
2005 Equalized Assessed Valuation.....	\$1,039,667,041
Statutory Debt Limitation (8.625% of EAV).....	89,671,282

General Obligation Bonded Debt:

Series 1997(2).....	\$ 700,000
Series 1998(2).....	1,255,000
Series 2000.....	1,700,000
Series 2000(2).....	4,435,000
Series 2001(2).....	16,965,000
Series 2001A(2).....	2,285,000
Series 2001B(2).....	1,175,000
Series 2003A.....	495,000
Series 2003B(2).....	830,000
Series 2004(2).....	2,435,000
Series 2006(2).....	3,000,000
Total General Obligation Bonded Debt.....	\$ 35,275,000

Less: Alternate Revenue Source Bonds:

Series 1997(2).....	\$ (700,000)
Series 1998(2).....	(1,255,000)
Series 2000(2).....	(4,435,000)
Series 2001(2).....	(16,965,000)
Series 2001A(2).....	(2,285,000)
Series 2001B(2).....	(1,175,000)
Series 2003B(2).....	(830,000)
Series 2004(2).....	(2,435,000)
Series 2006(2).....	(3,000,000)
Total Alternate Bonds(2).....	\$(33,080,000)

Net Applicable General Obligation Bonds..... \$ 2,195,000

Other Debt

Installment Contracts (As of April 30, 2006)..... \$ 670,750

Total Other Debt.....	670,750
Total Applicable Debt.....	\$ 2,865,750
Legal Debt Margin.....	\$ 86,805,532

- Notes: (1) Source: The Village. Excludes payments through May 1, 2006 and includes \$3,000,000 of General Obligation Bonds (Waterworks and Sewerage System Alternate Revenue Source), Series 2006 that sold in July 2006 and were delivered in August 2006.  
(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 2000(3) (12-15)		Series 2001(3) (12-15)		Series 2001A(3) (5-1)		Series 2001B(3) (12-15)		Series 2003A(2) (12-15)		Series 2003B(3) (12-15)		Series 2004(3) (12-15)		Series 2006(3) (5-1)		Total		Debt Service Tax Levies Payable from Property Taxes				
	Amount	Year	Amount	Year	Amount	Year	Amount	Year	Amount	Year	Amount	Year	Amount	Year	Amount	Year	Amount	Year	Amount	Year	Amount	Year		Amount	Year	Amount	Year
2006	\$ 45,000	2006	\$ 10,000	2006	\$ 205,000	2006	\$ 355,000	2006	\$ 0	2006	\$ 380,000	2006	\$ 105,000	2006	\$ 270,000	2006	\$ 0	2006	\$ 0	2006	\$ 0	2006	\$ 1,775,000	2006	\$ 219,013	2006	
2007	45,000	2007	15,000	2007	215,000	2007	700,000	2007	290,000	2007	390,000	2007	100,000	2007	275,000	2007	0	2007	0	2007	0	2007	2,445,000	2007	216,650	2007	233,863
2008	50,000	2008	30,000	2008	225,000	2008	935,000	2008	310,000	2008	405,000	2008	115,000	2008	285,000	2008	0	2008	0	2008	0	2008	7,200,000	2008	20,411	2008	225,283
2009	50,000	2009	30,000	2009	235,000	2009	970,000	2009	305,000	2009	305,000	2009	100,000	2009	0	2009	0	2009	0	2009	0	2009	9,110,000	2009	25,831	2009	225,283
2010	55,000	2010	35,000	2010	250,000	2010	1,015,000	2010	320,000	2010	0	2010	75,000	2010	0	2010	0	2010	0	2010	0	2010	11,085,000	2010	31,421	2010	201,208
2011	55,000	2011	140,000	2011	260,000	2011	1,050,000	2011	335,000	2011	0	2011	0	2011	0	2011	0	2011	0	2011	0	2011	13,165,000	2011	37,321	2011	229,845
2012	60,000	2012	150,000	2012	275,000	2012	1,095,000	2012	350,000	2012	0	2012	0	2012	0	2012	0	2012	0	2012	0	2012	15,350,000	2012	43,521	2012	229,845
2013	60,000	2013	155,000	2013	285,000	2013	1,145,000	2013	375,000	2013	0	2013	0	2013	0	2013	0	2013	0	2013	0	2013	17,645,000	2013	50,021	2013	226,970
2014	65,000	2014	175,000	2014	300,000	2014	1,195,000	2014	0	2014	0	2014	0	2014	0	2014	0	2014	0	2014	0	2014	2,150,000	2014	56,121	2014	228,755
2015	70,000	2015	185,000	2015	320,000	2015	1,255,000	2015	0	2015	0	2015	0	2015	0	2015	0	2015	0	2015	0	2015	2,255,000	2015	62,511	2015	229,845
2016	70,000	2016	185,000	2016	335,000	2016	1,315,000	2016	0	2016	0	2016	0	2016	0	2016	0	2016	0	2016	0	2016	2,365,000	2016	69,211	2016	230,308
2017	75,000	2017	195,000	2017	355,000	2017	1,380,000	2017	0	2017	0	2017	0	2017	0	2017	0	2017	0	2017	0	2017	2,480,000	2017	76,241	2017	230,040
2018	75,000	2018	210,000	2018	370,000	2018	1,450,000	2018	0	2018	0	2018	0	2018	0	2018	0	2018	0	2018	0	2018	2,530,000	2018	83,421	2018	234,120
2019	0	2019	0	2019	390,000	2019	1,515,000	2019	0	2019	0	2019	0	2019	0	2019	0	2019	0	2019	0	2019	2,650,000	2019	90,931	2019	227,255
2020	0	2020	0	2020	415,000	2020	1,590,000	2020	0	2020	0	2020	0	2020	0	2020	0	2020	0	2020	0	2020	2,555,000	2020	99,171	2020	227,255
2021	0	2021	0	2021	0	0	0	2021	0	2021	0	2021	0	2021	0	2021	0	2021	0	2021	0	2021	315,000	2021	34,945,000	2021	99,061
2022	0	2022	0	2022	0	0	0	2022	0	2022	0	2022	0	2022	0	2022	0	2022	0	2022	0	2022	330,000	2022	35,275,000	2022	100,001
Total	\$700,000		\$1,700,000		\$4,435,000		\$16,965,000		\$2,285,000		\$1,175,000		\$495,000		\$830,000		\$2,435,000		\$0			\$3,000,000		\$35,275,000			

