

VILLAGE OF BANNOCKBURN, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2007

A Sikich LLP

Certified Public Accountants & Advisors

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Bannockburn, Illinois as of and for the year ended April 30, 2007, which collectively comprise the Village of Bannockburn, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Bannockburn, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Bannockburn, Illinois' basic financial statements. The accompanying financial information listed as combining and individual nonmajor fund financial statements and schedules and supplementary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Bannockburn, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Sibich LLP". The signature is written in dark ink and is positioned to the right of the main text block.

Aurora, Illinois
September 20, 2007

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF BANNOCKBURN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2007

The Village of Bannockburn's (the "Village") Management's Discussion and Analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address subsequent year challenges), and (4) identify individual fund issues or concerns.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 3).

I. FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities at the close of the fiscal year by \$16.5 million (net assets), a 21% increase from April 30, 2006. Of this amount, \$10.1 million are capital assets, and \$4.2 million are unrestricted net assets which may be used to meet the Village's ongoing obligations to its citizens.
- The Proprietary Funds (Business-Type Activities) have Unrestricted Net Assets of \$2,806,535, of which \$2,604,649 is from the Water Fund and \$201,886 is from the Sewer Fund. The Current Assets combined increase in the Water and Sewer Funds totals \$1,382,019 of which 97.5% is from the Water Fund. This increase in assets reflects scheduled infrastructure improvements during the fiscal year. Additionally, there are programmed user fee increases to help fund upcoming Water Fund and Sewer Fund Capital projects as well as meet structured debt obligations.
- The Village's Governmental Fund balances increased \$1,106,554, or 12.9%.
- Of the Major Funds, the Police and Road & Bridge deficit balances will be funded through future revenues and Interfund Transfers. The TIF Debt Service balance funds TIF debt obligations through the life of the TIF. The Water Reservoir Project balance, resulting primarily from bond proceeds, will fund reservoir construction and project costs.
- The Village's General Fund balance increased \$1,019,567, or 13.7%. 31.7% of the General Fund increase, \$323,461, was from one-time PUD fees. The General Fund balance increase is in anticipation of several upcoming capital improvement projects and the on-going need to support the Police and other Nonmajor Governmental Funds that have insufficient revenue to continue to provide the high service levels recognized in the Village.
- The Business-Type Activities include Contributions of \$2,614,458 from the Tax Increment Financing District reservoir project.

- The Water Fund issued \$2,500,000 in General Obligation Bonds for myriad scheduled water infrastructure projects. The Village received Standard & Poor's AAA rating in fiscal 2007. This rating facilitated favorable interest rates for this 20-year issue.
- The Tax Increment Financing District issued \$1,300,000 in bonds that were retired in fiscal 2007. A second series of bonds, to retire in November 2009, was issued for \$1,995,000.

II. USING THE FINANCIAL SECTION OF THIS ANNUAL FINANCIAL REPORT

The Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. The financial statements' focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address the relevant question "Is the Village in a better financial position than it was one year ago?", provide a basis for comparison (year-to-year or government-to-government), and enhance the Village's accountability. Consideration of other non-financial factors, such as changes in the Village's sales and other taxing bases, and the condition of various infrastructure, is needed to assess the overall health of the Village.

A. Government-Wide Financial Statements

The government-wide financial statements (see pages 3 - 5) are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates the governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities (see pages 4 - 5) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, roads, open space, and administration. Shared state sales and income taxes, real estate taxes, telecommunications taxes, licenses and permits, and interest earnings finance the majority of these services. The Business-type Activities reflect private sector-type operations (Water and Sewer) where the regular charges for service typically cover all or most of the cost of operation, including depreciation.

B. Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related federal, state, and local laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated

column. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Governmental Major Funds (see pages 6 - 10) are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, Governmental Fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The government-wide financial statements provide a long-term view. Comparisons between the individual governmental fund statements and the government-wide statements provide information about financing decisions and the amount invested in maintaining and improving infrastructure. Review of these two perspectives can provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances are reconciled with the Government-Wide financial statements to show the differences between these two perspectives.

Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

Business-Type activities are reported in the Proprietary Fund Statements (see pages 12 - 14). These fund financial statements are for those services for which the Village charges customers a fee. There are two kinds of proprietary funds, enterprise and internal service. Enterprise funds essentially encompass the same functions reported as Business-Type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the Village organization, such as those of the water and sewer utilities. The Village does not currently utilize internal service funds.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements, but with more detail for major enterprise funds.

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 15 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's funding of pension benefit obligations to its employees and budgetary information beginning on page 38.

Major funds are reported in the basic financial statements as discussed. Combining and individual statements and schedules for nonmajor funds are presented in a subsequent section of this report beginning on page 47.

III. FINANCIAL ANALYSIS OF THE VILLAGE AS A WHOLE

The Village implemented the financial reporting model (GASB #34) beginning with the fiscal year ended April 30, 2005. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to analyze the changing financial position of the Village as a whole. The inclusion of historical data in these analyses enhances the usefulness of this data.

Statement of Net Assets As of April 30, 2007 and April 30, 2006

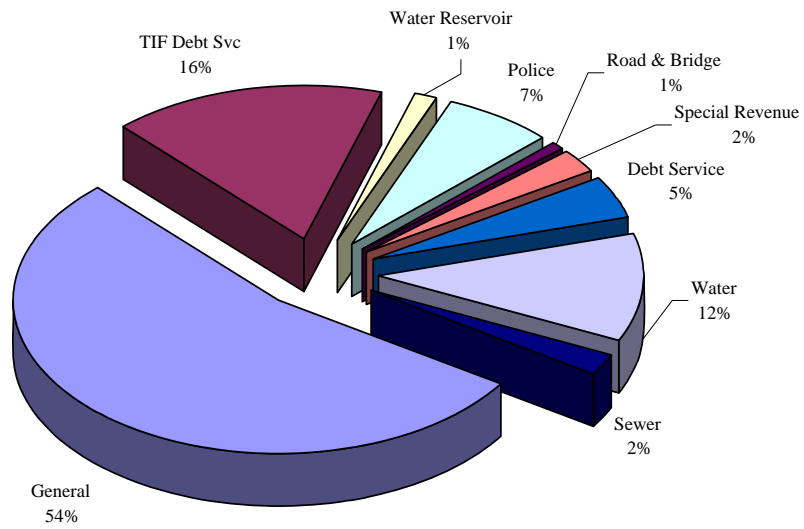
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2007	2006	2007	2006	2007	2006
Current & Other Assets	\$12,802,756	\$11,109,341	\$2,003,208	\$621,189	\$14,805,964	\$11,730,530
Capital Assets	\$5,218,413	\$4,717,844	\$8,367,263	\$4,139,446	\$13,585,676	\$8,857,290
Total Assets	\$18,021,169	\$15,827,185	\$10,370,471	\$4,760,635	\$28,391,640	\$20,587,820
Long-Term Liabilities	\$5,054,893	\$3,942,444	\$2,412,455	\$0	\$7,467,348	\$3,942,444
Other Liabilities	\$4,172,913	\$2,950,469	\$239,508	\$54,988	\$4,412,421	\$3,005,457
Total Liabilities	\$9,227,806	\$6,892,913	\$2,651,963	\$54,988	\$11,879,769	\$6,947,901
Net Assets:						
Investment in Capital Assets, Net of Debt	\$5,218,413	\$4,717,844	\$4,911,973	\$4,139,446	\$10,130,386	\$8,857,290
Restricted	\$2,084,826	\$2,053,654	\$0	\$0	\$2,084,826	\$2,053,654
Unrestricted	\$1,490,124	\$2,162,774	\$2,806,535	\$566,201	\$4,296,659	\$2,728,975
Total Net Assets	\$8,793,363	\$8,934,272	\$7,718,508	\$4,705,647	\$16,511,871	\$13,639,919

During FY 2007, \$2.1 million in capital projects were undertaken, utilizing both bond proceeds and available reserves. This is clearly reflected in the graphical depictions of the Fund Activities (Revenues and Expenditures), changes in Current Assets, Capital Assets, and Unrestricted balances for Governmental and Business-Type Activities, and a condensed Statement of Activities that follow.

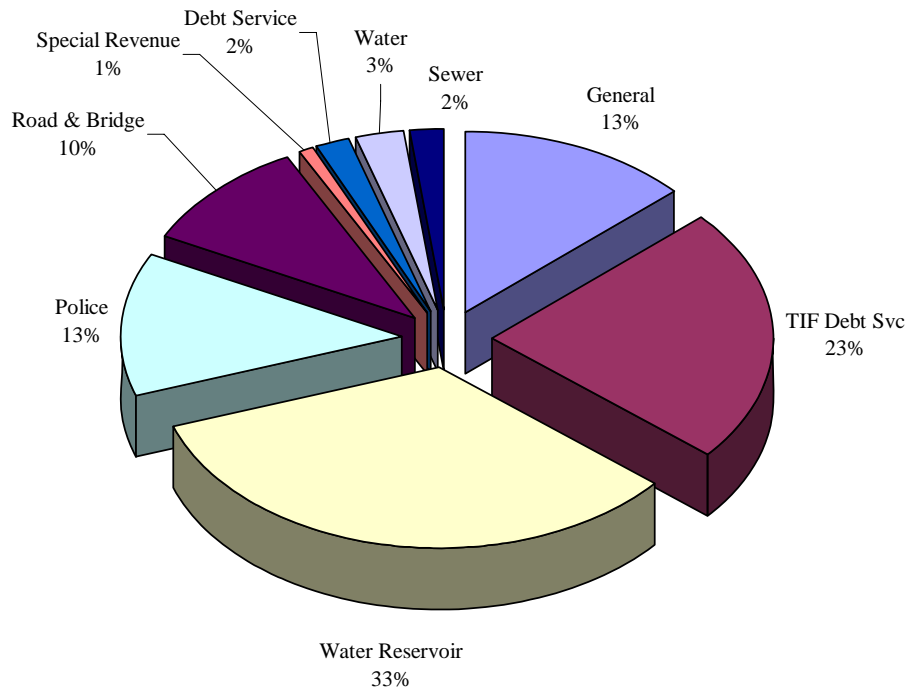
Fund Activities April 30, 2007	Revenues	Expenditures
Major Funds		
General	\$3,040,887	\$989,876
TIF Debt Svc	\$930,184	\$1,671,991
Water Reservoir	\$81,112	\$2,481,921
Police	\$379,637	\$958,145
Road & Bridge	\$50,256	\$736,124
Nonmajor Funds		
Special Revenue	\$128,439	\$57,705
Debt Service	\$264,271	\$147,520
Proprietary		
Water	\$663,804	\$246,755
Sewer	\$118,192	\$136,838

Notes: Revenues exclude interfund infrastructure contributions
Expenditures include operations, capital and debt service.
Expenditures exclude interfund transfers.
Special Revenue Funds are MFT, Audit, Liability Insurance
Hotel, SSA #1, and SSA #2
Debt Service Funds are SSA 4-7-8-9-10-11-12-13-14-16

