

VILLAGE OF BANNOCKBURN, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2009

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, 2009, 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.

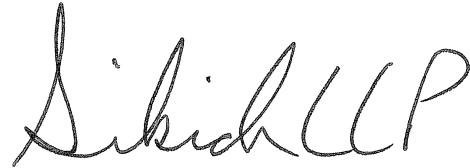
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes 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, 2009, 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 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.

Aurora, Illinois
August 11, 2009

A handwritten signature in cursive script, appearing to read "Sibich LLP".

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

VILLAGE OF BANNOCKBURN, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2009

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 \$20.9 million (net assets), an 11% increase from the April 30, 2008 report. Of this amount, \$12.1 million are capital assets, and \$5.7 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 \$254,825. This change reflects the planned depletion of bond proceeds and use of available cash for capital activity and scheduled debt repayments. Programmed user fee increases continued, helping fund current Sewer Fund Capital projects as well as meet structured debt obligations and planned infrastructure projects in the Water Fund.
- The Village's Governmental Activities' net assets increased \$1,559,204, or 14.8%. Business-type Activities' net assets increased \$520,092, or 6.3%.
- 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 from remaining bond proceeds and interest earnings, funds reservoir construction and TIF project costs.
- The Village's General Fund balance decreased \$799,147, or 8.4%. The General Fund balance increased for several years, with a planned reduction to fund several capital improvement projects that commenced in fiscal 2009. The other primary component to the reduction in the General Fund balance is 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 Governmental Activities include Contributions of \$280,072 relating to the cell tower. Business-Type Activities include Contributions of \$425,391 from the Tax Increment Financing District reservoir project and developer installed water and sanitary sewer mains.

- The Water Fund is making scheduled debt payments for the \$2,500,000 in General Obligation Bonds issued in 2006 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 is making scheduled debt payments for the \$1,995,000 in bonds issued in 2006. The final principal payment will occur fiscal 2010.

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 and available for 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 39.

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 48.

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, 2009, April 30, 2008, April 30, 2007 and April 30, 2006

Presented in Thousands (,000)

| | Governmental Activities | | | | Business-Type Activities | | | | Total Primary Government | | | |
|---|-------------------------|-----------------|----------------|----------------|--------------------------|----------------|----------------|----------------|--------------------------|-----------------|-----------------|-----------------|
| | 2009 | 2008 | 2007 | 2006 | 2009 | 2008 | 2007 | 2006 | 2009 | 2008 | 2007 | 2006 |
| Current & Other Assets | \$13,709 | \$13,777 | \$12,803 | \$11,109 | \$866 | \$1,337 | \$2,003 | \$621 | \$14,575 | \$15,114 | \$14,806 | \$11,731 |
| Capital Assets | <u>\$6,570</u> | <u>\$5,180</u> | <u>\$5,218</u> | <u>\$4,718</u> | <u>\$10,530</u> | <u>\$9,461</u> | <u>\$8,367</u> | <u>\$4,139</u> | <u>\$17,101</u> | <u>\$14,641</u> | <u>\$13,586</u> | <u>\$8,857</u> |
| Total Assets | \$20,279 | \$18,957 | \$18,021 | \$15,827 | \$11,397 | \$10,798 | \$10,370 | \$4,761 | \$31,676 | \$29,755 | \$28,392 | \$20,588 |
| Long-Term Liabilities | \$4,651 | \$4,483 | \$5,055 | \$4,292 | \$2,324 | \$2,323 | \$2,412 | \$0 | \$6,976 | \$6,806 | \$7,467 | \$4,292 |
| Other Liabilities | <u>\$3,550</u> | <u>\$3,954</u> | <u>\$4,173</u> | <u>\$2,600</u> | <u>\$295</u> | <u>\$218</u> | <u>\$240</u> | <u>\$55</u> | <u>\$3,844</u> | <u>\$4,172</u> | <u>\$4,412</u> | <u>\$2,655</u> |
| Total Liabilities | \$8,201 | \$8,437 | \$9,228 | \$6,893 | \$2,619 | \$2,541 | \$2,652 | \$55 | \$10,820 | \$10,978 | \$11,880 | \$6,948 |
| Net Assets: | | | | | | | | | | | | |
| Investment in Capital Assets, Net of Debt | \$3,912 | \$1,803 | \$833 | \$1,958 | \$8,206 | \$7,048 | \$5,885 | \$4,139 | \$12,118 | \$8,851 | \$6,718 | \$6,097 |
| Restricted | \$2,681 | \$2,273 | \$3,147 | \$2,089 | \$316 | \$316 | \$1,018 | \$0 | \$2,998 | \$2,590 | \$4,165 | \$2,089 |
| Unrestricted | <u>\$5,485</u> | <u>\$6,443</u> | <u>\$4,813</u> | <u>\$4,887</u> | <u>\$255</u> | <u>\$893</u> | <u>\$816</u> | <u>\$566</u> | <u>\$5,740</u> | <u>\$7,336</u> | <u>\$5,629</u> | <u>\$5,453</u> |
| Total Net Assets | <u>\$12,078</u> | <u>\$10,519</u> | <u>\$8,793</u> | <u>\$8,934</u> | <u>\$8,777</u> | <u>\$8,257</u> | <u>\$7,719</u> | <u>\$4,706</u> | <u>\$20,856</u> | <u>\$18,777</u> | <u>\$16,512</u> | <u>\$13,640</u> |

During the last four fiscal years, Primary Government Capital Assets have increased \$8.2 million, a 93% increase. These asset increases are primarily from the installation of water and sewer mains, construction of a water reservoir, and road improvements. These asset additions have been funded from a combination of planned debt issuances and the use of available funds.

A summary of revenue and expenditure fund activity for the last three fiscal years is reported below. The graphs that follow provide a visual depiction of each funds fiscal activity in relation to the fiscal totals for revenue and expenditure for the respective fiscal year.