Notes: (1) Source: The Village. Excludes \$670,750 of installment contracts and \$1,466,703 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%	\$2,003.86	\$1,459.11
December 9, 1997	1,000,000	1997	0.67%	0.08%	2,206.95	1,669.50
October 27, 1998	3,650,000	1998	0.81%	0.08%	3,355.41	2,651.85
June 27, 2000	1,800,000	2000	0.72%	0.14%	3,254.81	2,646.44
November 28, 2000	5,000,000	2000	0.92%	0.14%	3,407.31	2,583.28
May 8, 2001	20,000,000	2001	1.75%	0.12%	4,217.66	2,506.16
October 23, 2001	7,895,000(3)	2001	1.95%	0.12%	4,302.05	2,413.85
October 28, 2003	2,025,000(3)	2003	1.57%	0.10%	4,074.38	2,328.89
May 11, 2004	2,435,000	2004	1.53%	0.10%	3,949.22	2,260.38
July 25, 2006	3,000,000	2006	1.13%	0.07%	3,229.61	2,257.59
						\$ 81,975.39
						91,230.78
						96,160.44
						105,306.57
						105,306.57
						103,336.05
						103,336.05
						118,360.09
						118,360.09
						150,371.28

Notes: (1) Source: Village's 2005 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(I)**  
(As of March 31, 2006)

	Percent of Village's 2005 Real Property In Taxing Body	Bonds Outstanding	Applicable to District	
			Percent	Amount
<b>Schools:</b>				
School District No. 70	80.57%	\$ 8,834,172	90.82%	\$ 8,023,195
School District No. 73	16.53%	41,936,175	14.14%	5,929,775
School District No. 79	2.90%	9,790,000	4.51%	441,529
High School District No. 120	6.74%	9,961,759	5.77%	574,793
High School District No. 127	0.01%	54,409,516	0.10%	54,410
High School District No. 128	93.24%	43,160,000	36.36%	15,692,976
Community College District No. 532	100.00%	11,926,084	4.35%	518,785
<b>Total Schools</b>				<b>\$31,235,463</b>
<b>Others:</b>				
Lake County	100.00%	\$ 5,480,000	4.13%	\$ 226,324
Lake County Forest Preserve District	100.00%	200,896,729	4.13%	8,297,035
Central Lake County Joint Action Water Agency	100.00%	29,170,000	15.86%	4,626,362
Fremont Public Library	2.90%	8,450,000	2.92%	246,740
Total Others				<u>\$13,396,461</u>
<b>Total Overlapping Debt</b>				<b>\$44,631,924</b>

Note: (1) Source: Lake County. Excludes maturities through May 1, 2006 and includes \$45,000,000 of Lake County Forest Preserve District Bonds that were sold on May 12, 2006.