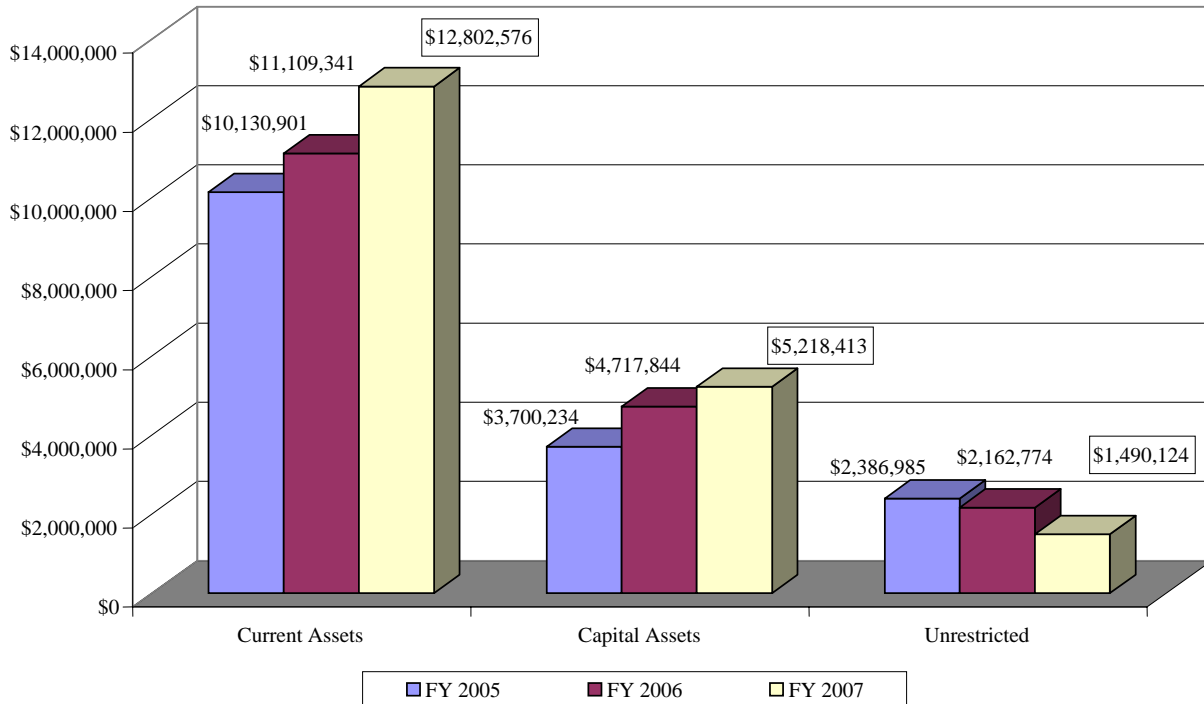
Revenues by Fund



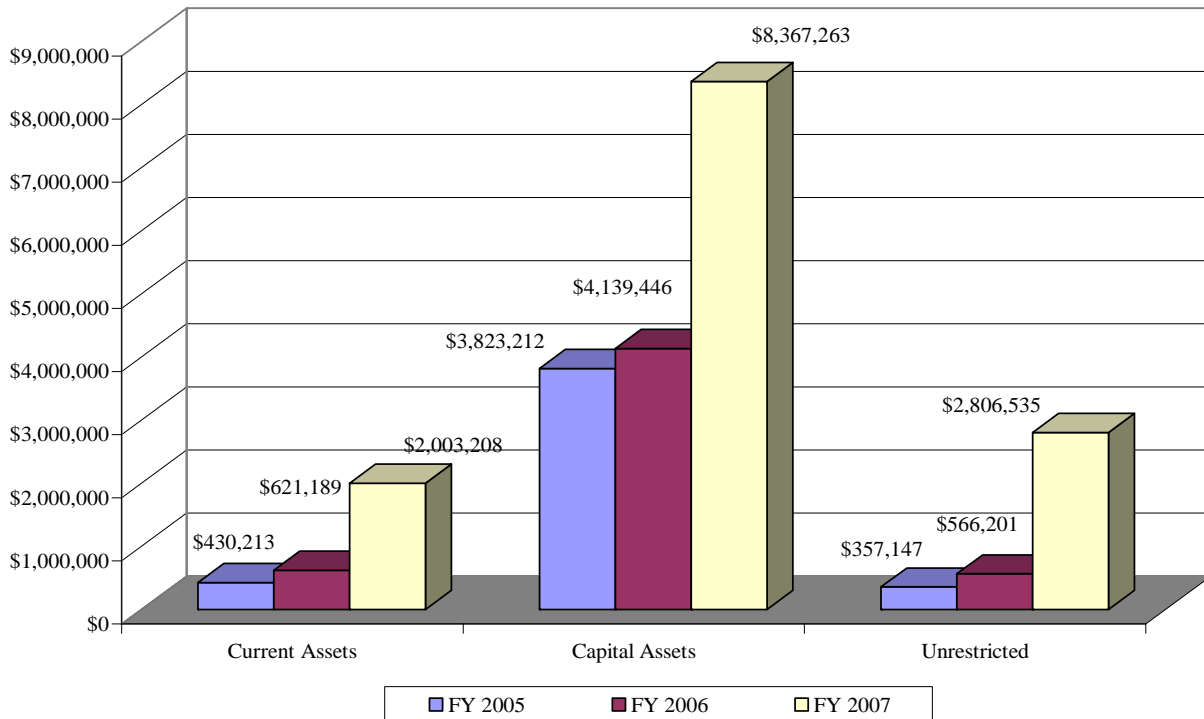
Expenditures by Fund



Governmental Activities FY 2005 vs. FY 2006 vs. FY 2007



Business-Type Activities FY 2005 vs. FY 2006 vs. FY 2007



Statement of Activities As of April 30, 2007 and April 30, 2006

Revenues	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	2007	2006	2007	2006	2007	2006
Program Revenue:						
Charges for Services	\$279,427	\$246,548	\$759,385	\$807,322	\$1,038,812	\$1,053,870
Operating Grants & Contributions	\$67,807	\$48,018	\$0	\$0	\$67,807	\$48,018
Tap-In/Connection Fees	\$0	\$0	\$0	\$42,374	\$0	\$42,374
General Revenues:					\$0	\$0
Property Taxes	\$1,706,496	\$1,671,384	\$0	\$0	\$1,706,496	\$1,671,384
Other Taxes (Sales, Use, Telecomm, Income, Hotel)	\$1,737,398	\$1,687,534	\$0	\$0	\$1,737,398	\$1,687,534
Investment Income & Miscellaneous	\$1,102,207	\$466,851	\$22,611	\$0	\$1,124,818	\$466,851
Contributions	\$0	\$0	\$2,614,458	\$411,905	\$2,614,458	\$411,905
Total Revenues	\$4,893,335	\$4,120,335	\$3,396,454	\$1,261,601	\$8,289,789	\$5,381,936
Expenses						
General Government	\$3,341,901	\$1,448,788	\$0	\$0	\$3,341,901	\$1,448,788
Public Safety	\$1,080,082	\$921,574	\$0	\$0	\$1,080,082	\$921,574
Road & Bridge	\$271,154	\$211,071	\$0	\$0	\$271,154	\$211,071
Interest & Fiscal Charges	\$341,107	\$330,598	\$0	\$0	\$341,107	\$330,598
Water & Sewer	\$0	\$0	\$383,593	\$736,313	\$383,593	\$736,313
Total Expense	\$5,034,244	\$2,912,031	\$383,593	\$736,313	\$5,417,837	\$3,648,344
Change in Net Assets	-\$140,909	\$1,208,304	\$3,012,861	\$525,288	\$2,871,952	\$1,733,592
Net Assets						
May 1	\$8,934,272	\$7,725,968	\$4,705,647	\$4,180,359	\$13,639,919	\$11,906,327
April 30	\$8,793,363	\$8,934,272	\$7,718,508	\$4,705,647	\$16,511,871	\$13,639,919

IV. NORMAL IMPACTS

There are eight normal (basic) impacts affecting the comparability of the Statement of Net Assets summary presentation. They are as follows:

- **Economic Conditions** – the declining, stable or growing economic environment has a substantial impact on state income and sales tax revenues, as well as public spending habits for building permits, elective user fees, and volumes of consumption.
- **Net Results of Activities** – this will affect (increase/decrease) current assets and unrestricted net assets.
- **Borrowing for Capital** – this will increase current assets and long-term debt.
- **Spending Borrowed Proceeds on New Capital** - this 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.
- **Spending of Non-borrowed Current Assets on New Capital** – this will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

- **Principal Payment on Debt** – this will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.
- **Reduction of Capital Assets through Depreciation** – this will reduce capital assets and invested in capital assets, net of debt.
- **Increase/Decrease in Village Rates/Fee Schedules** – while certain tax rates are set by statute, the Village Board has the authority to impose and periodically increase/decrease rates (property taxes, telecommunications tax, water/sewer fees, building fees, utility taxes, etc).

V. CURRENT YEAR IMPACTS

A. Governmental Activities

1. Revenue

Intergovernmental taxes were \$1,691,339, representing 34.6% of total governmental activity revenue. Sales tax, \$1,289,501, accounts for 76.2% of Intergovernmental taxes. Property taxes, totaling \$1,706,496, are for TIF Debt Service (\$879,440), nonmajor governmental funds (including SSA infrastructure repayments) (\$311,695) and General, Police, and Road & Bridge Fund operations (\$515,361).

Bannockburn's Equalized Assessed Valuation has increased from \$103,796,394 in 2000 to \$152,794,878 in 2006 (a 47.2% increase). Overall the tax rate has decreased from 0.414 in 2000 to 0.399 in 2006 (exclusive of SSAs). The real dollars in property taxes has therefore increased from \$429,471 in 2000 to a projected tax collection for 2006 of \$580,348. (Taxes levied are collected in the subsequent year.) Property Taxes contribute approximately 6% of the General Fund and 73% of the Police Fund revenue.

The Telecommunications Tax rate has remained at 4% since January 2003, generating funds used to provide for retirement related expenditures. Permit Fees have grown due to the Village's revised policy to cover administrative and contractual costs associated with permits.

Favorable investment rates available for an increasing investment pool, yielded \$130,566 and \$79,397 more than the preceding year for the General and Water Reservoir Project funds, respectively.

2. Expenses

The General Fund continues to provide operating transfers or subsidies to the Police Fund, Road and Bridge Fund, Insurance Fund, and Audit Fund. Operating transfers represent significant disbursements from the General Fund. The General Fund has also been the source for long-term advances to Special Service Areas, most recently for SSA #16.

B. Business-Type Activities**1. Revenue**

Despite programmed rate increases intended to cover all direct costs and to establish reserves for upcoming significant infrastructure replacements in the water and sewer funds, revenues decreased 5.9% in fiscal 2007. Fiscal 2006 reported unusually high consumption, resulting in the unexpected revenue spike. Contributions from the Tax Increment Financing District are recorded as contributions in the Water Fund. There were no recapture or connection fees for water or sewer in fiscal 2007.

2. Expenses

Capital Assets, while significant in fiscal 2007, are excluded from Operating Expenses. With less water consumption, Water Purchased decreased from fiscal 2006. Sewer Disposal Services, reflecting new equipment, increased 178% over fiscal 2006.

VI. FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**A. Governmental Funds**

At April 30, 2007, the governmental funds reported a combined fund balance of \$9.6 million, a 12.9% increase from the beginning of the year (increase of \$1.1 million). The General Fund accounted for 92% of the increase, primarily from additional investment and miscellaneous income.

B. Major Governmental Funds

The General Fund is the Village's primary operating fund. The overall fund balance of the General Fund exceeded \$8.4 million. The General Fund cash and investment balances substantially exceed the Reserve Policy target of twelve months of anticipated operating expenditures.

Revenues exceeded budget in several areas. Investment income far exceeded budget, resulting from a combination of increasing investment rates and more funds available to invest. Intergovernmental taxes were \$140,000 above budget. Police grants totaled \$26,344. Subsidies were below budget, primarily from deferred Capital Projects (Waukegan widening, State Route 22, and storm sewer) in the Road & Bridge Fund and multiple line items within the Police Fund. As anticipated, the construction of the Village's reservoir (Water Reservoir Fund) was a significant cash outflow.

C. Nonmajor Governmental Funds

The Village has historically utilized Special Service Area (SSA) financing to provide specific infrastructure to a finite geographic area, utilizing a predefined debt repayment schedule. Nonmajor SSA funds are reported under Capital Projects Funds during construction and reported under Debt Service Funds during the prescribed repayment periods. Following the fulfillment of debt obligations, SSA activity is reported under

Special Revenue Funds. At this time, remaining nonmajor Village funds are reported under Special Revenue Funds.

1. Nonmajor Special Revenue Funds

Motor Fuel Tax Funds were budgeted for unrealized maintenance and repairs. Special Service Areas No. 1 and No. 2 funds will be utilized in the construction of a new sanitary sewer liftstation in upcoming fiscal years. The Hotel Fund balance, following the successful Home Rule referendum, was used for qualifying expenditures and the post Home Rule collections recorded in the General Fund.

2. Nonmajor Debt Service Funds

The Nonmajor Debt Service Funds continue the scheduled repayment of prior period advances to the General Fund.

D. Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of April 30, 2007 was \$5.2 million. The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of April 30, 2007 was \$8.3 million, primarily reflecting the contribution of TIF construction activities and Village-wide water main projects.

E. Long-Term Debt

At the end of the fiscal year, the Village's debt limitation was unencumbered. As a home rule government, under Illinois law, the Village no longer has a legal debt limit of 8.625% of the Village's Equalized Assessed Valuation. The Village's EAV for 2006 was \$152,794,878. Debt, which pledges an alternate revenue source, is not subject to the debt limitation calculation. Therefore, none of the Village's existing debt is subject to the debt limitation. The 2003 ARS Bond for \$940,000 constitutes a limited obligation of the Village, as it is payable solely from a levy of direct annual tax on taxable property located within Special Service No. 15. These bonds are further secured by a limited pledge of certain available sales tax revenues as set forth in the Bond Ordinance. The Village's obligation for Tax Increment Allocation Revenue Bonds, Series 1987A, Series 1990A, and Series 2006B is limited to the amount of available incremental taxes. Provided the Village pays out whatever increment it has received, no general tax revenue of the Village will ever need to be used to support the Village's TIF District. The Village issued General Obligation bonds for water infrastructure projects for \$2.5 million in fiscal 2007. This intent is that the 20-year financial obligation be funded by Water Fund monies, with advances from the general Fund should such a need arise.

F. Economic Factors

The Village of Bannockburn is located in West Deerfield Township in Lake County, encompassing 1,318 acres located approximately 30 miles north of Chicago, and 4 miles west of Lake Michigan. The Village's principal retail location is located at the intersection of State Routes 22 and 43. Commercial developments are located along State Route 43, State Route 22, and Lakeside Drive. Most residential lots are 2- or 4-

acres, with 90% of the residential area developed. The property tax revenues derived from the current housing stock is stable. The Village has experienced an increase in residential housing equalized assessed valuation due to the construction of new single family residences, additions, and tear downs. The commercial sector is stable as well, strongly based on the purchase of food and other necessary household items. Property tax revenues for general, police, roads & bridge, insurance, and audit funds represent an approximately 50/50 split from residential and commercial sources.

Bannockburn's TIF, established in 1986, is located along South Lakeside Drive and Half Day Road. With TIF bonds issued early in fiscal 2007, construction of a water reservoir and associated infrastructure are scheduled before the conclusion of the TIF in 2009. Due to the utilization of a TIF District, the commercial sector base along Lakeside Drive has developed over several years with the construction of office buildings and a hotel.

Recognizing that over one-third of General Fund revenues come from State sales taxes, the Village's Operating Reserve targets one full-year of operating budget as the reserve level. Reserves are also planned for significant upcoming capital projects. These projects include landscaped/irrigated median and pathway to accompany the widening of Illinois State Route 22, completion of a joint water main project with the Village of Lincolnshire, State Route 43 widening, State Route 22 sanitary liftstation, and scheduled replacements of various water and sewer mains.