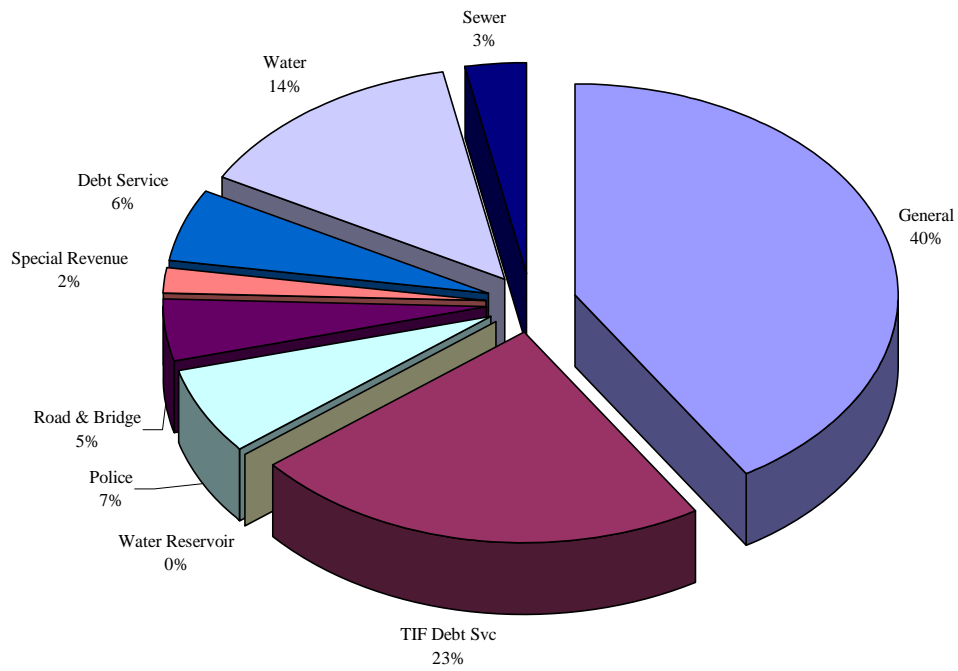
The final two graphs reflect asset balances for Governmental and Business-Type activities for the last five fiscal years.

Fund Activities April 30, 2009, April 30, 2008 and April 30, 2007

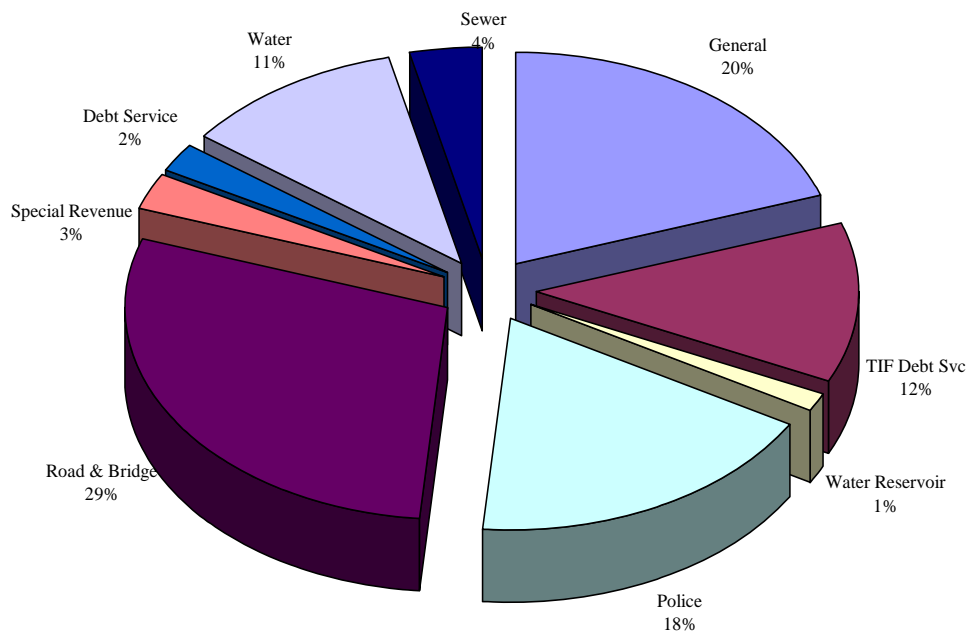
| | <u>Revenues</u> | | | <u>Expenditures</u> | | |
|-----------------------|-----------------|-------------|-------------|---------------------|-------------|-------------|
| | 2009 | 2008 | 2007 | 2009 | 2008 | 2007 |
| Major Funds | | | | | | |
| General | \$2,317,663 | \$3,061,621 | \$3,040,887 | \$1,158,510 | \$1,079,875 | \$989,876 |
| TIF Debt Svc | \$1,304,200 | \$1,137,275 | \$930,184 | \$722,120 | \$1,054,790 | \$1,671,991 |
| Water Reservoir | \$3,800 | \$25,170 | \$81,112 | \$79,997 | \$465,770 | \$2,481,921 |
| Police | \$380,989 | \$390,848 | \$379,637 | \$1,063,897 | \$933,961 | \$958,145 |
| Road & Bridge | \$264,154 | \$105,929 | \$50,256 | \$1,693,558 | \$489,210 | \$736,124 |
| Nonmajor Funds | | | | | | |
| Special Revenue | \$101,941 | \$105,204 | \$128,439 | \$203,349 | \$42,956 | \$57,705 |
| Debt Service | \$318,482 | \$263,066 | \$264,271 | \$132,169 | \$142,020 | \$147,520 |
| Proprietary | | | | | | |
| Water | \$788,214 | \$770,391 | \$663,804 | \$657,039 | \$651,715 | \$246,755 |
| Sewer | \$170,083 | \$177,279 | \$118,192 | \$206,557 | \$168,900 | \$136,838 |

Notes: Revenues exclude interfund infrastructure contributions and interfund transfers.
Expenditures include operations, capital and debt service.
Expenditures exclude interfund transfers.
Special Revenue Funds are MFT, Audit, Liability Insurance, SSA #1, and SSA #2
Non-Major Debt Service Funds are SSA 4-7-8-9-10-11-12-13-14-15-16