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

By Property Class	Levy Years					Percent Increase 2001 to 2005	Of Total	2005
	2001	2002	2003	2004	2005			
Residential	\$559,479,791	\$599,026,637	\$681,583,331	\$736,057,028	\$ 814,448,568	45.57%	73.75%	78.34%
Farm	142,233	141,432	105,212	118,812	111,334	(21.72%)	0.02%	0.01%
Commercial	119,663,578	125,418,130	137,350,112	133,554,438	140,312,336	17.26%	15.77%	13.50%
Industrial	79,279,950	77,128,250	80,107,173	84,806,924	84,670,218	6.80%	10.45%	8.14%
Railroad	87,166	101,917	108,939	121,038	124,585	42.93%	0.01%	0.01%
Total	<u>\$758,652,718</u>	<u>\$801,816,366</u>	<u>\$899,254,767</u>	<u>\$954,658,240</u>	<u>\$1,039,667,041</u>		<u>100.00%</u>	<u>100.00%</u>
Percent change +(-)	8.42%(2)	5.69%	12.15%	6.16%	8.90%			
Gross Value	\$786,202,200	\$830,518,840	\$930,894,674	\$998,473,867	\$1,087,718,163			
Less: Exemptions	27,549,482	28,702,474	31,639,907	43,815,627	48,051,122			
Net EAV	<u>\$758,652,718</u>	<u>\$801,816,366</u>	<u>\$899,254,767</u>	<u>\$954,658,240</u>	<u>\$1,039,667,041</u>			
TIF Value	<u>16,254,591</u>	<u>16,525,301</u>	<u>21,649,775</u>	<u>25,638,919</u>	<u>30,796,731</u>			
Total for All Taxing Purposes	\$774,907,309	\$818,341,667	\$920,904,542	\$980,297,159	\$1,070,463,772			

Notes: (1) Source: Lake County Clerk.  
(2) Percentage based on 2000 EAV of \$699,751,259.

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

	Levy Years					Maximum Allowable	Unused Margin
	2001	2002	2003	2004	2005		
Corporate	\$0.1020	\$0.0950	\$0.0870	\$0.0840	\$0.0790	\$0.2500	68.40%
Street and Bridge	0.0680	0.0650	0.0570	0.0530	0.0480	0.1000	52.00%
Fire Protection	0.0920	0.0870	0.0780	0.0750	0.0700	0.1500	53.33%
Playgrounds and Recreation	0.0350	0.0330	0.0310	0.0300	0.0290	0.0900	67.78%
Parks	0.0350	0.0330	0.0310	0.0300	0.0290	0.0750	61.33%
IMRF	0.0430	0.0420	0.0380	0.0370	0.0350	No Limit	
Police Pension	0.0690	0.0720	0.0740	0.0750	0.0760	No Limit	
Firefighters Pension	0.0540	0.0590	0.0570	0.0550	0.0520	No Limit	
Recreation for the Handicapped	0.0000	0.0000	0.0000	0.0110	0.0110	0.0400	72.50%
Limited Bonds	0.0320	0.0290	0.0260	0.0000	0.0000	No Limit	
Bonds	0.0000	0.0000	0.0000	0.0240	0.0220	No Limit	
<b>Total Village Rate</b>	<b>\$0.5300</b>	<b>\$0.5150</b>	<b>\$0.4790</b>	<b>\$0.4740</b>	<b>\$0.4510</b>		
Lake County	0.5160	0.5020	0.4900	0.4650	0.4540		
Lake County Forest Preserve District	0.2210	0.2320	0.2250	0.2190	0.2100		
Libertyville Township - Road and Bridge	0.0420	0.0420	0.0420	0.0430	0.0420		
Libertyville Township	0.2140	0.2000	0.0600	0.0580	0.0570		
Cook Memorial Library District	0.2540	0.2470	0.2360	0.2310	0.2250		
Central Lake County Joint Action Water Agency	0.0660	0.0640	0.0580	0.0540	0.0490		
School District Number 70	2.8700	2.7920	2.5810	2.4990	2.3780		
High School District Number 128	2.3440	2.3910	2.3590	2.2910	2.2250		
Community College District Number 532	0.2110	0.2080	0.2010	0.2000	0.1970		
<b>Total(3)</b>	<b>\$7.2680</b>	<b>\$7.1930</b>	<b>\$6.7310</b>	<b>\$6.5340</b>	<b>\$6.2880</b>		
Village as a percent of Total	7.3%	7.2%	7.1%	7.3%	7.2%		

Notes: (1) Source: Lake County Clerk.  
(2) Representative tax rates for Libertyville Township Tax Code Number 38 which represents 72.5% of the Village's 2005 Equalized Assessed Valuation.