Public (State of Illinois infrastructure improvements on State Route 22) and Private (significant Retail Center capital improvements) negatively affected sales tax generating activity in the Village's primary retail center.

While certain tax rates are set by statute, the Village Board has the authority to impose periodic increases/decreases on certain rates (water/sewer, building fees, utility tax rates, etc.). As a home rule community, non-referendum bonding and property tax levies in excess of the tax cap are some of the financial tools available, but presently unused in the Village of Bannockburn.

Market conditions may cause investment income to fluctuate more depending on the long-term vs. short-term investment strategy utilized by the Village. The fluctuations in investment income have been less severe for the Village, as 14.5 % of General Fund investment income was derived from Special Service Areas established between 1996 and 2005. The pre-established interest rates are for the life of the advances.

Infrastructure replacements are typically anticipated well in advance, and mirror historic periods of community growth. Preceding periods of infrastructure replacements, communities often experience increased maintenance and operational expenses. Additions to the Village's water and sanitary sewer systems, via established Special Service Areas, increase the service base and ultimately result in increased operational costs.

Debt Service is utilized prudently, and sparingly, by the Village's elected officials. Low borrowing rates, strong fund balances, and dependable revenue streams yield a favorable borrowing environment. Remaining bond proceeds, with several water and remaining TIF capital improvement projects on the short-term horizon, will be depleted.

Contacting the Village's Financial Management Personnel

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations, and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Village's Finance Director, 2275 Telegraph Road, Bannockburn, IL 60015.

VILLAGE OF BANNOCKBURN, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2007

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 2,125,420	\$ 1,018,068	\$ 3,143,488
Investments	8,254,741	-	8,254,741
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)			
Property Taxes	1,954,716	-	1,954,716
Accounts	26,768	192,447	219,215
Accrued Interest	92,080	4,163	96,243
Other	70,522	-	70,522
Due from Other Governments	422,277	-	422,277
Due to/from Other Funds	(749,158)	749,158	-
Escrow Deposits	561,420	-	561,420
Deferred Bond Issuance Costs	43,970	39,372	83,342
Capital Assets not Being Depreciated	2,779,639	3,455,290	6,234,929
Capital Assets Being Depreciated	2,438,774	4,911,973	7,350,747
Total Assets	18,021,169	10,370,471	28,391,640
LIABILITIES			
Accounts Payable	435,579	125,617	561,196
Accrued Interest Payable	123,621	43,891	167,512
Deferred Property Tax Revenue	1,954,716	-	1,954,716
Other Deferred Revenue	11,272	-	11,272
Escrow Deposits Payable	632,725	-	632,725
Noncurrent Liabilities			
Due Within One Year	1,015,000	70,000	1,085,000
Due in More Than One Year	5,054,893	2,412,455	7,467,348
Total Liabilities	9,227,806	2,651,963	11,879,769
NET ASSETS			
Invested in Capital Assets	5,218,413	4,911,973	10,130,386
Restricted for			
Public Safety	-	-	-
Economic Development	855,337	-	855,337
Maintenance of Roadways	307,077	-	307,077
Liability Insurance	4,738	-	4,738
Special Projects	876,041	-	876,041
Debt Service	41,633	-	41,633
Unrestricted	1,490,124	2,806,535	4,296,659
TOTAL NET ASSETS	\$ 8,793,363	\$ 7,718,508	\$ 16,511,871

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2007

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 3,341,901	\$ 207,275	\$ -	\$ -
Public Safety	1,080,082	72,152	26,344	-
Road and Bridge	271,154	-	41,463	-
Interest and Fiscal Charges	341,107	-	-	-
Total Governmental Activities	5,034,244	279,427	67,807	-
Business-Type Activities				
Water	246,755	641,193	-	-
Sewer	136,838	118,192	-	-
Total Business-Type Activities	383,593	759,385	-	-
TOTAL PRIMARY GOVERNMENT	\$ 5,417,837	\$ 1,038,812	\$ 67,807	\$ -

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,134,626)	\$ -	\$ (3,134,626)
	(981,586)	-	(981,586)
	(229,691)	-	(229,691)
	(341,107)	-	(341,107)
	(4,687,010)	-	(4,687,010)
	-	394,438	394,438
	-	(18,646)	(18,646)
	-	375,792	375,792
	(4,687,010)	375,792	(4,311,218)
General Revenues			
Taxes			
Property	1,706,496	-	1,706,496
Sales	1,289,501	-	1,289,501
Use	18,497	-	18,497
Telecommunications	190,293	-	190,293
Income	120,441	-	120,441
Hotel/Motel	118,666	-	118,666
Investment Income	575,690	22,611	598,301
Miscellaneous	526,517	-	526,517
Contributions	-	2,614,458	2,614,458
Total	4,546,101	2,637,069	7,183,170
CHANGE IN NET ASSETS	(140,909)	3,012,861	2,871,952
NET ASSETS, MAY 1	8,934,272	4,705,647	13,639,919
NET ASSETS, APRIL 30	\$ 8,793,363	\$ 7,718,508	\$ 16,511,871

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2007

	General	Police	Road and Bridge	TIF Debt Service	Water Reservoir Project	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 131,217	\$ 3,967	\$ -	\$ 855,337	\$ 1,021,456	\$ 113,443	\$ 2,125,420
Investments	7,998,604	-	-	-	-	256,137	8,254,741
Receivables (Net, Where Applicable, of Allowances For Uncollectibles)							
Property Taxes	201,689	291,838	45,567	1,103,995		311,627	1,954,716
Accounts	26,768	-	-	-	-	-	26,768
Accrued Interest	87,025	-	-	-	-	5,055	92,080
Other	16,925	40,198	-	-	-	13,399	70,522
Due from Other Governments	412,852	6,030	-	-	-	3,395	422,277
Due from Other Funds	5,718	-	-	-	-	147,914	153,632
Escrow Deposit	561,420	-	-	-	-	-	561,420
Advance to Other Funds	956,432	-	-	142,947	-	-	1,099,379
TOTAL ASSETS	\$ 10,398,650	\$ 342,033	\$ 45,567	\$ 2,102,279	\$ 1,021,456	\$ 850,970	\$ 14,760,955

	General	Police	Road and Bridge	TIF Debt Service	Water Reservoir Project	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 192,872	\$ 15,834	\$ 50,311	\$ -	\$ 145,242	\$ 31,320	\$ 435,579
Deferred Property Taxes	201,689	291,838	45,567	1,103,995	-	311,627	1,954,716
Other Deferred Revenue	24,906	43,489	-	-	-	13,399	81,794
Deposits Payable	632,725	-	-	-	-	-	632,725
Due to Other Funds	897,070	1,953	34	-	-	3,733	902,790
Advance from Other Funds	-	-	-	-	142,947	956,432	1,099,379
Total Liabilities	1,949,262	353,114	95,912	1,103,995	288,189	1,316,511	5,106,983
FUND BALANCES							
Reserved for Advances	956,432	-	-	142,947	-	-	1,099,379
Reserved for Public Safety	-	-	-	-	-	-	-
Reserved for Economic Development	-	-	-	855,337	-	-	855,337
Reserved for Maintenance of Roadways	-	-	-	-	-	307,077	307,077
Reserved for Liability Insurance	-	-	-	-	-	4,738	4,738
Reserved for Special Projects	-	-	-	-	733,267	142,774	876,041
Reserved for Debt Service	-	-	-	-	-	41,633	41,633
Unreserved							
Undesignated - General Fund	7,492,956	-	-	-	-	-	7,492,956
Undesignated (Deficit) - Special Revenue Funds	-	(11,081)	(50,345)	-	-	(2,011)	(63,437)
Undesignated (Deficit) - Debt Service Funds	-	-	-	-	-	(959,752)	(959,752)
Total Fund Balances	8,449,388	(11,081)	(50,345)	998,284	733,267	(465,541)	9,653,972
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,398,650	\$ 342,033	\$ 45,567	\$ 2,102,279	\$ 1,021,456	\$ 850,970	\$ 14,760,955

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

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

April 30, 2007

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,653,972
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	5,218,413
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	(5,909,968)
Deferred bond issuance costs charges are reported as an asset on of net assets the statement	43,970
Accrued interest on long-term liabilities is reported as a liability on the statement of net assets	(123,621)
Compensated absences is not due and payable in the current period and, therefore, is not reported in governmental funds	(159,925)
Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities	<u>70,522</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 8,793,363</u>

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

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

For the Year Ended April 30, 2007

	General	Police	Road and Bridge	TIF Debt Service	Water Reservoir Project	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 289,368	\$ 278,475	\$ 39,406	\$ 879,440	\$ -	\$ 334,517	\$ 1,821,206
Intergovernmental	1,623,532	26,344	-	-	-	41,463	1,691,339
Licenses and Permits	193,483	-	-	-	-	-	193,483
Charges for Services	12,922	-	-	-	-	2,500	15,422
Fines and Forfeitures	-	74,792	-	-	-	-	74,792
Investment Income	411,035	26	-	50,744	81,112	14,230	557,147
Miscellaneous	510,547	-	10,850	-	-	-	521,397
Total Revenues	3,040,887	379,637	50,256	930,184	81,112	392,710	4,874,786
EXPENDITURES							
Current							
General Government	872,986	-	-	-	153,192	53,433	1,079,611
Public Safety	116,872	958,145	-	-	-	-	1,075,017
Road and Bridge	18	-	171,017	-	-	-	171,035
Capital Outlay	-	-	565,107	-	2,284,759	7,460	2,857,326
Debt Service							
Principal	-	-	-	1,595,000	-	55,000	1,650,000
Interest and Fiscal Charges	-	-	-	76,991	-	89,332	166,323
Bond Issuance Costs	-	-	-	-	43,970	-	43,970
Total Expenditures	989,876	958,145	736,124	1,671,991	2,481,921	205,225	7,043,282
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,051,011	(578,508)	(685,868)	(741,807)	(2,400,809)	187,485	(2,168,496)

	General	Police	Road and Bridge	TIF Debt Service	Water Reservoir Project	Nonmajor Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Bond Issued	\$ -	\$ -	\$ -	\$ -	\$ 3,295,000	\$ -	\$ 3,295,000
Bond Discount	-	-	-	-	(19,950)	-	(19,950)
Transfers In	178,607	565,000	640,901	-	-	4,150	1,388,658
Transfers (Out)	(1,210,051)	-	-	-	-	(178,607)	(1,388,658)
Total Other Financing Sources (Uses)	(1,031,444)	565,000	640,901	-	3,275,050	(174,457)	3,275,050
NET CHANGE IN FUND BALANCES	1,019,567	(13,508)	(44,967)	(741,807)	874,241	13,028	1,106,554
FUND BALANCES (DEFICIT), MAY 1	7,429,821	2,427	(5,378)	1,740,091	(140,974)	(478,569)	8,547,418
FUND BALANCES (DEFICIT), APRIL 30	\$ 8,449,388	\$ (11,081)	\$ (50,345)	\$ 998,284	\$ 733,267	\$ (465,541)	\$ 9,653,972

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

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

For the Year Ended April 30, 2007

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 1,106,554
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	607,251
Some expenses in the statement of activities (e.g. depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures	(106,682)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	1,650,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds - interest accretion on capital appreciation bonds	(141,682)
The issuance costs on long-term debt is reported as an expenditure in governmental funds but as a deferred charge on the statement of net assets	43,970
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase in principal outstanding in the statement of activities	(3,295,000)
The discount on long-term debt is reported as a reduction of expense on the statement of activities	19,950
The change in the accrual of interest on long-term debt is reported as an expense on the statement of activities	(33,102)
The change in compensated absences payable is shown as an expense on the statement of activities	(10,717)
Certain revenues that are deferred in the governmental funds (e.g. IRMA) are recognized as revenue in the governmental activities	<u>18,549</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (140,909)</u>

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

April 30, 2007

	Water Fund	Sewer Fund	Total
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 1,018,068	\$ -	\$ 1,018,068
Accounts Receivable	165,119	27,328	192,447
Accrued Interest	4,163	-	4,163
Due from Other Funds	548,331	200,827	749,158
Deferred Issuance Costs	39,372	-	39,372
Total Current Assets	1,775,053	228,155	2,003,208
CAPITAL ASSETS			
Capital Assets Not Being Depreciated	3,455,290	-	3,455,290
Capital Assets Being Depreciated	2,553,534	3,605,064	6,158,598
Accumulated Depreciation	(589,458)	(657,167)	(1,246,625)
Net Capital Assets	5,419,366	2,947,897	8,367,263
Total Assets	7,194,419	3,176,052	10,370,471
CURRENT LIABILITIES			
Accounts Payable	99,348	26,269	125,617
Accrued Interest Payable	43,891	-	43,891
Bonds payable	70,000	-	70,000
Total Current Liabilities	213,239	26,269	239,508
NONCURRENT LIABILITIES			
Bonds Payable	2,430,000	-	2,430,000
Unamortized Discount on Bonds	(17,545)	-	(17,545)
Total Noncurrent Liabilities	2,412,455	-	2,412,455
Total Liabilities	2,625,694	26,269	2,651,963
NET ASSETS			
Invested in Capital Assets	1,964,076	2,947,897	4,911,973
Unrestricted	2,604,649	201,886	2,806,535
TOTAL NET ASSETS	\$ 4,568,725	\$ 3,149,783	\$ 7,718,508