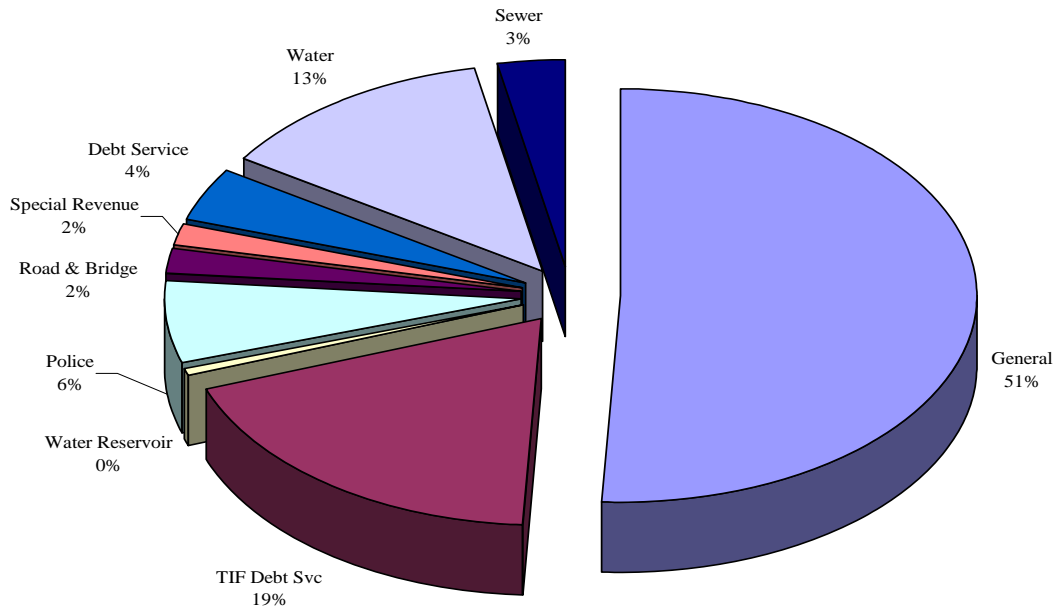
Revenues by Fund 2009



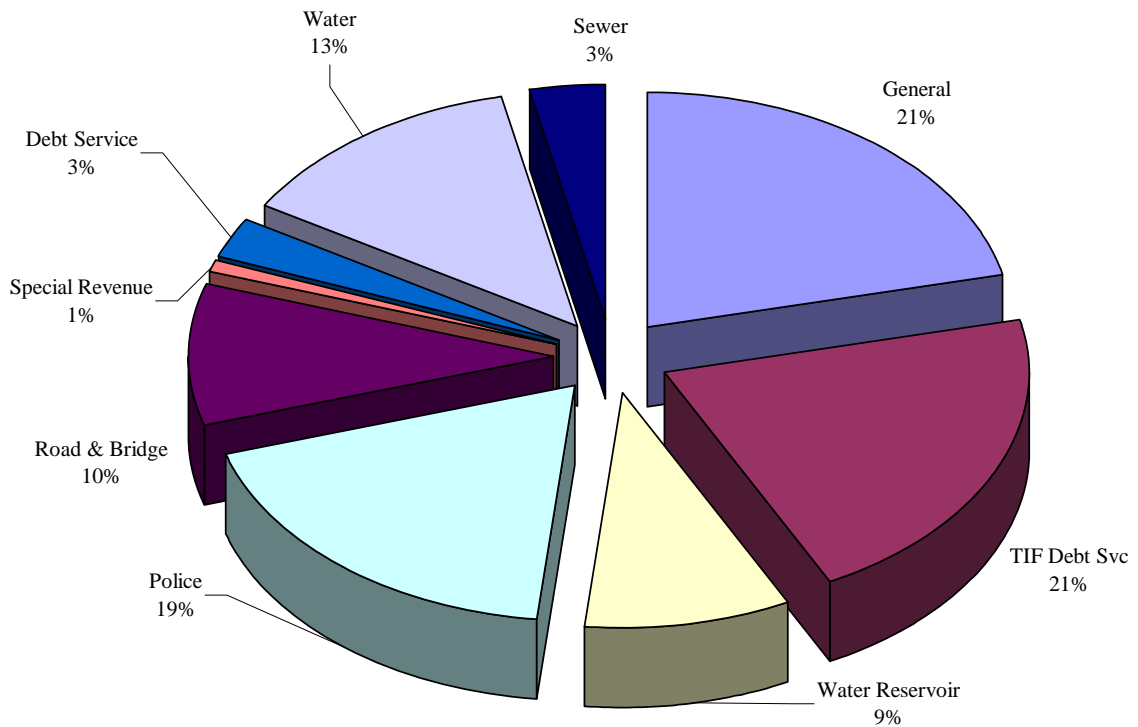
Expenditures by Fund 2009



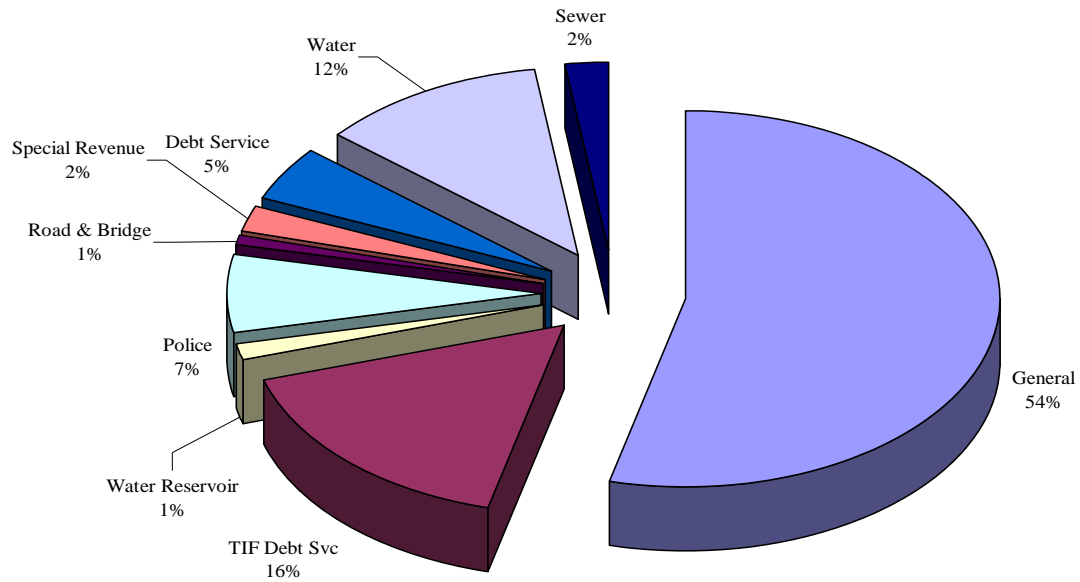
Revenues by Fund 2008



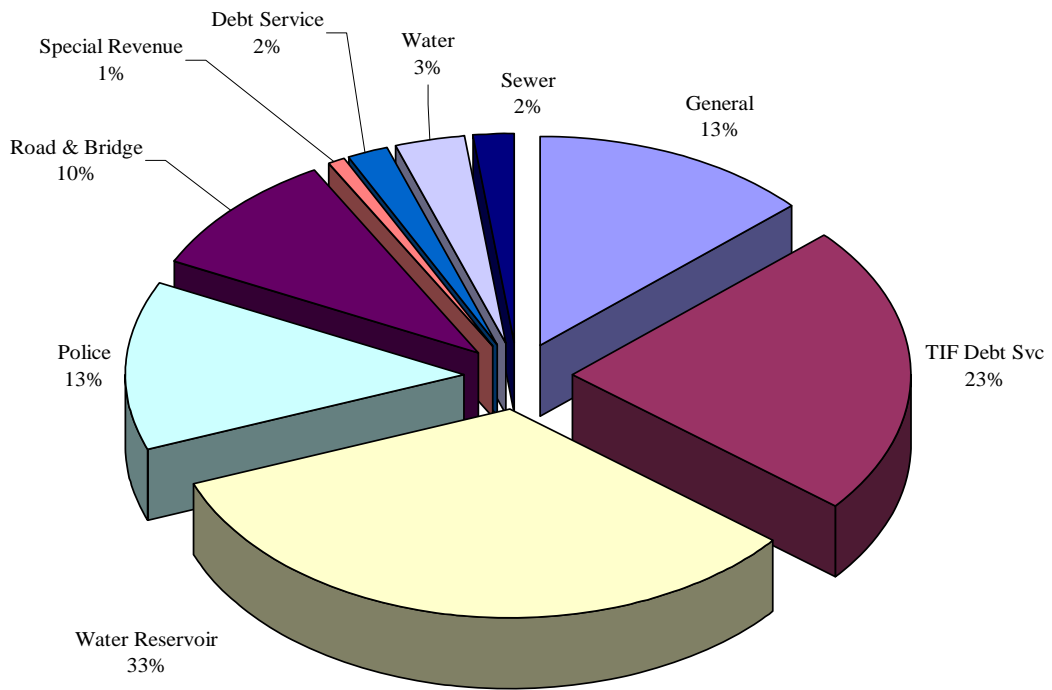
Expenditures by Fund 2008



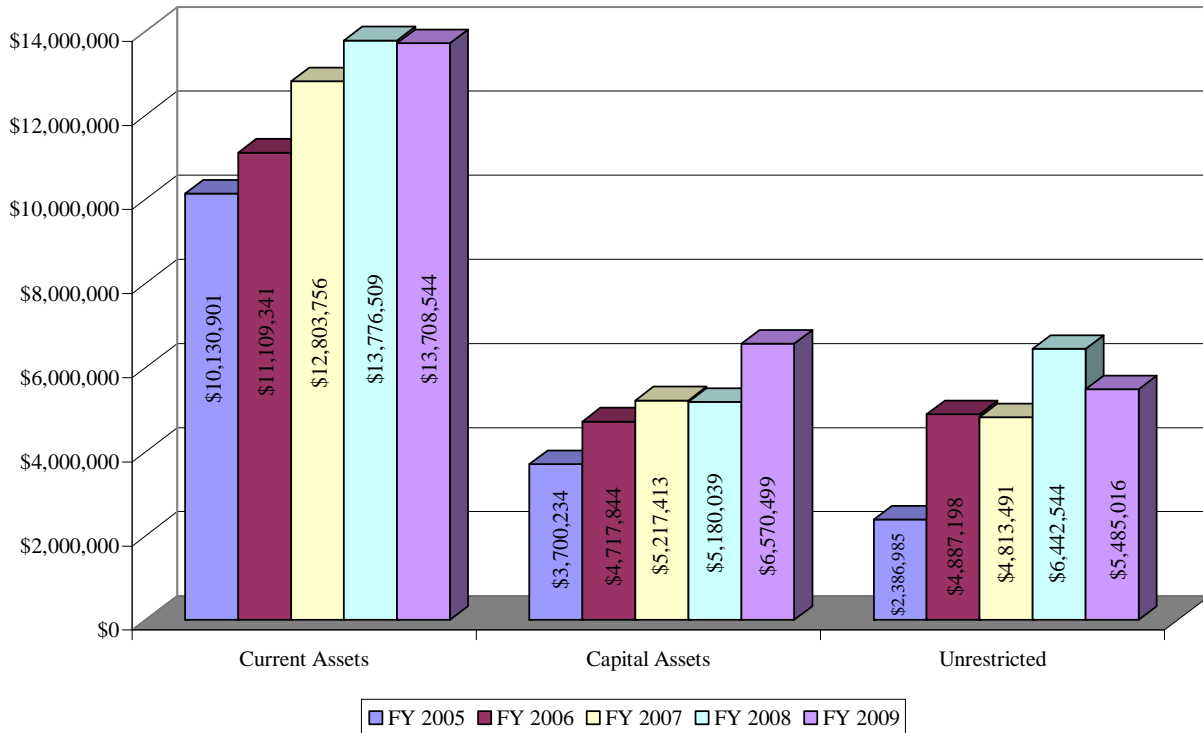
Revenues by Fund 2007



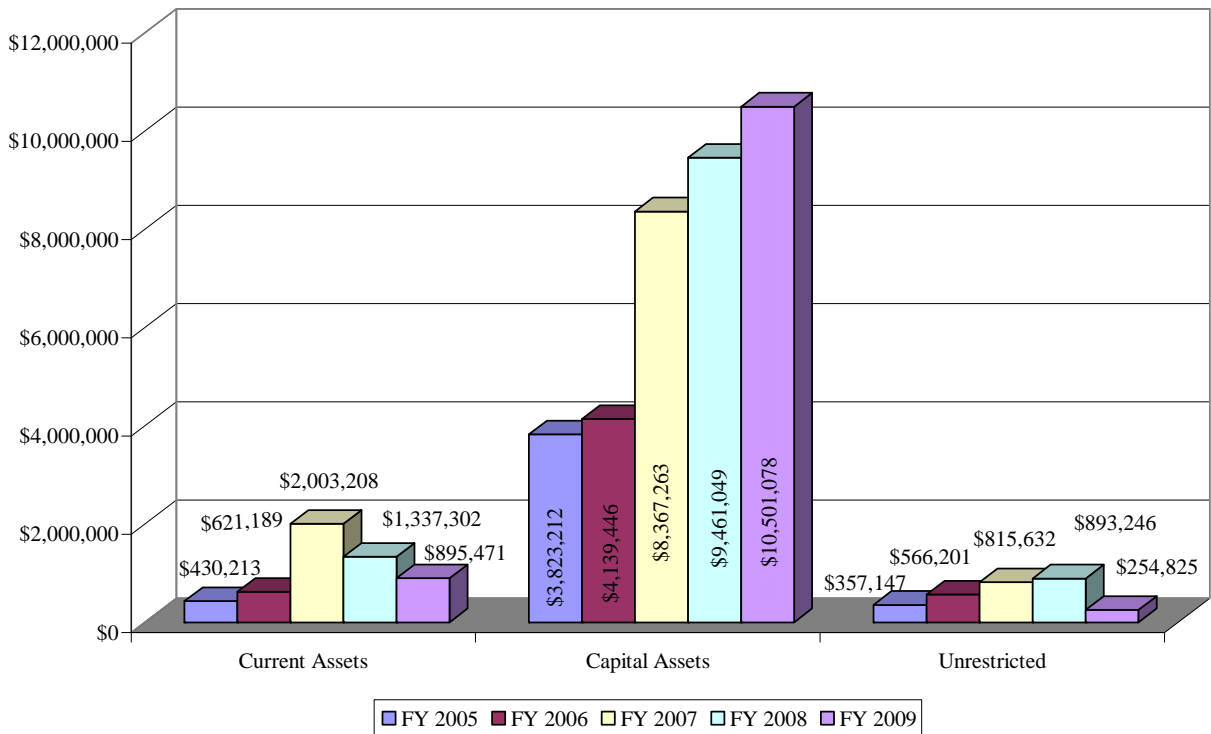
Expenditures by Fund 2007



Governmental Activities FY 2005 vs. 2006 vs. 2007 vs. 2008 vs. 2009



Business-Type Activities FY 2005 vs. 2006 vs. 2007 vs. 2008 vs. 2009



The following chart summarizes the Statement of Activities information found on pages 4-5 of this report and provides three prior years of comparative data.

Statement of Activities As of April 30, 2009, April 30, 2008, April 30, 2007 and April 30, 2006
Presented in Thousands (\$,000)

| Revenues | Governmental Activities | | | | Business-Type Activities | | | | Total Primary Government | | | |
|---|-------------------------|-----------------|----------------|----------------|--------------------------|----------------|----------------|----------------|--------------------------|-----------------|-----------------|-----------------|
| | 2009 | 2008 | 2007 | 2006 | 2009 | 2008 | 2007 | 2006 | 2009 | 2008 | 2007 | 2006 |
| Program Revenue: | | | | | | | | | | | | |