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

Levy Year	Coll. Year	Taxes Extended	Taxes Collected	
			Amount	Percent
2000	2001	\$3,840,305	\$3,831,992	99.78%
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(2)	4,689,805	-----In Collection-----	

Notes: (1) Source: Lake County Treasurer.  
(2) In collection.

**Principal Village Taxpayers(1)**

Taxpayer Name	Business/Service	2005 EAV(2)	Percent of Village
Motorola Inc	Portable and Cellular Mobile Telephones	\$16,659,716	1.60%
Hollister Incorporated	Corporate HQ and Health Care Products	9,841,969	0.95%
Brea Property Management	Real Property	8,136,113	0.78%
Manufacturers Life Insurance Company	Insurance Company	7,259,681	0.70%
Temperature Equipment Corporation	Wholesale Heating and Air Conditioning Equipment	6,188,557	0.60%
Guaranty Bank	Commercial Bank	5,197,432	0.50%
Calsters	Real Property	4,211,105	0.41%
Bradley Operating Ltd.	Real Property	3,921,351	0.38%
Medicall Center Properties, Inc.	Real Property	3,973,335	0.38%
Libertyville Joint Venture	Real Property	3,221,331	0.31%
<b>Total</b>		<b>\$68,610,590</b>	
Ten largest as a percent of the Village's 2005 EAV (\$1,039,667,041)			6.60%

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 2005 EAV is the most current available.

## FINANCIAL INFORMATION

### Statement of Activities Governmental Activities

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

Note: (1) Expenses less Program Revenues for Charges for Services and Capital Grants/Contributions.

**Statement of Revenues and Expenditures  
General Fund**

	Audited Year Ended April 30:				
	2002	2003	2004	2005	2006
<b>REVENUES:</b>					
Taxes.....	\$ 3,853,683	\$ 4,043,127	\$ 4,151,564	\$ 4,616,631	\$ 4,937,965
Licenses and Permits.....	1,086,433	861,165	1,023,211	931,936	1,051,786
Intergovernmental.....	8,724,554	8,298,709	8,119,505	8,006,837	8,428,129
Charges for Services.....	3,352,621	3,401,938	4,168,839	4,517,958	5,106,072
Fines and Forfeits.....	182,947	198,811	199,761	226,257	241,105
Interest.....	506,821	362,279	197,251	143,328	325,224
Grants.....	30,448	26,911	0	0	0
Miscellaneous.....	779,827	723,264	355,456	207,427	366,049
Total Revenues.....	<u>\$18,517,334</u>	<u>\$17,916,204</u>	<u>\$18,215,587</u>	<u>\$18,650,374</u>	<u>\$20,456,330</u>
<b>EXPENDITURES:</b>					
Current:					
General Government.....	\$ 2,566,130	\$ 2,768,509	\$ 1,989,388	\$ 2,296,028	\$ 2,318,431
Community Development.....	868,205	859,782	1,003,924	945,485	1,034,897
Public Safety.....	9,444,107	9,984,674	10,249,498	10,740,333	11,944,339
Public Works.....	1,973,247	1,857,618	1,942,383	2,052,131	2,083,919
Parks and Recreation.....	3,261,693	2,795,762	2,855,035	2,659,305	2,792,256
Total Expenditures.....	<u>\$18,113,382</u>	<u>\$18,266,345</u>	<u>\$18,040,228</u>	<u>\$18,693,282</u>	<u>\$20,173,842</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures.....	\$ 403,952	\$ (350,141)	\$ 175,359	\$ (42,908)	\$ 282,488
Other Financing Sources (Uses)					
Transfers In.....	\$ 39,000	\$ 39,000	\$ 394,517	\$ 0	\$ 0
Transfers Out.....	(780,000)	(95,000)	(45,000)	(60,000)	(80,000)
Total Other Financing Sources (Uses).....	<u>\$ (741,000)</u>	<u>\$ (56,000)</u>	<u>\$ 349,517</u>	<u>\$ (60,000)</u>	<u>\$ (80,000)</u>
Net Change in Fund Balances.....	\$ (337,048)	\$ (406,141)	\$ 524,876	\$ (102,908)	\$ 202,488
Fund Balances - Beginning.....	10,364,284(1)	9,855,924(1)	9,920,113(1)	10,444,989	10,342,081
Fund Balances - Ending.....	<u>\$10,027,236</u>	<u>\$ 9,449,783</u>	<u>\$10,444,989</u>	<u>\$10,342,081</u>	<u>\$10,544,569</u>

Note: (1) As restated.