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

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

For the Year Ended April 30, 2007

	Water Fund	Sewer Fund	Total
OPERATING REVENUES			
Charges for Services	\$ 641,193	\$ 118,192	\$ 759,385
Total Operating Revenues	641,193	118,192	759,385
OPERATING EXPENSES			
Cost of Operations	152,164	86,825	238,989
Depreciation	54,186	50,013	104,199
Total Operating Expenses	206,350	136,838	343,188
OPERATING INCOME (LOSS)	434,843	(18,646)	416,197
NONOPERATING REVENUES (EXPENSES)			
Investment Income	22,611	-	22,611
Interest Expense	(40,405)	-	(40,405)
Total Nonoperating Revenues (Expenses)	(17,794)	-	(17,794)
INCOME (LOSS) BEFORE CONTRIBUTIONS	417,049	(18,646)	398,403
CONTRIBUTIONS	2,611,633	2,825	2,614,458
CHANGE IN NET ASSETS	3,028,682	(15,821)	3,012,861
NET ASSETS, MAY 1	1,540,043	3,165,604	4,705,647
NET ASSETS, APRIL 30	\$ 4,568,725	\$ 3,149,783	\$ 7,718,508

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2007

	Water Fund	Sewer Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 587,926	\$ 120,046	\$ 707,972
Payments to Suppliers	(97,784)	(70,576)	(168,360)
Net Cash from Operating Activities	490,142	49,470	539,612
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Interfund Receivable	(232,855)	(36,147)	(269,002)
Net Cash from Noncapital and Related Financing Activities	(232,855)	(36,147)	(269,002)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Long-Term Debt Issuance	2,443,083	-	2,443,083
Interest Paid	3,486	-	3,486
Capital Assets Purchased	(1,704,235)	(13,323)	(1,717,558)
Net Cash from Capital and Related Financing Activities	742,334	(13,323)	729,011
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	18,447	-	18,447
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,018,068	-	1,018,068
CASH AND CASH EQUIVALENTS, MAY 1	-	-	-
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,018,068	\$ -	\$ 1,018,068
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ 434,843	\$ (18,646)	\$ 416,197
Adjustments to Reconcile Operating Income (Loss) to Net Cash From Operating Activities			
Depreciation	54,186	50,013	104,199
Changes in Operating Assets and Liabilities			
Accounts Receivable	(53,267)	1,854	(51,413)
Accounts Payable	54,380	16,249	70,629
NET CASH FROM OPERATING ACTIVITIES	\$ 490,142	\$ 49,470	\$ 539,612
NONCASH TRANSACTIONS			
Contributions from Other Funds	\$ 2,611,633	\$ 2,825	\$ 2,614,458

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village is governed by a Board of Trustees consisting of an elected President and six Trustees. As required by generally accepted accounting principles, these financial statements present the Village (the primary government). Management has determined that there are no component units that are required to be included in the financial statements of the Village.

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its proprietary Funds.

c. Governmental-Wide and Fund Financial Statements

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

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

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

The Village reports the following major governmental funds:

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

The Police Fund accounts for revenues and expenditures related to the Village's police department.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Road and Bridge Fund accounts for revenues and expenditures related to the Village's operations and maintenance costs for the road and bridge system.

The TIF Debt Service Fund accounts for revenues and expenditures related to the tax increment finance district and the repayment of principal and interest on the Series 1987A and Series 1990A bond issuances.

The Water Reservoir Project Fund accounts for the revenues and expenditures related to the capital project of building a water reservoir.

The Village reports the following major business-type funds:

The Water Fund accounts for the provision of water to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including administration, operations, maintenance and billing and collection.

The Sewer Fund accounts for the provision of sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund including administration, operations, maintenance and billing and collection.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village recognizes property taxes when they become both measurable and available and for the period intended to finance. Expenditures generally are recorded when a fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures become due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Those revenues susceptible to accrual (within sixty days except sales tax which uses ninety days) are property taxes, franchise taxes, licenses, investment income and charges for services. Sales and motor fuel taxes collected and due to the state at year end on behalf of the Village also are recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

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

e. Cash and Cash Equivalents

Cash and cash equivalents are defined as cash on hand, in demand deposits and highly liquid investments with a maturity of three months or less when purchased.

f. Investments

Investments with a maturity of one year or greater at the time of purchase are stated at fair value except for non-negotiable certificates of deposit and repurchase agreements which are recorded at cost. Fair value has been based on quoted market prices at April 30 for debt and equity securities.

g. Prepaid Items/Expenses

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

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

Asset Class	Capitalization Threshold
Land, Land Improvements and Building	\$ 20,000
Vehicles, Machinery and Equipment	5,000
Infrastructure	50,000

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Assets	Years
Buildings and Improvements	50
Machinery and Equipment	5-10
Vehicles	5-7
Infrastructure	30-75
Land Improvements	10-20

i. Compensated Absences

Vested or accumulated vacation leave, holiday leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements. Vested or accumulated vacation leave, holiday leave and compensatory time off of proprietary funds at both levels and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences (Continued)

In accordance with the provisions of Governmental Accounting Standards Board Statement No.16, *Accounting for Compensated Absences*, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as “terminal leave” prior to retirement.

j. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

k. Interfund Transactions

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

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

l. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Long-Term Obligations (Continued)

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

m. Net Assets/Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. No net assets restrictions were the result of enabling legislation adopted by the Village. Invested in capital assets, net of related debt is the book value of capital assets less any long-term debt outstanding that was issued to construct or acquired the capital assets.

2. DEFICIT FUND BALANCES

The following funds had a deficit in fund balance as of the date of this report:

Fund	Deficit Balances
Road and Bridge	\$ 50,345
Audit	2,011
Special Service Area #7	163,547
Special Service Area #8	22,529
Special Service Area #9	22,538
Special Service Area #10	135,754
Special Service Area #11	43,165
Special Service Area #12	32,291
Special Service Area #13	100,326
Special Service Area #14	72,355
Special Service Area #16	367,247
Police	11,081

VILLAGE OF BANNOCKBURN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEFICIT FUND BALANCES (Continued)

Special Service Area #7, 8, 9, 10, 11, 12, 13, 14 and 16 will have future tax proceeds to fund the deficits and repay General Fund advances. The deficit balances will remain until the last year taxes are levied for the special service area. The Audit Fund, Police Fund and Road and Bridge Fund deficits will be funded with future revenues.

3. RECEIVABLES - TAXES

Property taxes for 2006 attach as an enforceable lien on January 1, 2006 on property values assessed as of the same date. Taxes are levied in December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2007 and are payable in two installments, on June 1, 2007 and September 1, 2007. The County collects such taxes and remits them periodically.

The 2006 taxes are intended to finance the 2008 fiscal year and are not considered available for current operations and are, therefore, shown as deferred revenue. The 2007 tax levy has not been recorded as a receivable at April 30, 2007, as the tax attached as a lien on property as of January 1, 2007, however, the tax will not be levied until December 2007 and, accordingly, is not measurable at April 30, 2007.

4. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and investments." In addition, investments are separately held by several of the Village's funds. The Village invests in certificates of deposits and money market mutual funds.

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

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral with a fair market value at 105% of all bank balances in excess of federal depository insurance, with the collateral held by an independent third party in the name of the Village

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. DEPOSITS AND INVESTMENTS (Continued)

a. Interest Rate Risk

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity and maximizing yields within a two year period, three years for capital project funds. The investment policy limits the maximum maturity length of investments to three years from date of purchase for capital project funds. In addition, the policy requires the Village to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

b. Credit Risk

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing primarily in fully collateralized time deposits in financial institutions.

c. Concentration of Credit Risk

The Village's investment policy requires that the investment portfolio be diversified to the extent practicable. Investments shall be diversified in order to reduce the risk of loss resulting in over-concentration in a specific maturity, issuer, institution or class of securities. Diversification strategies shall be determined and revised periodically by the Board of Trustees. The Village invests primarily in the certificates of deposit in several financial institutions.

5. RECEIVABLES

The following receivables are included in Due from Other Governments on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES	
Sales Tax	\$ 351,089
Local Use Tax	4,188
Motor Fuel Tax	3,395
Simplified Telecommunications Tax	56,467
Court Fines	6,030
Miscellaneous	<u>1,108</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 422,277</u>

VILLAGE OF BANNOCKBURN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2007 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 2,549,404	\$ 100,000	\$ -	\$ 2,649,404
Land Improvements	130,235	-	-	130,235
Total Capital Assets not Being Depreciated	2,679,639	100,000	-	2,779,639
Capital Assets Being Depreciated				
Buildings	1,537,520	-	-	1,537,520
Improvements Other than Building	471,951	-	-	471,951
Machinery and Equipment	124,710	-	-	124,710
Vehicles	157,359	24,836	-	182,195
Storm Sewers	402,492	-	-	402,492
Pathways	-	482,415	-	482,415
Total Capital Assets Being Depreciated	2,694,032	507,251	-	3,201,283
Less Accumulated Depreciation for				
Buildings	298,480	30,750	-	329,230
Improvements Other than Building	75,222	23,751	-	98,973
Machinery and Equipment	73,858	10,501	-	84,359
Vehicles	59,041	24,253	-	83,294
Storm Sewers	149,226	5,367	-	154,593
Pathways	-	12,060	-	12,060
Total Accumulated Depreciation	655,827	106,682	-	762,509
Total Capital Assets Being Depreciated, Net	2,038,205	400,569	-	2,438,774
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 4,717,844	\$ 500,569	\$ -	\$ 5,218,413
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Construction in Progress	\$ -	\$ 3,455,290	\$ -	\$ 3,455,290
Total Capital Assets not Being Depreciated	-	3,455,290	-	3,455,290
Capital Assets Being Depreciated				
Water Distribution System	1,692,966	860,568	-	2,553,534
Sewer Lines	3,588,916	16,147	-	3,605,063
Total Capital Assets Being Depreciated	5,281,882	876,715	-	6,158,597
Less Accumulated Depreciation for				
Water Distribution System	535,272	54,186	-	589,458
Sewer Lines	607,154	50,013	-	657,167
Total Accumulated Depreciation	1,142,426	104,199	-	1,246,625
Total Capital Assets Being Depreciated, Net	4,139,456	772,516	-	4,911,972
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 4,139,456	\$ 4,227,806	\$ -	\$ 8,367,262

VILLAGE OF BANNOCKBURN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 65,002
Public Safety	24,253
Road and Bridge	<u>17,427</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	<u>\$ 106,682</u>
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7. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employee health; and natural disasters. The Village purchases insurance for employee medical claims.

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is a public entity risk pool whose members are Illinois municipalities. IRMA manages and funds first party property losses, third party liability claims, Workers' Compensation claims, and public officials' liability claims of its member municipalities. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds.

Risk of loss is transferred, except that each member assumes the first \$2,500 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the bylaws of IRMA, and assessment factors based on past member experience and the funding need for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village is not aware of any additional amounts owed to IRMA for the current period or prior policy year at April 30, 2007.

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

The following is a summary in long-term liabilities for the fiscal year ended April 30, 2007:

	May 1	Additions	Reductions	April 30	Current Portion
GOVERNMENTAL ACTIVITIES					
Special Service Area Bonds	\$ 845,000	\$ -	\$ 55,000	\$ 790,000	\$ 60,000
Tax Increment Allocation Revenue Bonds (1)	2,152,452	3,436,682	1,595,000	3,994,134	955,000
Less Discount on Issuance	-	(19,950)	-	(19,950)	-
Tax Increment Notes - Trinity	900,000	-	-	900,000	-
Engineering Advance - TIF	100,000	-	-	100,000	-
Project Advance - TIF	145,784	-	-	145,784	-
Compensated Absences	149,208	10,717	-	159,925	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,292,444	\$ 3,427,449	\$ 1,650,000	\$ 6,069,893	\$ 1,015,000
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds	\$ -	\$ 2,500,000	\$ -	\$ 2,500,000	\$ 70,000
Less Issuance Discount	-	(17,545)	-	(17,545)	-
TOTAL GOVERNMENTAL ACTIVITIES	\$ -	\$ 2,482,455	\$ -	\$ 2,482,455	\$ 70,000

(1) The amount shown in the "Additions" column includes \$141,588 of increase in the accreted value of the bonds during the fiscal year ended April 30, 2007.

b. Bonds Payable

Long-term liabilities payable from governmental activities at April 30, 2007 are comprised of the following:

	Total	Current Portion
\$3,000,000 1987A Tax Increment Allocation Revenue Bonds dated September 29, 1987, in annual installments of \$60,000 to \$320,000 to July 1, 2007, interest at 9%.	\$ 320,000	\$ 320,000
\$400,000 1990A Tax Increment Allocation Revenue Bonds dated August 15, 1990, in one annual installment of \$2,186,413 on December 1, 2009, interest at 9%.	1,679,134	-

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

b. Bonds Payable (Continued)

	Total	Current Portion
\$940,000 2003 Special Tax Bonds dated July 1, 2003 in annual installments of \$40,000 to \$85,000 to December 1, 2017, interest at 3.5%.	\$ 790,000	\$ 60,000
\$1,995,000 2006B Tax Increment Allocation Revenue Bonds dated July 6, 2006, in annual installments of \$635,000 to \$695,000 to November 15, 2009, interest at 4.20%	1,995,000	635,000
TOTAL	\$ 4,784,134	\$ 1,015,000

Long-term liabilities payable from business-type activities at April 30, 2007 are comprised of the following:

	Total	Current Portion
\$2,500,000 General Obligation Bonds Series 2006 Bonds dated November 15, 2006, in annual installments of \$70,000 to \$190,000 to January 1, 2026, interest at 3.7% to 4.0%.	\$ 2,500,000	\$ 70,000
TOTAL	\$ 2,500,000	\$ 70,000

c. Annual Debt Service Requirements to Maturity

The annual debt service requirements to retire these outstanding obligations at April 30, 2007 are as follows:

Fiscal Year Ending April 30	Governmental Activities			
	Special Tax Bonds		Tax Increment Allocation Revenue Bonds	
	Principal	Interest	Principal	Interest
2008	\$ 60,000	\$ 27,650	\$ 955,000	\$ 99,790
2009	60,000	25,550	665,000	57,120
2010	65,000	23,450	695,000	29,190
2011	65,000	21,175	-	-
2012	70,000	18,900	-	-
2013	70,000	16,450	-	-
2014	75,000	14,000	-	-
2015	75,000	11,375	-	-

VILLAGE OF BANNOCKBURN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

c. Annual Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30	Governmental Activities			
	Special Tax Bonds		Tax Increment Allocation Revenue Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 80,000	\$ 8,750	\$ -	\$ -
2017	85,000	5,950	-	-
2018	85,000	2,975	-	-
TOTAL	\$ 790,000	\$ 176,225	\$ 2,315,000	\$ 186,100

Fiscal Year Ending April 30	Business-Type Activities	
	General Obligation Revenue Bonds	
	Principal	Interest
2008	\$ 70,000	\$ 108,873
2009	90,000	93,948
2010	95,000	90,617
2011	100,000	87,103
2012	105,000	83,402
2013	110,000	79,465
2014	110,000	75,340
2015	115,000	71,215
2016	125,000	66,903
2017	130,000	62,215
2018	135,000	57,340
2019	140,000	52,075
2020	145,000	46,615
2021	155,000	40,960
2022	160,000	34,837
2023	165,000	28,518
2024	175,000	22,000
2025	185,000	15,000
2026	190,000	7,600
TOTAL	\$ 2,500,000	\$ 1,124,026

The annual requirements to amortize to maturity the 1990A Tax Increment Allocation Revenue Bonds outstanding as of April 30, 2007 are as follows:

Fiscal Year	Interest	
	Principal	Accretion
2008	\$ -	\$ 154,504
2009	-	168,723
2010	400,000	184,250
Capitalized interest at April 30, 2007	1,278,936	-
TOTAL	\$ 1,678,936	\$ 507,477

8. LONG-TERM DEBT (Continued)

c. Annual Debt Service Requirements to Maturity (Continued)

The Village issued \$2,500,000 General Obligation Tax Bonds, Series 2006. The bond proceeds are designated for various water infrastructure projects, including new mains and the replacement of existing mains and hydrants. These bonds are general obligation bonds, secured by the full faith and credit and the unlimited taxing power of the Village of Bannockburn. It is the intent that the principal and interest payments will be funded from available cash in the Water Fund, and if necessary, from interim advances from the General Fund. The General Obligation Bonds, issued November 15, 2006, mature January 1, 2026.

d. Special Tax Bonds

The Village issued \$940,000 aggregate principal amount of Special Service Area #15 Special Tax Bonds, Series 2003 (Thornapple/Hilltop Sewer Project). The proceeds of the bonds are used to pay the cost of construction of sanitary sewer improvements and related costs in and for Special Service Area #15. The bonds constitute limited obligations of the Village, payable solely from a levy of direct annual tax on taxable property located within Special Service Area No. 15 in accordance with the special tax roll approved by the Village pursuant to (i) Ordinance Number 2003-20 adopted on June 23, 2003 establishing the Special Service Area and (ii) the Bond Ordinance. The bonds are further secured by a limited pledge of certain available sales tax revenues in the amount and to the extent set forth in the Bond Ordinance.

The bonds do not constitute general obligations of the Village and neither the full faith and credit nor the unlimited taxing power of the Village shall be pledged as security for the payment of the Bonds.

The Special Tax Bonds (Alternate Revenue Source) Series 2003 were dated July 1, 2003, and are due on December 1, 2017 with semi-annual interest payments at an interest rate of 3.5%.

e. Tax Increment Allocation Revenue Bonds

The Village issued Tax Increment Allocation Revenue Bonds, Series 2006A and Series 2006B on July 6, 2006. Series 2006A, issued for \$1,300,000, was immediately retired. Series 2006B was issued for \$1,995,000 at an interest rate of 4.20%, matures November 15, 2009.

Prior to issuing Series 2006A and Series 2006B, to satisfy the Sinking Fund requirement, a Defeasance Account was created. This action fully funded the remaining principal and interest for the Series 1987A bonds, with a final maturity of July 1, 2007.

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

e. Tax Increment Allocation Revenue Bonds (Continued)

Series 2006A and Series 2006B were issued under Ordinance 87-16 and the Tax Increment Allocation Revenue Bonds, Series 1990A remain subordinate to the Series 2006A and Series 2006B bonds.

The Tax Increment Allocation Revenue Bonds, Series 1990A are subordinate to the Tax Increment Allocation Revenue Bonds, Series 1987A and all other bonds issued under the Village's Bond Ordinance Number 87-16. No principal of or interest on the Series 1990A Bonds shall be paid until the Series 1987A Bond and all other bonds subsequently issued under Ordinance 87-16 have been paid or discharged. In addition, the Series 1990A Bonds are payable only from amounts deposited in the Special Tax Allocation Fund for the Village of Bannockburn Redevelopment Project Area on or before December 1, 2009. The Village's Debt Service - TIF Fund and the Capital Projects - Water Reservoir and Project Fund account for the activity of the Special Tax Allocation Fund for the Village of Bannockburn Redevelopment Project Area.

According to the Tax Increment Allocation Revenue Bond ordinances, the following reserve accounts are to be maintained:

Reserve Account	Amount	Nature of Authorized Expenditure
Principal and interest	Amount sufficient to pay current principal and interest maturities	Pay the principal and interest on the bonds
Sinking fund	Amount equal to the total outstanding principal and interest on the bonds	Pay principal and interest on bonds; if no default has occurred on the payment of principal and interest, up to \$100,000 may be used to pay for project costs
General account	Excess of sinking fund account	Pay project costs

The principal and interest reserve account is presented on the financial statements of the Village as the TIF Debt Service Fund. The sinking fund reserve account is not presented as it is not currently utilized. The general reserve account is presented on the financial statements as a Capital Projects - Water Reservoir and Project Fund.

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

e. Tax Increment Allocation Revenue Bonds (Continued)

The Tax Increment Allocation Revenue Bonds, Series 1990A are subordinate to the Tax Increment Allocation Revenue Bonds, Series 1987A. Since the Village has not collected enough real estate taxes in the Special Tax Allocation Fund for all Phase I projects, the Tax Increment Allocation Revenue Bonds Series 1990A remains unfunded at April 30, 2007.

f. Engineering Advance - Tax Increment Financing

During fiscal year 1998, the Village's redevelopment project area received an advance of \$100,000 for the engineering and design of a water reservoir in Phase III from the TIF Project Developer. The advance does not bear interest and is not expected to be repaid by the Village within one year.

g. Project Advances - Tax Increment Financing

Prior to 2004, the redevelopment project area received an advance of \$505,406 from the TIF Project Developer. No payments were made for the year ended April 30, 2007. The remaining advance of \$145,784 does not bear interest and is not expected to be repaid within one year. The advance is summarized as follows:

Professional Fees	\$ 17,500
Lights	74,800
Paving	<u>53,484</u>
TOTAL	<u>\$ 145,784</u>

h. Advance from Other Funds

At April 30, 2007, advance from other funds represents the remaining liability to the general fund from Special Service Areas #7, 8, 9, 10, 11, 12, 13, 14 and 16. These advances were made from the General Fund for the initial start-up of the special service areas. The advances will be repaid with property tax receipts. Advances currently outstanding are as follows:

	<u>Advance From</u>
General Fund:	
Special Service Area #7 - \$398,510 original advance, due in annual installments of \$38,925 including interest at 6.25% through April 30, 2012.	\$ 162,262
Special Service Area #8 - \$54,909 original advance, due in annual installments of \$5,371 including interest at 6.25% through April 30, 2012.	22,353

VILLAGE OF BANNOCKBURN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

h. Advance from Other Funds (Continued)

	<u>Advance From</u>
General Fund: (Continued)	
Special Service Area #9 - \$54,909 original advance, due in annual installments of \$5,371 including interest at 6.25% through April 30, 2012.	\$ 22,353
Special Service Area #10 - \$329,453 original advance, due in annual installments of \$32,176 including interest at 6.25% through April 30, 2012.	134,622
Special Service Area #11 - \$149,067 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2010.	43,500
Special Service Area #12 - \$116,163 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2010.	31,500
Special Service Area #13 - \$304,846 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2012.	100,365
Special Service Area #14 - \$140,684 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2012.	72,383
Special Service Area #16 - \$385,900 original advance, due in annual installments of principal and interest at 5.00% through April 30, 2021.	<u>367,094</u>
Total General Fund	956,432
TIF Debt Service Fund: Water Reservoir and Project Fund	<u>142,947</u>
TOTAL ADVANCES FROM OTHER FUNDS	<u>\$ 1,099,379</u>

Annual Debt Service Requirements to Maturity for Advances from Other Funds:

Year End	Advances Payable
2008	\$ 171,743
2009	169,743
2010	167,743
2011 - 2021	<u>616,094</u>
TOTAL PRINCIPAL AND INTEREST	1,125,323
INTEREST PORTION	<u>(168,891)</u>
TOTAL PRINCIPAL	<u>\$ 956,432</u>

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. LONG-TERM DEBT (Continued)

h. Advance from Other Funds (Continued)

The Water Reservoir Fund advance of \$142,947 has been excluded from the above table as that repayment date is unknown.

9. TAX INCREMENT FINANCING

In 1986, the Village approved a tax increment financing agreement (TIF) plan and established a TIF District for an area within the Village. Tax increment financing is a tool that allows the Village to institute a redevelopment program in a blighted or conservation area and then to capture, as a funding device for paying the redevelopment costs, those real property taxes derived from the redeveloped property that exceed the real property taxes derived from the property prior to development.

Tax Increment Allocation Revenue Bonds Series 1987A, 1990A, 2006A, and 2006B have been issued and are accounted for in the Debt Service Fund and General Long-Term Debt. The Village also received a loan of \$605,406 from the TIF Project Developer, of which \$359,622 was repaid. Loan amounts outstanding at April 30, 2007 are accounted for in the governmental activities on the statement of net assets. The expenditures for the redevelopment project area are accounted for in the Capital Projects Fund. The expenditures are for roadway construction and related improvements, land and easement acquisition, water and sewer improvements, financing and various professional services, all associated with the TIF District.

In establishing the TIF District, the Village limited its obligation to the amount of available incremental taxes. If ever the TIF bonds come due and are not fully paid, the Village will not be in default of such bonds provided it pays out whatever incremental taxes it has received. As a result, no general tax revenue of the Village will ever need to be used to support the Village's TIF District. Moreover, the Village has a separate contractual arrangement with one of the major property owners in the TIF District to assure that certain TIF related work will be completed without risk to the Village's General Fund tax revenues.

10. INTERFUND ACCOUNTS

a. Due From/To Other Funds

At year end interfund receivables and payables consist of the following:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Nonmajor Governmental	\$ 5,718	\$ 147,912
Water	-	548,331
Sewer	-	200,827
Total General	<u>5,718</u>	<u>897,070</u>

VILLAGE OF BANNOCKBURN, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. INTERFUND ACCOUNTS (Continued)

a. Due From/To Other Funds (Continued)

	<u>Due From</u>	<u>Due To</u>
Police		
General	\$ -	\$ 1,953
Nonmajor Governmental		
General	147,914	3,767
Water		
General	548,331	-
Sewer		
General	200,827	-
TOTAL ALL FUNDS	<u>\$ 902,790</u>	<u>\$ 902,790</u>

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

- Financial activity for the above funds are processed through the General Fund's checking account. These balances reflect available cash or cash overdrafts for these funds that do not have physical operating accounts.

b. Transfers

Interfund transfers during the year ended April 30, 2007 consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund		
Police	\$ -	\$ 565,000
Nonmajor Governmental	178,607	645,051
Total General	<u>178,607</u>	<u>1,210,051</u>
Police		
General	565,000	-
Nonmajor Governmental		
General	645,051	178,607
TOTAL ALL FUNDS	<u>\$ 1,388,658</u>	<u>\$ 1,388,658</u>

10. INTERFUND ACCOUNTS (Continued)

b. Transfers (Continued)

The purpose of significant transfers is as follows:

- \$178,607 transferred to the General Fund from the Hotel/Motel Tax Fund to cover operating and capital costs for the Village's Open Space Program, Telegraph Road Path Construction, and the close out of the Hotel Fund. This transfer will not be repaid.
- \$565,000 transferred to the Police Fund from the General Fund to cover current year operating and capital costs. This transfer will not be repaid.
- \$645,051 transferred from the General Fund. \$4,150 transferred to the Audit Fund and \$640,901 transferred to the Road and Bridge Fund to cover current year operating and capital costs. These transfers will not be repaid.

11. CONTINGENT LIABILITIES

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.

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.

12. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Description

Illinois Municipal Retirement Fund

The Village elected membership in the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system effective May 1, 2003. All employees 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 eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 14.58% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

b. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement
	<hr/>
Actuarial Valuation Date	December 31, 2004
Actuarial Cost Method	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market
Amortization Method	Level Percentage of Payroll
Amortization Period	31 Years, Open

VILLAGE OF BANNOCKBURN, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

	<u>Illinois Municipal Retirement</u>
Significant Actuarial Assumptions	
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 11.6%

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

	<u>For Fiscal Year</u>	<u>Illinois Municipal Retirement</u>
Annual Pension Cost (APC)	2006 2005 2004	\$ 111,865 107,324 75,235
Actual Contribution	2006 2005 2004	\$ 111,865 107,324 75,235
Percentage of APC Contributed	2006 2005 2004	100.00% 100.00 100.00
NPO	2006 2005 2004	\$ - - -

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BANNOCKBURN, ILLINOIS

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

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 191,993	\$ 193,528
Hotel/Motel	-	95,840
Intergovernmental	1,483,100	1,623,532
Licenses and Permits	125,700	193,483
Charges for Services	12,800	12,922
Investment Income	341,712	411,035
Miscellaneous	70,650	510,547
	<u>2,225,955</u>	<u>3,040,887</u>
EXPENDITURES		
Current		
General Government	1,210,275	872,986
Public Safety	122,875	116,872
Road and Bridge	-	18
	<u>1,333,150</u>	<u>989,876</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>892,805</u>	<u>2,051,011</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	231,600	178,607
Transfers (Out)	(3,659,000)	(1,210,051)
	<u>(3,427,400)</u>	<u>(1,031,444)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (2,534,595)</u></u>	1,019,567
FUND BALANCE, MAY 1		<u>7,429,821</u>
FUND BALANCE, APRIL 30		<u><u>\$ 8,449,388</u></u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
POLICE FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 275,800	\$ 278,107
Other	-	368
Intergovernmental		
Canine Grant	-	4,663
Tobacco Grant	-	1,100
Vest Grant	450	750
Roadside Safety Grant	-	2,336
Equipment Grant	-	17,495
Fines and Forfeitures	55,500	74,792
Investment Income	-	26
	<u>331,750</u>	<u>379,637</u>
Total Revenues		
EXPENDITURES		
Public Safety		
Personnel Services		
Salaries	644,600	565,733
Insurance	112,350	91,445
Other Employee Services	20,640	34,242
Contractual Services		
Legal	15,950	11,014
Police Dispatch	89,650	83,693
Community Relations	3,300	5,529
Professional Services	3,900	6,141
Maintenance and Repairs	13,200	10,908
Operating Supplies	40,900	32,644
Communications	8,650	7,592
Printed Materials	3,300	3,138
Memberships	22,000	17,584
Professional Development	11,000	7,388
Liability Insurance	31,460	29,500
Capital Outlay		
Police Equipment	63,800	51,594
	<u>1,084,700</u>	<u>958,145</u>
Total Expenditures		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(752,950)	(578,508)
OTHER FINANCING SOURCES (USES)		
Transfers In	752,950	565,000
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>(13,508)</u>
FUND BALANCE, MAY 1		<u>2,427</u>
FUND BALANCE, APRIL 30		<u>\$ (11,081)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 36,850	\$ 39,406
Miscellaneous	5,100	10,850
Total Revenues	<u>41,950</u>	<u>50,256</u>
EXPENDITURES		
Road and Bridge		
Personnel Services		
Part-Time Wages	6,500	1,150
Contractual Services		
Consultants	31,000	21,721
Tree Program and Landscaping	33,000	27,383
Maintenance and Repairs	130,450	93,663
Snow Removal	35,200	23,978
Street Lighting	4,300	2,272
Village Cleanup	-	850
Capital Outlay		
Waukegan Road Widening	1,194,000	11,337
Route 22 Bridge	10,000	940
Route 22	975,000	6,031
Path	668,850	478,027
Road Repairs	118,500	59,650
Storm Sewer	91,500	9,122
Total Expenditures	<u>3,298,300</u>	<u>736,124</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,256,350)	(685,868)
OTHER FINANCING SOURCES (USES)		
Transfers In	(2,893,700)	640,901
NET CHANGE IN FUND BALANCE	<u>\$ (6,150,050)</u>	(44,967)
FUND BALANCE (DEFICIT), MAY 1		<u>(5,378)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (50,345)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2007

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2003	\$ 560,127	\$ 1,281,025	43.72%	\$ 720,898	\$ 453,068	159.11%
2004	663,674	1,469,530	45.16%	805,856	697,266	115.57%
2005	842,176	1,740,030	48.40%	897,854	739,655	121.39%
2006	578,263	1,622,916	35.63%	1,044,653	767,253	136.15%

Note: Information is presented prospectively until six years of data is available in accordance with GASB Statement No. 27.

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2007

<u>For the Year December 31</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2003	\$ 48,886	\$ 48,886	100.00%
2004	75,235	75,235	100.00%
2005	107,324	107,324	100.00%
2006	111,865	111,865	100.00%

Note: Information is presented prospectively until six years of data is available in accordance with GASB Statement No. 27.

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2007

LEGAL COMPLIANCE AND ACCOUNTABILITY

Budgets

All departments of the Village submit requests for appropriation to the Village's manager 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 appropriations for the next fiscal year.

The proposed budget is presented to the Board of Trustees for review. The Board of Trustees holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The Manager 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.

The budget may be amended by the Board of Trustees. Adjustments made during the year are reflected in the budget information included in the combined financial statements.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, a supplementary appropriation was necessary.

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
EXPENDITURES		
General Government		
Personnel Services		
Salaries	\$ 281,600	\$ 253,669
Employer Contribution - Pension and Retirement	130,000	57,547
Employee Health Insurance	48,180	36,890
Other Personnel Services	17,820	8,944
Contractual Services		
Legal	56,500	64,508
Recreation	2,750	1,738
Village Administration	43,625	40,630
Building Inspection Fees	95,700	65,138
Professional Services	35,350	22,548
Liability Insurance	63,800	55,168
Village Hall Maintenance	53,250	27,692
Open Space	62,700	26,880
Reimbursement Expenditures	157,650	151,087
Beautification	46,250	31,819
Emergency Disaster Services	3,300	1,216
Other Expenditures	6,600	6,331
Capital Outlay	105,200	21,181
 Total General Government	 1,210,275	 872,986
 Public Safety		
Personnel Services		
Employer Contribution - Pension and Retirement	122,875	116,872
 Total Public Safety	 122,875	 116,872
 Road and Bridge		
Personnel Services		
Employer Contribution - Pension and Retirement	-	18
 Total Road and Bridge	 -	 18
 TOTAL EXPENDITURES	 \$ 1,333,150	 \$ 989,876

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF DEBT SERVICE FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 881,150	\$ 879,440
Investment Income	25,000	50,744
	<u>906,150</u>	<u>930,184</u>
EXPENDITURES		
Debt Service		
Principal	2,302,500	1,595,000
Interest and Fiscal Charges	-	76,991
	<u>2,302,500</u>	<u>1,671,991</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (1,396,350)</u></u>	(741,807)
FUND BALANCE, MAY 1		<u>1,740,091</u>
FUND BALANCE, APRIL 30		<u><u>\$ 998,284</u></u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
WATER RESERVOIR PROJECT FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Investment Income	\$ 300	\$ 81,112
Total Revenues	<u>300</u>	<u>81,112</u>
EXPENDITURES		
General Government		
Engineering	186,500	112,513
Contractual Services	2,865,000	40,679
Capital Outlay	-	2,284,759
Debt Service		
Bond Issuance Costs	-	43,970
Total Expenditures	<u>3,051,500</u>	<u>2,481,921</u>
EXCESS (DEFICINECY) OF REVENUES OVER EXPENDITURES	<u>(3,051,200)</u>	<u>(2,400,809)</u>
OTHER FINANCING SOURCES (USES)		
Bond Issued	-	3,295,000
Bond Discount	-	(19,950)
Total Other Financing Sources (Uses)	<u>-</u>	<u>3,275,050</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,051,200)</u>	874,241
FUND BALANCE (DEFICIT), MAY 1		<u>(140,974)</u>
FUND BALANCE, APRIL 30		<u>\$ 733,267</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2007

	Special Revenue	Debt Service	Total Nonmajor Governmental
ASSETS			
Cash and Cash Equivalents	\$ 42,490	\$ 70,953	\$ 113,443
Investments	256,137	-	256,137
Receivables (Net, Where Applicable, of Allowances For Uncollectibles)			
Property Taxes	51,779	259,848	311,627
Accrued Interest	5,055	-	5,055
Other	13,399	-	13,399
Due from Other Governments	3,395	-	3,395
Due from Other Funds	147,512	402	147,914
TOTAL ASSETS	\$ 519,767	\$ 331,203	\$ 850,970
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 2,000	\$ 29,320	\$ 31,320
Deferred Property Tax Revenue	51,779	259,848	311,627
Other Deferred Revenue	13,399	-	13,399
Due to Other Funds	11	3,722	3,733
Advances from Other Funds	-	956,432	956,432
Total Liabilities	67,189	1,249,322	1,316,511
FUND BALANCES			
Reserved for Maintenance of Roadways	307,077	-	307,077
Reserved for Liability Insurance	4,738	-	4,738
Reserved for Special Projects	142,774	-	142,774
Reserved for Debt Service	-	41,633	41,633
Unreserved			
Undesignated (Deficit) - Special Revenue Funds	(2,011)	-	(2,011)
Undesignated (Deficit) - Debt Service Funds	-	(959,752)	(959,752)
Total Fund Balances	452,578	(918,119)	(465,541)
TOTAL LIABILITIES AND FUND BALANCES	\$ 519,767	\$ 331,203	\$ 850,970

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

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

For the Year Ended April 30, 2007

	Special Revenue	Debt Service	Total Nonmajor Governmental
REVENUES			
Taxes	\$ 72,221	\$ 262,296	\$ 334,517
Intergovernmental	41,463	-	41,463
Charges for Services	2,500	-	2,500
Investment Income	12,255	1,975	14,230
Total Revenues	128,439	264,271	392,710
EXPENDITURES			
Current			
General Government	53,433	-	53,433
Capital Outlay	4,272	3,188	7,460
Debt Service			
Principal	-	55,000	55,000
Interest and Fiscal Charges	-	89,332	89,332
Total Expenditures	57,705	147,520	205,225
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	70,734	116,751	187,485
OTHER FINANCING SOURCES (USES)			
Transfers In	4,150	-	4,150
Transfers (Out)	(178,607)	-	(178,607)
Total Other Financing Sources (Uses)	(174,457)	-	(174,457)
NET CHANGE IN FUND BALANCES	(103,723)	116,751	13,028
FUND BALANCES (DEFICIT), MAY 1	556,301	(1,034,870)	(478,569)
FUND BALANCES (DEFICIT), APRIL 30	\$ 452,578	\$ (918,119)	\$ (465,541)

(See independent auditor's report.)

NONMAJOR SPECIAL REVENUE FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2007

	Motor Fuel Tax	Audit	Liability Insurance
ASSETS			
Cash and Cash Equivalents	\$ 42,490	\$ -	\$ -
Investments	256,137	-	-
Receivables (Net, Where Applicable, of Allowances For Uncollectibles)			
Property Taxes	-	15,279	25,975
Accrued Interest	5,055	-	-
Other	-	-	13,399
Due from Other Governments	3,395	-	-
Due from Other Funds	-	-	4,738
TOTAL ASSETS	\$ 307,077	\$ 15,279	\$ 44,112
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 2,000	\$ -
Deferred Property Tax Revenue	-	15,279	25,975
Other Deferred Revenue	-	-	13,399
Due to Other Funds	-	11	-
Total Liabilities	-	17,290	39,374
FUND BALANCES			
Reserved for Maintenance of Roadways	307,077	-	-
Reserved for Liability Insurance	-	-	4,738
Reserved for Special Projects	-	-	-
Unreserved			
Undesignated (Deficit)	-	(2,011)	-
Total Fund Balances	307,077	(2,011)	4,738
TOTAL LIABILITIES AND FUND BALANCES	\$ 307,077	\$ 15,279	\$ 44,112

Hotel Tax	Special Service Area #1	Special Service Area #2	Total Nonmajor Special Revenue
\$ -	\$ -	\$ -	\$ 42,490
-	-	-	256,137
-	2,002	8,523	51,779
-	-	-	5,055
-	-	-	13,399
-	-	-	3,395
-	24,057	118,717	147,512
\$ -	\$ 26,059	\$ 127,240	\$ 519,767
\$ -	\$ -	\$ -	\$ 2,000
-	2,002	8,523	51,779
-	-	-	13,399
-	-	-	11
-	2,002	8,523	67,189
-	-	-	307,077
-	-	-	4,738
-	24,057	118,717	142,774
-	-	-	(2,011)
-	24,057	118,717	452,578
\$ -	\$ 26,059	\$ 127,240	\$ 519,767

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

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

For the Year Ended April 30, 2007

	Motor Fuel Tax	Audit	Liability Insurance
REVENUES			
Taxes	\$ -	\$ 14,335	\$ 24,370
Intergovernmental	41,463	-	-
Charges for Services	-	-	-
Investment Income	12,210	-	-
Total Revenues	53,673	14,335	24,370
EXPENDITURES			
Current			
General Government	-	18,515	22,000
Capital Outlay	-	-	-
Total Expenditures	-	18,515	22,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	53,673	(4,180)	2,370
OTHER FINANCING SOURCES (USES)			
Transfers In	-	4,150	-
Transfers (Out)	-	-	-
Total Other Financing Sources (Uses)	-	4,150	-
NET CHANGE IN FUND BALANCES	53,673	(30)	2,370
FUND BALANCES (DEFICIT), MAY 1	253,404	(1,981)	2,368
FUND BALANCES (DEFICIT), APRIL 30	\$ 307,077	\$ (2,011)	\$ 4,738