| Charges for Services | \$373 | \$423 | \$279 | \$247 | \$925 | \$858 | \$759 | \$807 | \$1,298 | \$1,281 | \$1,039 | \$1,054 |
| Operating Grants & Contributions | \$64 | \$59 | \$68 | \$48 | \$0 | \$0 | \$0 | \$0 | \$64 | \$59 | \$68 | \$48 |
| Tap-In/Connection Fees | \$0 | \$0 | \$0 | \$0 | \$30 | \$65 | \$0 | \$42 | \$30 | \$65 | \$0 | \$42 |
| General Revenues: | | | | | | | | | | | | |
| Property Taxes | \$2,168 | \$1,954 | \$1,706 | \$1,671 | \$0 | \$0 | \$0 | \$0 | \$2,168 | \$1,954 | \$1,706 | \$1,671 |
| Other Taxes (Sales, Use, Telecomm, Income, Hotel) | \$1,338 | \$1,765 | \$1,737 | \$1,688 | \$0 | \$0 | \$0 | \$0 | \$1,338 | \$1,765 | \$1,737 | \$1,688 |
| Investment Income & Miscellaneous | \$731 | \$906 | \$1,102 | \$467 | \$3 | \$25 | \$23 | \$0 | \$734 | \$932 | \$1,125 | \$467 |
| Contributions | <u>\$280</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$425</u> | <u>\$412</u> | <u>\$2,614</u> | <u>\$412</u> | <u>\$705</u> | <u>\$412</u> | <u>\$2,614</u> | <u>\$412</u> |
| Total Revenues | \$4,954 | \$5,107 | \$4,893 | \$4,120 | \$1,384 | \$1,360 | \$3,396 | \$1,262 | \$6,338 | \$6,467 | \$8,290 | \$5,382 |
| Expenses | | | | | | | | | | | | |
| General Government | \$1,198 | \$1,519 | \$3,342 | \$1,449 | \$0 | \$0 | \$0 | \$0 | \$1,198 | \$1,519 | \$3,342 | \$1,449 |