**Budget and Unaudited  
General Fund**

	Budget <u>2006</u>	Actual Fiscal Year <u>2006</u>
<b>REVENUES:</b>		
Property Taxes.....	\$ 4,445,300	\$ 4,472,599
Other Taxes.....	373,000	429,598
Sales Taxes.....	6,528,500	6,512,520
Income Tax.....	1,472,600	1,584,940
Other Intergovernmental Revenue.....	325,100	330,669
Building Permits.....	494,000	769,895
Fines and Penalties.....	231,000	241,105
Libertyville Fire Protection District.....	2,110,640	2,110,651
Recreation Fees.....	1,444,045	1,320,083
Parking Fees.....	4,000	5,065
Interest Income.....	304,600	325,224
Transfers In.....	0	0
Other Revenues.....	<u>1,880,120</u>	<u>2,353,981</u>
Total General Fund Revenues.....	\$19,612,905	\$20,456,330
<b>EXPENDITURES:</b>		
Administration.....	\$ 1,114,670	\$ 1,058,744
Engineering.....	410,280	406,348
Highways & Bridges.....	1,448,585	1,427,599
Snow Removal and Ice Control.....	246,460	221,966
Planning.....	420,565	404,568
Building.....	682,010	630,329
Police.....	6,281,725	6,242,721
Fire.....	5,395,020	5,355,497
Parks.....	1,218,300	1,240,737
Recreation.....	1,109,670	1,034,833
Swimming Pool Operations.....	392,765	350,936
Riverside Park Golf Course.....	207,385	165,750
Senior Programs.....	69,680	60,464
Emergency Management Agency.....	24,950	19,568
Legislative Boards and Committees.....	128,885	126,757
Legal.....	468,000	461,755
Central Business District.....	28,570	26,450
Community Organizations/Activities.....	215,000	216,013
Public Buildings.....	182,345	180,120
Emergency Telephone System.....	315,933	326,553
Hotel/Motel Tax.....	208,260	188,128
Other Expenditures.....	<u>49,500</u>	<u>28,006</u>
Total Expenditures.....	\$20,618,558	\$20,173,842
Transfers Out.....	\$ (80,000)	\$ (80,000)
Excess of Income over Expenses.....	\$(1,085,653)	\$ 202,488

**Statement of Net Assets  
Governmental Activities**

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

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:

	2002	2003	2004	2005	2006
<b>ASSETS:</b>					
Cash and Investments.....	\$ 9,219,834	\$ 8,615,557	\$ 7,814,409	\$ 8,087,728	\$ 7,399,270
Receivables- Net of Allowances:					
Property Taxes.....	3,777,111	3,895,786	4,104,689	4,332,667	4,510,610
Other Taxes.....	0	0	1,751,960	1,514,950	1,608,462
Accounts.....	25,681	15,576	273,615	305,592	461,085
Accrued Interest.....	90,376	26,854	30,458	29,571	51,018
Due From Other Governments.....	2,010,220	1,863,148	0	0	0
Due From Other Funds.....	0	8,035	1,409,761	1,366,732	2,219,484
Prepaid Items.....	0	135,163	521,598	420,584	485,305
Total Assets.....	<u>\$15,123,222</u>	<u>\$14,560,119</u>	<u>\$15,906,490</u>	<u>\$16,057,824</u>	<u>\$16,735,234</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>Liabilities:</b>					
Accounts Payable.....	\$ 422,747	\$ 380,027	\$ 444,320	\$ 264,770	\$ 368,787
Accrued Liabilities.....	896,128	834,109	0	0	0
Accrued Payroll.....	0	0	499,773	576,342	626,697
Deposits Payable.....	0	0	400,795	529,191	684,571
Due to Other Funds.....	0	414	11,738	12,773	0
Deferred Revenues.....	3,777,111	3,895,786	4,104,875	4,332,667	4,510,610
Total Liabilities.....	<u>\$ 5,095,986</u>	<u>\$ 5,110,336</u>	<u>\$ 5,461,501</u>	<u>\$ 5,715,743</u>	<u>\$ 6,190,665</u>
<b>Fund Balances:</b>					
Reserved - Prepaid Items.....	\$ 0	\$ 135,163	\$ 521,598	\$ 420,584	\$ 485,305
Reserved - Special Revenues.....	228,459	0	394,517	353,811	353,140
Reserved - Debt Service.....	0	0	0	0	0
Unreserved - Nonmajor Special Revenues.....	0	0	0	0	0
Unreserved.....	9,798,777	9,314,620	9,528,874	9,567,686	9,706,124
Total Fund Balances.....	<u>\$10,027,236</u>	<u>\$ 9,449,783</u>	<u>\$10,444,989</u>	<u>\$10,342,081</u>	<u>\$10,544,569</u>
Total Liabilities and Fund Balances.....	<u>\$15,123,222</u>	<u>\$14,560,119</u>	<u>\$15,906,490</u>	<u>\$16,057,824</u>	<u>\$16,735,234</u>