Hotel Tax	Special Service Area #1	Special Service Area #2	Total Nonmajor Special Revenue
\$ 22,825	\$ 2,065	\$ 8,626	\$ 72,221
-	-	-	41,463
2,500	-	-	2,500
45	-	-	12,255
25,370	2,065	8,626	128,439
12,918	-	-	53,433
-	855	3,417	4,272
12,918	855	3,417	57,705
12,452	1,210	5,209	70,734
-	-	-	4,150
(178,607)	-	-	(178,607)
(178,607)	-	-	(174,457)
(166,155)	1,210	5,209	(103,723)
166,155	22,847	113,508	556,301
\$ -	\$ 24,057	\$ 118,717	\$ 452,578

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Intergovernmental		
Motor Fuel Tax	\$ 40,000	\$ 41,463
Investment Income	6,000	12,210
	<u>46,000</u>	<u>53,673</u>
Total Revenues		
EXPENDITURES		
Contractual Services	<u>250,000</u>	-
	<u>250,000</u>	-
Total Expenditures		
NET CHANGE IN FUND BALANCE	<u><u>\$ (204,000)</u></u>	53,673
FUND BALANCE, MAY 1		<u>253,404</u>
FUND BALANCE, APRIL 30		<u><u>\$ 307,077</u></u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
AUDIT FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 11,100	\$ 14,335
Total Revenues	<u>11,100</u>	<u>14,335</u>
EXPENDITURES		
General Government		
Contractual Services		
Audit Services	<u>24,550</u>	<u>18,515</u>
Total Expenditures	<u>24,550</u>	<u>18,515</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(13,450)</u>	<u>(4,180)</u>
OTHER FINANCING SOURCES (USES)		
Transfers In	<u>(12,350)</u>	4,150
NET CHANGE IN FUND BALANCE	<u><u>\$ (25,800)</u></u>	(30)
FUND BALANCE (DEFICIT), MAY 1		<u>(1,981)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u><u>\$ (2,011)</u></u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
LIABILITY INSURANCE FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 22,250	\$ 24,370
Total Revenues	22,250	24,370
EXPENDITURES		
General Government		
Contractual Services		
Liability Insurance	27,800	22,000
Total Expenditures	27,800	22,000
NET CHANGE IN FUND BALANCE	\$ (5,550)	2,370
FUND BALANCE, MAY 1		2,368
FUND BALANCE, APRIL 30		\$ 4,738

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL TAX FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Hotel/Motel Taxes	\$ 124,000	\$ 22,825
Charges for Services		
Recreation Committee	3,000	2,490
Bannockburn Day	1,000	10
Investment Income	100	45
	<u>128,100</u>	<u>25,370</u>
EXPENDITURES		
General Government		
Contractual Services		
Recreation Committee Expenditures	7,150	4,769
Publications	4,950	495
Bannockburn Day	11,000	6,835
Capital Outlay		
Reservoir 27	10,500	819
	<u>33,600</u>	<u>12,918</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	94,500	12,452
OTHER FINANCING SOURCES (USES)		
Transfers (Out)	<u>(231,600)</u>	<u>(178,607)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (137,100)</u></u>	<u>(166,155)</u>
FUND BALANCE, MAY 1		<u>166,155</u>
FUND BALANCE, APRIL 30		<u><u>\$ -</u></u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL SERVICE AREA #1 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 1,995	\$ 2,065
Total Revenues	1,995	2,065
EXPENDITURES		
Capital Outlay	65,000	855
Total Expenditures	65,000	855
NET CHANGE IN FUND BALANCE	<u>\$ (63,005)</u>	1,210
FUND BALANCE, MAY 1		<u>22,847</u>
FUND BALANCE, APRIL 30		<u>\$ 24,057</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL SERVICE AREA #2 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 8,505	\$ 8,626
Total Revenues	8,505	8,626
EXPENDITURES		
General Government		
Capital Outlay	135,000	3,417
Total Expenditures	135,000	3,417
NET CHANGE IN FUND BALANCE	\$ (126,495)	5,209
FUND BALANCE, MAY 1		113,508
FUND BALANCE, APRIL 30		\$ 118,717

(See independent auditor's report.)

NONMAJOR DEBT SERVICE FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

April 30, 2007

	Special Service Area #4	Special Service Area #7	Special Service Area #8	Special Service Area #9
ASSETS				
Cash and Cash Equivalents	\$ 30,726	\$ -	\$ -	\$ -
Receivables (Net, Where Applicable, of Allowances For Uncollectibles)				
Property Taxes	-	38,862	5,355	5,355
Due from Other Funds	-	-	-	-
TOTAL ASSETS	\$ 30,726	\$ 38,862	\$ 5,355	\$ 5,355
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deferred Property Taxes	-	38,862	5,355	5,355
Due to Other Funds	-	1,285	176	185
Advances from Other Funds	-	162,262	22,353	22,353
Total Liabilities	-	202,409	27,884	27,893
FUND BALANCES				
Reserved for Debt Service	30,726	-	-	-
Unreserved				
Undesignated (Deficit)	-	(163,547)	(22,529)	(22,538)
Total Fund Balances (Deficit)	30,726	(163,547)	(22,529)	(22,538)
TOTAL LIABILITIES AND FUND BALANCES	\$ 30,726	\$ 38,862	\$ 5,355	\$ 5,355

Special Service Area #10	Special Service Area #11	Special Service Area #12	Special Service Area #13	Special Service Area #14	Special Service Area #15	Special Service Area #16	Total Nonmajor Debt Service
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,227	\$ -	\$ 70,953
32,128	18,342	13,340	12,704	9,162	87,422	37,178	259,848
-	335	-	39	28	-	-	402
\$ 32,128	\$ 18,677	\$ 13,340	\$ 12,743	\$ 9,190	\$ 127,649	\$ 37,178	\$ 331,203
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,320	\$ -	\$ 29,320
32,128	18,342	13,340	12,704	9,162	87,422	37,178	259,848
1,132	-	791	-	-	-	153	3,722
134,622	43,500	31,500	100,365	72,383	-	367,094	956,432
167,882	61,842	45,631	113,069	81,545	116,742	404,425	1,249,322
-	-	-	-	-	10,907	-	41,633
(135,754)	(43,165)	(32,291)	(100,326)	(72,355)	-	(367,247)	(959,752)
(135,754)	(43,165)	(32,291)	(100,326)	(72,355)	10,907	(367,247)	(918,119)
\$ 32,128	\$ 18,677	\$ 13,340	\$ 12,743	\$ 9,190	\$ 127,649	\$ 37,178	\$ 331,203

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

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

For the Year Ended April 30, 2007

	Special Service Area #4	Special Service Area #7	Special Service Area #8	Special Service Area #9
REVENUES				
Taxes	\$ -	\$ 38,911	\$ 5,361	\$ 5,361
Investment Income	281	-	-	-
Total Revenues	281	38,911	5,361	5,361
EXPENDITURES				
Capital outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest and Fiscal Charges	-	11,831	1,630	1,630
Total Expenditures	-	11,831	1,630	1,630
NET CHANGE IN FUND BALANCES	281	27,080	3,731	3,731
FUND BALANCES (DEFICIT), MAY 1	30,445	(190,627)	(26,260)	(26,269)
FUND BALANCES (DEFICIT), APRIL 30	\$ 30,726	\$ (163,547)	\$ (22,529)	\$ (22,538)

Special Service Area #10	Special Service Area #11	Special Service Area #12	Special Service Area #13	Special Service Area #14	Special Service Area #15	Special Service Area #16	Total Nonmajor Debt Service
\$ 32,168	\$ 19,631	\$ 14,213	\$ 12,720	\$ 9,174	\$ 87,532	\$ 37,225	\$ 262,296
-	-	-	-	-	1,694	-	1,975
32,168	19,631	14,213	12,720	9,174	89,226	37,225	264,271
-	-	-	-	-	74	3,114	3,188
-	-	-	-	-	55,000	-	55,000
9,809	4,640	3,360	4,393	3,169	29,575	19,295	89,332
9,809	4,640	3,360	4,393	3,169	84,649	22,409	147,520
22,359	14,991	10,853	8,327	6,005	4,577	14,816	116,751
(158,113)	(58,156)	(43,144)	(108,653)	(78,360)	6,330	(382,063)	(1,034,870)
\$ (135,754)	\$ (43,165)	\$ (32,291)	\$ (100,326)	\$ (72,355)	\$ 10,907	\$ (367,247)	\$ (918,119)

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL SERVICE AREA #4 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Investment Income	\$ 100	\$ 281
Total Revenues	100	281
EXPENDITURES		
None	-	-
Total Expenditures	-	-
NET CHANGE IN FUND BALANCE	\$ 100	281
FUND BALANCE, MAY 1		30,445
FUND BALANCE, APRIL 30		\$ 30,726

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #7 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 38,898	\$ 38,911
Total Revenues	38,898	38,911
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	11,850	11,831
Miscellaneous	1,000	-
Total Expenditures	12,850	11,831
NET CHANGE IN FUND BALANCE	\$ 26,048	27,080
FUND BALANCE (DEFICIT), MAY 1		(190,627)
FUND BALANCE (DEFICIT), APRIL 30		\$ (163,547)

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #8 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 5,355	\$ 5,361
Total Revenues	<u>5,355</u>	<u>5,361</u>
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	1,650	1,630
Miscellaneous	1,000	-
Total Expenditures	<u>2,650</u>	<u>1,630</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,705</u>	3,731
FUND BALANCE (DEFICIT), MAY 1		<u>(26,260)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (22,529)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #9 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 5,355	\$ 5,361
Total Revenues	<u>5,355</u>	<u>5,361</u>
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	1,650	1,630
Miscellaneous	1,000	-
Total Expenditures	<u>2,650</u>	<u>1,630</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,705</u>	3,731
FUND BALANCE (DEFICIT), MAY 1		<u>(26,269)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (22,538)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #10 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 32,165	\$ 32,168
Total Revenues	<u>32,165</u>	<u>32,168</u>
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	9,850	9,809
Miscellaneous	1,000	-
Total Expenditures	<u>10,850</u>	<u>9,809</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 21,315</u></u>	22,359
FUND BALANCE (DEFICIT), MAY 1		<u>(158,113)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u><u>\$ (135,754)</u></u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 SPECIAL SERVICE AREA #11 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 19,140	\$ 19,631
Total Revenues	<u>19,140</u>	<u>19,631</u>
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	4,650	4,640
Miscellaneous	1,000	-
Total Expenditures	<u>5,650</u>	<u>4,640</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,490</u>	14,991
FUND BALANCE (DEFICIT), MAY 1		<u>(58,156)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (43,165)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #12 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 13,860	\$ 14,213
Total Revenues	<u>13,860</u>	<u>14,213</u>
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	3,400	3,360
Miscellaneous	1,000	-
Total Expenditures	<u>4,400</u>	<u>3,360</u>
NET CHANGE IN FUND BALANCE	<u>\$ 9,460</u>	10,853
FUND BALANCE (DEFICIT), MAY 1		<u>(43,144)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (32,291)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #13 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 12,704	\$ 12,720
Total Revenues	<u>12,704</u>	<u>12,720</u>
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	4,425	4,393
Miscellaneous	1,000	-
Total Expenditures	<u>5,425</u>	<u>4,393</u>
NET CHANGE IN FUND BALANCE	<u>\$ 7,279</u>	8,327
FUND BALANCE (DEFICIT), MAY 1		<u>(108,653)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (100,326)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #14 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 9,162	\$ 9,174
Total Revenues	<u>9,162</u>	<u>9,174</u>
EXPENDITURES		
Debt Service		
Interest and Fiscal Charges	3,200	3,169
Miscellaneous	1,000	-
Total Expenditures	<u>4,200</u>	<u>3,169</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,962</u>	6,005
FUND BALANCE (DEFICIT), MAY 1		<u>(78,360)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (72,355)</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #15 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 87,496	\$ 87,532
Investment Income	1,400	1,694
	<u>88,896</u>	<u>89,226</u>
Total Revenues		
EXPENDITURES		
Capital Outlay	44,000	74
Debt Service		
Principal	-	55,000
Interest and Fiscal Charges	30,600	29,575
	<u>74,600</u>	<u>84,649</u>
Total Expenditures		
NET CHANGE IN FUND BALANCE	<u>\$ 14,296</u>	4,577
FUND BALANCE, MAY 1		<u>6,330</u>
FUND BALANCE, APRIL 30		<u>\$ 10,907</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #16 FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
REVENUES		
Taxes		
Property Taxes	\$ 37,215	\$ 37,225
Total Revenues	<u>37,215</u>	<u>37,225</u>
EXPENDITURES		
Capital Outlay	35,000	3,114
Debt Service		
Interest and Fiscal Charges	<u>19,300</u>	<u>19,295</u>
Total Expenditures	<u>54,300</u>	<u>22,409</u>
NET CHANGE IN FUND BALANCE	<u>\$ (17,085)</u>	14,816
FUND BALANCE (DEFICIT), MAY 1		<u>(382,063)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (367,247)</u>

(See independent auditor's report.)