| Public Safety | \$1,158 | \$1,067 | \$1,080 | \$922 | \$0 | \$0 | \$0 | \$0 | \$1,158 | \$1,067 | \$1,080 | \$922 |
| Road & Bridge | \$728 | \$458 | \$271 | \$211 | \$0 | \$0 | \$0 | \$0 | \$728 | \$458 | \$271 | \$211 |
| Interest & Fiscal Charges | \$311 | \$338 | \$341 | \$331 | \$0 | \$0 | \$0 | \$0 | \$311 | \$338 | \$341 | \$331 |
| Water & Sewer | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$864</u> | <u>\$821</u> | <u>\$384</u> | <u>\$736</u> | <u>\$864</u> | <u>\$821</u> | <u>\$384</u> | <u>\$736</u> |
| Total Expense | \$3,395 | \$3,381 | \$5,034 | \$2,912 | \$864 | \$821 | \$384 | \$736 | \$4,259 | \$4,202 | \$5,418 | \$3,648 |
| Change in Net Assets | <u>\$1,559</u> | <u>\$1,726</u> | <u>(\$141)</u> | <u>\$1,208</u> | <u>\$520</u> | <u>\$539</u> | <u>\$3,013</u> | <u>\$525</u> | <u>\$2,079</u> | <u>\$2,265</u> | <u>\$2,872</u> | <u>\$1,734</u> |
| Net Assets | | | | | | | | | | | | |
| May 1 | \$10,519 | \$8,793 | \$8,934 | \$7,726 | \$8,257 | \$7,719 | \$4,706 | \$4,180 | \$18,777 | \$16,512 | \$13,640 | \$11,906 |
| April 30 | <u>\$12,078</u> | <u>\$10,519</u> | <u>\$8,793</u> | <u>\$8,934</u> | <u>\$8,777</u> | <u>\$8,257</u> | <u>\$7,718</u> | <u>\$4,706</u> | <u>\$20,856</u> | <u>\$18,777</u> | <u>\$16,511</u> | <u>\$13,640</u> |