**THE WATERWORKS AND SEWERAGE SYSTEM**

**Rates and Charges**

**Rates Per 1,000 Gallons**

	<u>Effective</u>	
	<u>July 1, 2003</u>	<u>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 November 10, 2005)

<u>Name</u>	<u>Dollars Billed</u>	<u>Gallons Used (1,000 Gallons)</u>
Motorola .....	\$273,423	23,200
Condell Hospital .....	201,383	31,157
Winchester House .....	119,723	18,922
Tempeel Steel .....	69,366	10,376
US Gypson .....	56,587	8,463
Libertyville High School .....	43,875	6,560
Americana Health Care .....	40,508	6,056
Intercontinental IHC Group .....	28,144	4,220
Hitch-Inn Post .....	27,669	4,134
Liberty Tower .....	27,669	4,134
Total .....	<u>\$888,346</u>	<u>117,222</u>

**Waterworks and Sewerage Fund**  
**Statement of Net Assets - Fiscal Years 2004, 2005 and 2006**  
**Balance Sheets - Fiscal Years 2002 and 2003**

	Audited as of April 30:				
	2002	2003	2004	2005	2006
<b>ASSETS:</b>					
Cash and Investments.....	\$ 6,658,097	\$ 4,665,225	\$ 4,598,421	\$ 3,372,195	\$ 3,341,194
Receivables - Net of Allowances					
Property Taxes.....	26,828	26,828	26,784	26,784	26,784
Accounts.....	1,287,978	1,136,796	1,121,483	1,015,635	1,246,871
Accrued Interest.....	42,918	36,571	32,380	8,775	12,738
Due From Other Funds.....	724,837	1,753,501	1,281,401	1,281,401	951,273
Prepaid Expenses.....	51,988	60,485	52,000	52,000	68,519
Total.....	<u>\$ 8,792,646</u>	<u>\$ 7,679,406</u>	<u>\$ 7,112,469</u>	<u>\$ 5,756,790</u>	<u>\$ 5,647,379</u>
Capital Assets(1)					
Land.....	\$ 0	\$ 0	\$ 68,920	\$ 68,920	\$ 2,272,080
Buildings and Improvements.....	0	0	8,068,322	8,290,450	14,016,621
Machinery and Equipment.....	0	0	3,224,782	3,224,782	1,684,716
Waterworks System.....	0	0	17,268,716	18,367,884	12,930,848
Sewerage System.....	0	0	19,220,180	19,409,971	13,631,993
Total.....	<u>\$ 45,584,371</u>	<u>\$ 46,650,756</u>	<u>\$ 47,850,920</u>	<u>\$ 49,362,007</u>	<u>\$ 44,536,258</u>
Accumulated Depreciation.....	<u>(20,232,036)</u>	<u>(21,608,485)</u>	<u>(23,033,424)</u>	<u>(24,468,507)</u>	<u>(19,965,004)</u>
Net Capital Assets.....	<u>\$ 25,352,335</u>	<u>\$ 25,042,271</u>	<u>\$ 24,817,496</u>	<u>\$ 24,893,500</u>	<u>\$ 24,571,254</u>
Total Assets.....	<u>\$ 34,144,981</u>	<u>\$ 32,721,677</u>	<u>\$ 31,929,965</u>	<u>\$ 30,650,290</u>	<u>\$ 30,218,633</u>