PROPRIETARY FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
WATER FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
OPERATING REVENUES		
Charges for Services		
Water Fees	\$ 600,000	\$ 641,193
OPERATING EXPENSES		
Cost of Operations		
Personnel Services	-	7,545
Water Purchases	440,000	309,561
Lab Analysis	1,100	489
Maintenance Service	76,350	23,722
Consultants	13,750	13,204
Consultants - L/S Water Main	-	7,922
Capital Improvements	1,736,500	1,497,141
Less Capital Assets	38,500	(1,711,981)
Other Charges	-	4,561
Total Operating Expenses	2,306,200	152,164
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(1,706,200)	489,029
DEPRECIATION	-	54,186
OPERATING INCOME (LOSS)	(1,706,200)	434,843
NONOPERATING REVENUES (EXPENSES)		
Investment Income	-	22,611
Interest Expense	-	(40,405)
Total Nonoperating Revenues (Expenses)	-	(17,794)
INCOME (LOSS) BEFORE CONTRIBUTIONS	(1,706,200)	417,049
CONTRIBUTIONS	-	2,611,633
CHANGE IN NET ASSETS	<u>\$ (1,706,200)</u>	3,028,682
NET ASSETS, MAY 1		<u>1,540,043</u>
NET ASSETS, APRIL 30		<u>\$ 4,568,725</u>

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
SEWER FUND

For the Year Ended April 30, 2007

	Final Budget	Actual
OPERATING REVENUES		
Charges for Services		
Sewer Fees	\$ 122,500	\$ 118,192
OPERATING EXPENSES		
Cost of Operations		
Sewer Disposal Services	64,050	71,793
Maintenance Service	20,400	4,483
Capital Improvements	20,000	2,514
Other Charges	-	8,035
Total Operating Expenses	104,450	86,825
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	18,050	31,367
DEPRECIATION	-	50,013
OPERATING INCOME (LOSS)	18,050	(18,646)
NONOPERATING REVENUES (EXPENSES)		
Tap-In Connection Fees	21,000	-
INCOME (LOSS) BEFORE CONTRIBUTIONS	39,050	(18,646)
CONTRIBUTIONS	-	2,825
CHANGE IN NET ASSETS	<u>\$ 39,050</u>	(15,821)
NET ASSETS, MAY 1		<u>3,165,604</u>
NET ASSETS, APRIL 30		<u>\$ 3,149,783</u>

(See independent auditor's report.)

SUPPLEMENTARY SCHEDULES

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF WATER AND SEWER FUND OPERATING ACTIVITY

Last Six Fiscal Years

	2007	2006	2005	2004	2003	2002
OPERATING REVENUES						
Charges for Services	\$ 759,385	\$ 807,322	\$ 678,548	\$ 589,990	\$ 542,970	\$ 452,514
OPERATING EXPENSES						
Cost of Operations	389,276	469,072	375,355	349,441	324,400	341,018
General Operating Expenses	1,561,694	178,771	70,704	90,598	76,802	86,981
Less Capital Assets	(1,711,981)	-	-	-	-	-
Depreciation	104,199	88,470	83,754	42,054	38,153	58,745
Total Operating Expenses	343,188	736,313	529,813	482,093	439,355	486,744
OPERATING INCOME (LOSS)	416,197	71,009	148,735	107,897	103,615	(34,230)
NONOPERATING REVENUES (EXPENSES)						
Investment Income	22,611	-	-	-	-	-
Tap on Fees	-	42,374	27,257	-	2,350	-
Interest Expense	(40,405)	-	-	-	-	-
Transfers In	-	-	-	86,449	-	-
Transfers (Out)	-	-	-	(86,449)	(107,557)	-
Total Nonoperating Revenues (Expenses)	(17,794)	42,374	27,257	-	(105,207)	-
INCOME (LOSS) BEFORE CONTRIBUTIONS	398,403	113,383	175,992	107,897	(1,592)	(34,230)
CONTRIBUTIONS	2,614,458	411,905	113,224	-	-	-
NET INCOME (LOSS)	3,012,861	525,288	289,216	107,897	(1,592)	(34,230)
NET ASSETS, MAY 1	4,705,647	4,180,359	3,884,175	645,716	647,308	921,727
Prior Period Adjustment	-	-	6,968	-	-	(223,674)
NET ASSETS, MAY 1, RESTATED	4,705,647	4,180,359	3,891,143	645,716	647,308	698,053
NET ASSETS, APRIL 30	\$ 7,718,508	\$ 4,705,647	\$ 4,180,359	\$ 753,613	\$ 645,716	\$ 663,823

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
 TAX INCREMENT ALLOCATION REVENUE BONDS, SERIES 1987A

April 30, 2007

Date of Issue	September 29, 1987
Date of Maturity	July 1, 2007
Authorized Issue	\$3,000,000
Interest Rates	9.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	July 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy Year	Tax Levy		
		Principal	Interest	Totals
2008	2006	\$ 320,000	\$ 16,000	\$ 336,000
TOTAL		\$ 320,000	\$ 16,000	\$ 336,000

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
 TAX INCREMENT ALLOCATION REVENUE BONDS, SERIES 1990A

April 30, 2007

Date of Issue	August 15, 1990
Date of Maturity	December 1, 2009
Authorized Issue	\$400,000
Interest Rates	9.00%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy Year	Tax Levy		
		Principal	Interest	Totals
2008	2006	\$ -	\$ 154,504	\$ 154,504
2009	2007	-	168,723	168,723
2010	2008	400,000	184,250	584,250
		400,000	507,477	907,477
Capitalized interest at April 30, 2007		1,278,936	-	1,278,936
TOTAL AT APRIL 30, 2007		\$ 1,678,936	\$ 507,477	\$ 2,186,413

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SPECIAL TAX BONDS, SERIES 2003

April 30, 2007

Date of Issue	July 1, 2003
Date of Maturity	December 1, 2017
Authorized Issue	\$940,000
Interest Rates	3.50%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy Year	Tax Levy		Totals
		Principal	Interest	
2008	2006	\$ 60,000	\$ 27,650	\$ 87,650
2009	2007	60,000	25,550	85,550
2010	2008	65,000	23,450	88,450
2011	2009	65,000	21,175	86,175
2012	2010	70,000	18,900	88,900
2013	2011	70,000	16,450	86,450
2014	2012	75,000	14,000	89,000
2015	2013	75,000	11,375	86,375
2016	2014	80,000	8,750	88,750
2017	2015	85,000	5,950	90,950
2018	2016	85,000	2,975	87,975
TOTAL		\$ 790,000	\$ 176,225	\$ 966,225

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2006

April 30, 2007

Date of Issue	November 15, 2006
Date of Maturity	January 1, 2026
Authorized Issue	\$2,500,000
Interest Rates	3.70-4.00%
Interest Dates	January 1 and July 1
Principal Maturity Date	January 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy Year	Tax Levy		Totals
		Principal	Interest	
2008	2006	\$ 70,000	\$ 108,873	\$ 178,873
2009	2007	90,000	93,948	183,948
2010	2008	95,000	90,618	185,618
2011	2009	100,000	87,103	187,103
2012	2010	105,000	83,403	188,403
2013	2011	110,000	79,465	189,465
2014	2012	110,000	75,340	185,340
2015	2013	115,000	71,215	186,215
2016	2014	125,000	66,903	191,903
2017	2015	130,000	62,215	192,215
2018	2016	135,000	57,340	192,340
2019	2017	140,000	52,075	192,075
2020	2018	145,000	46,615	191,615
2021	2019	155,000	40,960	195,960
2022	2020	160,000	34,838	194,838
2023	2021	165,000	28,518	193,518
2024	2022	175,000	22,000	197,000
2025	2023	185,000	15,000	200,000
2026	2024	190,000	7,600	197,600
TOTAL		\$ 2,500,000	\$ 1,124,029	\$ 3,624,029

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
TAX INCREMENT REVENUE BONDS, SERIES 2006B

April 30, 2007

Date of Issue	July 6, 2006
Date of Maturity	November 15, 2009
Authorized Issue	\$1,995,000
Interest Rates	4.20%
Interest Dates	May 15 and November 15
Principal Maturity Date	November 15

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy Year	Tax Levy		Totals
		Principal	Interest	
2008	2006	\$ 635,000	\$ 83,790	\$ 718,790
2009	2007	665,000	57,120	722,120
2010	2008	695,000	29,190	724,190
TOTAL		\$ 1,995,000	\$ 170,100	\$ 2,165,100

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF PROPERTY TAX ASSESSED VALUATIONS, RATES, AND EXTENSIONS

Last Ten Levy Years

TAX LEVY YEAR	2006		2005		2004		2003		2002	
ASSESSED VALUATIONS	\$ 152,794,878		\$ 143,635,569		\$ 134,832,956		\$ 128,711,344		\$ 121,973,058	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
TAX RATES										
Corporate	0.132	\$ 201,689	0.135	\$ 193,908	0.138	\$ 186,069	0.137	\$ 176,335	0.138	\$ 168,323
Street and bridge (West Deerfield and Vernon Townships)	0.049	45,567	0.028	39,950	0.027	36,145	0.028	35,787	0.030	36,348
Liability insurance	0.017	25,975	0.017	24,418	0.016	21,573	0.016	20,594	0.016	19,516
Audit	0.010	15,279	0.010	14,364	0.008	10,787	0.008	10,297	0.008	9,758
Police	0.191	291,838	0.194	278,653	0.199	268,318	0.195	250,987	0.198	241,507
TOTAL TAX RATES/AMOUNTS	0.399	\$ 580,348	0.384	\$ 551,293	0.388	\$ 522,892	0.384	\$ 494,000	0.390	\$ 475,452
SPECIAL SERVICE AREAS*										
Special Service Area #1	0.014	\$ 2,002	-	\$ 2,062	-	\$ 2,118	-	\$ 2,006	-	\$ 2,071
Special Service Area #2	0.033	8,523	-	8,695	-	8,607	-	8,522	-	8,675
Special Service Area #4	-	-	-	-	-	-	-	-	-	-
Special Service Area #6A	-	-	-	-	-	-	-	-	-	-
Special Service Area #7	-	38,862	-	38,862	-	38,862	-	38,862	-	38,862
Special Service Area #8	-	5,355	-	5,355	-	5,355	-	5,355	-	5,355
Special Service Area #9	-	5,355	-	5,355	-	5,355	-	5,355	-	5,355
Special Service Area #10	-	32,128	-	32,128	-	32,128	-	32,128	-	32,128
Special Service Area #11	0.169	18,342	-	19,606	-	20,748	-	21,918	-	23,118
Special Service Area #12	0.168	13,340	-	14,195	-	15,053	-	15,918	-	16,717
Special Service Area #13	-	12,704	-	12,704	-	12,704	-	12,704	-	12,704
Special Service Area #14	-	9,162	-	9,162	-	9,162	-	9,162	-	9,162
Special Service Area #15	-	87,422	-	87,422	-	87,422	-	87,422	-	-
Special Service Area #16	-	37,178	-	37,178	-	-	-	-	-	-

(This schedule is continued on the following page.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF PROPERTY TAX ASSESSED VALUATIONS, RATES, AND EXTENSIONS (Continued)

Last Ten Levy Years

TAX LEVY YEAR	2001		2000		1999		1998		1997	
ASSESSED VALUATIONS	\$ 111,102,753		\$ 103,796,394		\$ 94,783,700		\$ 90,893,362		\$ 88,009,918	
	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount	Rate	Amount
TAX RATES										
Corporate	0.146	\$ 162,210	0.149	\$ 154,657	0.152	\$ 144,071	0.155	\$ 140,885	0.123	\$ 108,252
Street and bridge (West Deerfield and Vernon Townships)	0.029	31,987	0.029	29,855	0.031	29,142	0.032	28,795	0.032	27,879
Liability insurance	0.017	18,887	0.017	17,645	0.018	17,061	0.019	17,270	0.019	16,722
Audit	0.009	9,999	0.009	9,342	0.008	7,583	0.008	7,271	0.008	7,041
Police	0.203	225,539	0.210	217,972	0.219	207,576	0.223	202,692	0.254	223,545
TOTAL TAX RATES/AMOUNTS	0.404	\$ 448,622	0.414	\$ 429,471	0.428	\$ 405,433	0.437	\$ 396,913	0.436	\$ 383,439
SPECIAL SERVICE AREAS*										
Special Service Area #1	-	\$ 2,001	-	\$ 2,037	-	\$ 2,052	-	\$ 1,937	-	\$ 1,930
Special Service Area #2	-	-	-	8,629	-	8,508	-	8,152	-	8,231
Special Service Area #4	-	-	-	-	-	-	-	71,224	-	76,072
Special Service Area #6A	-	-	-	-	-	-	-	95,380	-	7,160
Special Service Area #7	-	38,862	-	38,862	-	38,862	-	38,862	-	38,862
Special Service Area #8	-	5,355	-	5,355	-	5,355	-	5,355	-	5,355
Special Service Area #9	-	5,355	-	5,355	-	5,355	-	5,355	-	5,355
Special Service Area #10	-	32,128	-	32,128	-	32,128	-	32,128	-	32,128
Special Service Area #11	-	24,271	-	25,477	-	26,701	-	-	-	-
Special Service Area #12	-	17,590	-	18,444	-	19,278	-	-	-	-
Special Service Area #13	-	12,704	-	-	-	-	-	-	-	-
Special Service Area #14	-	9,162	-	-	-	-	-	-	-	-
Special Service Area #15	-	-	-	-	-	-	-	-	-	-
Special Service Area #16	-	-	-	-	-	-	-	-	-	-

* These are not levied based on ad valorem, instead they are levied by a fixed amount for each parcel of property.