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 \$1,302,340, representing 27.8% of total governmental activity revenue. Most of the \$407 thousand reduction from fiscal 2008 resulted from the relocation of a large sales tax contributor to a nearby community. Sales tax, \$876,077, accounts for 67.3% of Intergovernmental taxes, down from \$1,286,024, or 75.2% of Intergovernmental taxes, in the preceding period. Property taxes, totaling \$2,167,775, are for TIF Debt Service (\$1,292,448), nonmajor governmental funds (including SSA infrastructure repayments) (\$315,129) and General, Police, and Road & Bridge Fund operations (\$555,627).

Bannockburn's Equalized Assessed Valuation has increased from \$103,796,394 in 2000 to \$169,904,073 in 2008 (a 63.7% increase). Overall the tax rate has decreased from 0.414 in 2000 to 0.375 in 2008 (exclusive of SSAs). The real dollars in property taxes have therefore increased from \$429,471 in 2000 to a projected tax collection for the 2008 levy extension of \$637,140. (Taxes levied are collected in the subsequent year.) Property Taxes contribute approximately 9% of the General Fund and 79% of the Police Fund revenues.

The Telecommunications Tax rate has remained at 4% since January 2003, generating funds to provide for retirement related expenditures. Permit Fees, based upon construction value, have increased with the Village's 2005 policy revisions to cover administrative and contractual costs associated with permits. Annual permit revenue fluctuates with construction activity.

Planned use of fund balances, reducing the amount available to invest and the historically low investment rates resulted in a decrease of \$289 thousand in

investment income, or 49%, from the prior year for the General Fund. Part of the overall General Fund investment income is from long-term advances to myriad Special Service Areas. Two of the Special Service Areas will conclude in fiscal 2010, and six others will conclude in fiscal 2012. As anticipated, investment income decreased for both the Water Reservoir Fund with the disbursement of bond proceeds for reservoir construction and related expenditures, and for the TIF Debt Service Fund for scheduled principal and interest payments.

2. Expenses

The General Fund continues to provide operating transfers or subsidies to the Police Fund, Road and Bridge Fund, and Audit Fund, representing significant disbursements. The General Fund has also been the source for long-term advances to Special Service Areas, most recently for SSA #16. The General Fund has advanced funds to the Sanitary Sewer Fund and it is anticipated that additional funding will occur in fiscal 2010 for current and planned infrastructure projects. Repayment of these advances will occur over several years through the planned increases in user fees.

B. Business-Type Activities

1. Revenue

Operating revenues, including programmed rate increases, are intended to cover all direct costs and to establish reserves for upcoming significant infrastructure replacements in the Water and Sewer Funds. Following an usually high consumption spike in fiscal 2006, there was a 5.9% decrease in operating revenues in fiscal 2007. Fiscal 2008 reported a 12.9% operating revenue increase over fiscal 2007. Fiscal 2009 reflects a 7.8% operating revenue increase over fiscal 2008. It is anticipated that programmed rate increases will continue for water and sanitary sewer users. Contributions from the Tax Increment Financing District (water reservoir construction project fixed assets) and the acceptance of developer installed water and sanitary sewer mains are recorded as contributions in the Water and Sanitary Sewer Funds, respectively. There were tap-in connection fees in the Sewer Fund in fiscal 2009.

2. Expenses

Capital Asset purchases are excluded from Operating Expenses. Through the utilization of water storage in the 800,000 gallon reservoir, water purchase costs decreased in fiscal 2008 and again in fiscal 2009. Interest on the structured 20-year Water Fund bonds and increased depreciation expenses correlate to the recently funded capital projects and contributions. Sewer Operating Expenses increased 36.8% from fiscal 2007 to fiscal 2008 and 26.5% from fiscal 2008 to fiscal 2009.

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

At April 30, 2009, the governmental funds reported a combined fund balance of \$10.2 million, compared to a \$10.5 million balance April 30, 2008. Of the combined fund balance, \$8.3 million are in cash & cash equivalents and investments in the General Fund as of April 30, 2009, compared to \$9.3 million on April 30, 2008.

B. Major Governmental Funds

The General Fund is the Village's primary operating fund. The overall fund balance of the General Fund exceeded \$10.4 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 some areas. Licenses and Permits were \$109,373 above budget. Police fines and forfeitures totaled \$75,440. TIF Debt Service Fund property tax exceeded budget and increased \$194,154 over fiscal 2008. Subsidies were below budget, primarily from the timing of 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, construction of the Village's Rt 22 liftstation and forcemain (Sanitary Sewer Fund) was partially funded from the General Fund.

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 projects. Special Service Areas No. 1 and No. 2 funds were utilized for the construction of a new sanitary sewer liftstation and forcemain.

2. Nonmajor Debt Service Funds

The Nonmajor Debt Service Funds continue the scheduled repayment of General Fund prior period advances and bonds. Issuance information and remaining obligations are provided in the Long-Term Debt footnote.

D. Capital Assets

The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of April 30, 2009 was \$6.6 million, compared to \$5.2 million at April 30, 2008. The Village's investment in capital assets, net of accumulated

depreciation, for Business-Type activities as of April 30, 2009 was \$10.5 million, compared to \$9.4 million at April 30, 2008. The Governmental Activities increase is primarily from road improvements and the cell tower. The Business-Type Activities increase is from the contribution of water and sanitary sewer mains, contribution of TIF construction activities and Village-wide water and sewer 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 2008 was \$169,904,073. 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 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. The 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 was completed early in fiscal 2008 and associated infrastructure is 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 historically 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, State Route 43 widening and pathway, completion of the State Route 22 sanitary liftstation and forcemain, and scheduled replacements of various water and sewer mains and related road resurfacing.