<b>LIABILITIES:</b>					
<b>Current Liabilities</b>					
Accounts Payable.....	\$ 1,021,222	\$ 298,769	\$ 669,645	\$ 338,749	\$ 465,817
Retainage Payable.....	76,850	106,207	0	0	0
Accrued Payroll.....	186,435	288,016	63,537	60,005	66,751
Deposits Payable.....	17,315	19,385	20,522	20,682	17,305
Accrued Interest Payable (2).....	(2)	(2)	83,537	73,336	62,059
Due to Other Funds.....	0	0	0	0	0
Deferred Revenues.....	141,787	130,000	152,000	144,000	136,000
Compensated Absences Payable.....	0	0	56,279	57,763	68,659
Interest Payable - Bonds.....	92,929	79,449	0	0	0
Interest Payable - IEPA Loan.....	10,241	9,555	0	0	0
Installment Contract Payable.....	0	0	0	0	0
IEPA Loans Payable.....	136,473	140,619	144,891	149,292	153,827
General Obligation Bonds Payable.....	545,000	595,000	615,000	635,000	615,000
Total Current Liabilities.....	<u>\$ 2,228,252</u>	<u>\$ 1,667,000</u>	<u>\$ 1,805,411</u>	<u>\$ 1,478,827</u>	<u>\$ 1,585,418</u>
<b>Noncurrent Liabilities</b>					
Compensated Absences Payable.....	\$ 0	\$ 0	\$ 225,117	\$ 231,052	\$ 274,637
Installment Contract Payable.....	0	0	0	0	0
IEPA Loans Payable.....	1,901,505	1,760,886	1,615,995	1,466,703	1,312,876
General Obligation Bonds Payable.....	4,745,000	4,150,000	3,535,000	2,900,000	2,285,000
Unamortized Bond Discount.....	(99,642)	(82,563)	(67,244)	(53,792)	(42,265)
Total Noncurrent Liabilities.....	<u>\$ 6,546,863</u>	<u>\$ 5,828,323</u>	<u>\$ 5,308,868</u>	<u>\$ 4,543,963</u>	<u>\$ 3,830,248</u>
Total Liabilities.....	<u>\$ 8,775,115</u>	<u>\$ 7,495,323</u>	<u>\$ 7,114,279</u>	<u>\$ 6,022,790</u>	<u>\$ 5,415,666</u>
<b>FUND EQUITY:</b>					
Contributed Capital.....	\$ 12,647,035	\$ 12,943,592			
Retained Earnings - Unreserved.....	12,722,831	12,282,762			
Total Fund Equity.....	<u>\$ 25,369,866</u>	<u>\$ 25,226,354</u>			
Total Liabilities and Fund Equity.....	<u>\$ 34,144,981</u>	<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
Unrestricted.....			5,841,832	4,831,203	4,556,151
Total Net Assets.....			<u>\$ 24,815,686</u>	<u>\$ 24,627,500</u>	<u>\$ 24,802,967</u>

- Notes: (1) Detail not available for fiscal years 2002 and 2003.  
(2) Detailed separately in 2002 and 2003, as Interest Payable - Bonds and Interest Payable - IEPA Loan.  
(3) Not comparable to fiscal years 2002 and 2003.