Public (State of Illinois infrastructure improvements on State Route 22) and Private (significant Retail Center capital improvements) activities negatively affected sales tax generating activity in the Village's primary retail center in fiscal 2007. The completion of the private project, plus the addition of a national chain restaurant, is yielding increased activity at the retail center. The Village's planned widening of Rt 43 south of Rt 22 is a short-term project that is not expected to adversely impact sales tax. The overall economic downturn in 2008 has slowed commercial and residential construction activity. Combining the departure of a large sales tax generator, negligible returns on investments, and reduced overall economic activity, some revenues were below budget for fiscal 2009. Utilizing strong reserves, implementing a ½ percent increase in sales tax effective July 1, 2009, and continuing conservative budgeting, there are no plans to adjust operations or capital projects in fiscal 2010.

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 to, but presently unused by, the Village of Bannockburn.

Market conditions may cause fluctuations in investment income, varying with the long-term vs. short-term investment strategy utilized by the Village. The fluctuations in investment income have historically been less severe for the Village, as investment income derived from Special Service Areas is at fixed interest rates for the life of the advances.

Infrastructure replacements are typically anticipated well in advance, and mirror historic periods of community growth. Proceeding 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, have increased the capital assets and service base, resulting in expected increased operational costs and operating revenues.

Debt Service is utilized prudently, and sparingly, by the Village's elected officials. With the 2006 bond issuances for Water and TIF projects, the Village benefitted from low borrowing rates, strong fund balances, and dependable revenues. Remaining bond proceeds are scheduled to be depleted with upcoming capital improvement projects.

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, 2009

| | Primary Government | | |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 4,198,199 | \$ 191,452 | \$ 4,389,651 |
| Investments | 6,486,353 | - | 6,486,353 |
| Receivables (Net, Where Applicable, of Allowances for Uncollectibles) | | | |
| Property Taxes | 2,239,897 | - | 2,239,897 |
| Accounts | 48,496 | 240,994 | 289,490 |
| Accrued Interest | 10,052 | 142 | 10,194 |
| Other | 89,727 | 21,000 | 110,727 |
| Due from Other Governments | 275,750 | - | 275,750 |
| Due to/from Other Funds | (377,088) | 377,088 | - |
| Escrow Deposits | 478,430 | - | 478,430 |
| Long-Term Receivables | 244,072 | - | 244,072 |
| Deferred Bond Issuance Costs | 14,656 | 35,434 | 50,090 |
| Capital Assets not Being Depreciated | 2,813,779 | 29,361 | 2,843,140 |
| Capital Assets Being Depreciated | 3,756,720 | 10,501,078 | 14,257,798 |
| Total Assets | 20,279,043 | 11,396,549 | 31,675,592 |
| LIABILITIES | | | |
| Accounts Payable | 316,714 | 243,636 | 560,350 |
| Accrued Interest Payable | 98,983 | 30,207 | 129,190 |
| Unearned Property Tax Revenue | 2,239,897 | - | 2,239,897 |
| Other Unearned Revenue | 295,161 | 21,000 | 316,161 |
| Escrow Deposits Payable | 598,321 | - | 598,321 |
| Noncurrent Liabilities | | | |
| Due Within One Year | 774,488 | 95,000 | 869,488 |
| Due in More Than One Year | 3,877,003 | 2,229,209 | 6,106,212 |
| Total Liabilities | 8,200,567 | 2,619,052 | 10,819,619 |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt Restricted for | 3,912,149 | 8,206,230 | 12,118,379 |
| Economic Development | 1,519,901 | - | 1,519,901 |
| Maintenance of Roadways | 405,365 | - | 405,365 |
| Liability Insurance | 17,285 | - | 17,285 |
| Special Projects | 216,507 | - | 216,507 |
| Debt Service | 522,253 | 316,442 | 838,695 |
| Unrestricted | 5,485,016 | 254,825 | 5,739,841 |
| TOTAL NET ASSETS | \$ 12,078,476 | \$ 8,777,497 | \$ 20,855,973 |

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2009

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues | | |
|---------------------------------|---------------------|-------------------------|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| PRIMARY GOVERNMENT | | | | |
| Governmental Activities | | | | |
| General Government | \$ 1,198,295 | \$ 312,443 | \$ - | \$ 280,072 |
| Public Safety | 1,158,179 | 60,670 | 6,170 | - |
| Road and Bridge | 727,887 | - | 58,296 | - |
| Interest and Fiscal Charges | 310,795 | - | - | - |
| Total Governmental Activities | 3,395,156 | 373,113 | 64,466 | 280,072 |
| Business-Type Activities | | | | |
| Water | 657,039 | 775,643 | - | 178,531 |
| Sewer | 206,557 | 149,083 | - | 246,860 |
| Total Business-Type Activities | 863,596 | 924,726 | - | 425,391 |
| TOTAL PRIMARY GOVERNMENT | \$ 4,258,752 | \$ 1,297,839 | \$ 64,466 | \$ 705,463 |

| | Net (Expense) Revenue and Change in Net Assets | | |
|------------------------|--|-----------------------------|---------------|
| | Primary Government | | |
| | Governmental Activities | Business-Type Activities | Total |
| | \$ (605,780) | \$ - | \$ (605,780) |
| | (1,091,339) | - | (1,091,339) |
| | (669,591) | - | (669,591) |
| | (310,795) | - | (310,795) |
| | (2,677,505) | - | (2,677,505) |
| | - | 297,135 | 297,135 |
| | - | 189,386 | 189,386 |
| | - | 486,521 | 486,521 |
| | (2,677,505) | 486,521 | (2,190,984) |
| General Revenues | | | |
| Taxes | | | |
| Property | 2,167,775 | - | 2,167,775 |
| Sales | 876,077 | - | 876,077 |
| Use | 19,933 | - | 19,933 |
| Telecommunications | 208,919 | - | 208,919 |
| Income | 130,203 | - | 130,203 |
| Hotel/Motel | 102,461 | - | 102,461 |
| Investment Income | 278,247 | 3,122 | 281,369 |
| Tap-In Connection Fees | - | 21,000 | 21,000 |
| Miscellaneous | 453,094 | 9,449 | 462,543 |
| Total | 4,236,709 | 33,571 | 4,270,280 |
| CHANGE IN NET ASSETS | 1,559,204 | 520,092 | 2,079,296 |
| NET ASSETS, MAY 1 | 10,519,272 | 8,257,405 | 18,776,677 |
| NET ASSETS, APRIL 30 | \$ 12,078,476 | \$ 8,777,497 | \$ 20,855,973 |