**Waterworks and Sewerage Fund  
Revenues and Expenditures**

	Audited Year Ended April 30:				
	2002	2003	2004	2005	2006
<b>OPERATING REVENUES:</b>					
Charges for Services					
Water Sales.....	\$ 3,314,686	\$ 3,542,108	\$ 3,705,574	\$ 3,637,883	\$ 4,281,269
Sewer Service Charges.....	1,964,471	2,009,932	2,179,293	2,142,981	2,290,799
Sewer Process Fees.....	160,838	165,626	0	0	0
Damage to Village Property.....	0	0	130	3,829	3,065
Meters and Readouts.....	0	0	24,929	32,156	25,755
Miscellaneous.....	450,716	122,543	10,699	14,425	6,904
Total Charges for Service.....	<u>\$ 5,890,711</u>	<u>\$ 5,840,209</u>	<u>\$ 5,920,625</u>	<u>\$ 5,831,274</u>	<u>\$ 6,607,792</u>
<b>OPERATING EXPENSES:</b>					
Operations(1).....	\$ 2,587,378	\$ 2,498,786			
Purchase of Water(2).....	1,968,238	2,140,617			
Water Operations.....	0	0	\$ 3,201,567	\$ 3,219,716	\$ 3,608,871
Sewer Operations.....	0	0	538,106	667,936	741,258
Wastewater Treatment Plant.....	0	0	952,777	907,712	1,006,125
Water and Sewer Capital Improvements.....	0	0	391,467	81,745	719,233
Depreciation and Amortization.....	1,642,545	1,393,527	1,440,259	1,448,536	1,071,545
Total Operating Expenses.....	<u>\$ 6,198,161</u>	<u>\$ 6,032,930</u>	<u>\$ 6,524,176</u>	<u>\$ 6,325,645</u>	<u>\$ 7,147,032</u>
Operating Income (Loss).....	\$ (307,450)	\$ (192,721)	\$ (603,551)	\$ (494,371)	\$ (539,240)
<b>Nonoperating Revenues (Expenses):</b>					
Interest Income.....	\$ 348,939	\$ 193,823	\$ 118,190	\$ 51,609	\$ 89,180
Connection Fees.....	0	0	488,370	504,825	303,656
Property Tax.....	26,848	26,840	26,784	26,784	26,784
Other Income.....	0	0	8,000	8,000	8,000
Interest and Fiscal Charges.....	(299,722)	(234,440)	(210,309)	(181,943)	(156,166)
Total Non Operating Revenues (Expenses)...	<u>\$ 76,065</u>	<u>\$ (13,777)</u>	<u>\$ 431,035</u>	<u>\$ 409,275</u>	<u>\$ 271,454</u>
Income (Loss) Before Transfers.....	\$ (231,385)	\$ (206,498)	\$ (172,516)	\$ (85,096)	\$ (267,786)
Transfers Out, net.....	(131,910)	(131,630)	(104,980)	(103,090)	(103,690)
Intrafund Transfer from Restricted Retained Earnings.....	863,130	0			
Net Income (Loss).....	\$ (363,295)	\$ (338,128)			
Retained Earnings (Deficit), May 1.....	12,358,975	12,722,831			
Prior Period Adjustment.....	(135,979)	(101,941)			
Retained Earnings (Deficit), April 30.....	<u>\$12,858,810</u>	<u>\$12,282,762</u>			
Change in Net Assets.....			\$ (277,496)	\$ (188,186)	\$ (371,476)(4)
Net Assets - Beginning(3).....			25,093,182	24,815,686	25,174,443
Net Assets - Ending(3).....			<u>\$24,815,686</u>	<u>\$24,627,500</u>	<u>\$24,802,967</u>

- Notes: (1) Totals listed for 2002 and 2003.  
(2) Not detailed separately in 2004 and 2005.  
(3) Not comparable to 2002 and 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
2007	\$1,644,374	\$ 379,698	\$ 92,394	\$ 472,092	3.48X	\$1,172,282	\$ 196,897	5.95X
2008	1,644,374	389,548	198,193	587,740	2.80X	1,056,634	196,897	5.37X
2009	1,644,374	373,078	200,268	573,345	2.87X	1,071,029	196,898	5.44X
2010	1,644,374	376,488	202,148	578,635	2.84X	1,065,739	96,898	5.41X
2011	1,644,374	378,688	198,790	577,478	2.85X	1,066,897	196,898	5.42X
2012	1,644,374	380,288	200,433	580,720	2.83X	1,063,654	196,897	5.40X
2013	1,644,374	390,938	201,833	592,770	2.77X	1,051,604	196,898	5.34X
2014	1,644,374	0	333,033	333,033	4.94X	1,311,342	196,898	6.66X
2015	1,644,374	0	333,833	333,833	4.93X	1,310,542	98,450	13.31X
2016	1,644,374	0	334,113	334,113	4.92X	1,310,262	0	
2017	1,644,374	0	333,863	333,863	4.93X	1,310,512	0	
2018	1,644,374	0	338,138	338,138	4.86X	1,306,237	0	
2019	1,644,374	0	341,725	341,725	4.81X	1,302,649	0	
2020	1,644,374	0	339,690	339,690	4.84X	1,304,684	0	
2021	1,644,374	0	342,090	342,090	4.81X	1,302,284	0	
2022	1,644,374	0	343,860	343,860	4.78X	1,300,514	0	
<b>Total</b>		<b>\$2,668,723</b>	<b>\$4,334,399</b>	<b>\$7,003,122</b>			<b>\$1,673,631</b>	

- Notes: (1) For debt service including the May 1 principal and interest due.  
(2) Source: The Village's 2006 Comprehensive Annual Financial Report. This amount includes \$6,607,792 total charges for service less \$5,356,254 total operating expenses not including \$719,233 of capital improvements and \$1,071,545 of depreciation and amortization, plus of \$89,180 interest income and \$303,656 of connection fees.