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2009

| | General | Police | Road and Bridge | TIF Debt Service | Water Reservoir Project | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------|--------------------|------------------------|-------------------------------|-----------------------------------|--------------------------------|
| ASSETS | | | | | | | |
| Cash and Cash Equivalents | \$ 2,107,284 | \$ 6,226 | \$ - | \$ 1,519,775 | \$ 369,618 | \$ 195,296 | \$ 4,198,199 |
| Investments | 6,208,156 | - | - | - | - | 278,197 | 6,486,353 |
| Receivables (Net, Where Applicable, of Allowances For Uncollectibles) | | | | | | | |
| Property Taxes | 212,380 | 326,216 | 49,272 | 1,336,280 | - | 315,749 | 2,239,897 |
| Accounts | 48,496 | - | - | - | - | - | 48,496 |
| Accrued Interest | 7,742 | 5 | - | 126 | 31 | 2,148 | 10,052 |
| Other | 33,877 | 42,989 | - | - | - | 12,861 | 89,727 |
| Due from Other Governments | 265,180 | 7,716 | - | - | - | 2,854 | 275,750 |
| Due from Other Funds | 187,650 | 2,278 | 1,852 | - | - | 18,777 | 210,557 |
| Escrow Deposit | 478,430 | - | - | - | - | - | 478,430 |
| Long-Term Receivable | 244,072 | - | - | - | - | - | 244,072 |
| Advance to Other Funds | 652,695 | - | - | 142,948 | - | - | 795,643 |
| TOTAL ASSETS | \$ 10,445,962 | \$ 385,430 | \$ 51,124 | \$ 2,999,129 | \$ 369,649 | \$ 825,882 | \$ 15,077,176 |

| | General | Police | Road and Bridge | TIF Debt Service | Water Reservoir Project | Nonmajor Governmental Funds | Total Governmental Funds |
|--|----------------------|-------------------|--------------------|------------------------|-------------------------------|-----------------------------------|--------------------------------|
| LIABILITIES AND FUND BALANCES | | | | | | | |
| LIABILITIES | | | | | | | |
| Accounts Payable | \$ 78,918 | \$ 10,287 | \$ 185,782 | \$ - | \$ 10,231 | \$ 31,496 | \$ 316,714 |
| Unearned Property Taxes | 212,380 | 326,216 | 49,272 | 1,336,280 | - | 315,749 | 2,239,897 |
| Other Unearned Revenue | 292,773 | 61,129 | - | - | - | 12,861 | 366,763 |
| Deposits Payable | 598,321 | - | - | - | - | - | 598,321 |
| Due to Other Funds | 584,433 | - | - | - | - | 3,212 | 587,645 |
| Advance from Other Funds | - | - | - | - | 142,948 | 652,695 | 795,643 |
| Total Liabilities | 1,766,825 | 397,632 | 235,054 | 1,336,280 | 153,179 | 1,016,013 | 4,904,983 |
| FUND BALANCES | | | | | | | |
| Reserved for Long-Term Receivables | 244,072 | - | - | - | - | - | 244,072 |
| Reserved for Advances | 652,695 | - | - | 142,948 | - | - | 795,643 |
| Reserved for Economic Development | - | - | - | 1,519,901 | - | - | 1,519,901 |
| Reserved for Maintenance of Roadways | - | - | - | - | - | 405,365 | 405,365 |
| Reserved for Liability Insurance | - | - | - | - | - | 17,285 | 17,285 |
| Reserved for Special Projects | - | - | - | - | 216,470 | 37 | 216,507 |
| Reserved for Debt Service | - | - | - | - | - | 43,884 | 43,884 |
| Unreserved | | | | | | | |
| Undesignated - General Fund | 7,782,370 | - | - | - | - | - | 7,782,370 |
| Undesignated (Deficit) - Special Revenue Funds | - | (12,202) | (183,930) | - | - | (2,058) | (198,190) |
| Undesignated (Deficit) - Debt Service Funds | - | - | - | - | - | (654,644) | (654,644) |
| Total Fund Balances | 8,679,137 | (12,202) | (183,930) | 1,662,849 | 216,470 | (190,131) | 10,172,193 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 10,445,962 | \$ 385,430 | \$ 51,124 | \$ 2,999,129 | \$ 369,649 | \$ 825,882 | \$ 15,077,176 |

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, 2009

| | |
|--|----------------------|
| FUND BALANCES OF GOVERNMENTAL FUNDS | \$ 10,172,193 |
| 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 | 6,570,499 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds | (4,506,609) |
| Deferred bond issuance costs charges are reported as an asset on the statement of net assets | 14,656 |
| Accrued interest on long-term liabilities is reported as a liability on the statement of net assets | (98,983) |
| Compensated absences is not due and payable in the current period and, therefore, is not reported in governmental funds | (144,882) |
| Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities | <u>71,602</u> |
| NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u>\$ 12,078,476</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, 2009

| | General | Police | Road and Bridge | TIF Debt Service | Water Reservoir Project | Nonmajor Governmental Funds | Total Governmental Funds |
|--|------------------|------------------|--------------------|------------------------|-------------------------------|-----------------------------------|--------------------------------|
| REVENUES | | | | | | | |
| Taxes | \$ 310,300 | \$ 299,289 | \$ 48,499 | \$ 1,292,448 | \$ - | \$ 315,129 | \$ 2,265,665 |
| Intergovernmental | 1,241,380 | 6,170 | 17,500 | - | - | 37,290 | 1,302,340 |
| Licenses and Permits | 301,373 | - | - | - | - | - | 301,373 |
| Charges for Services | 12,330 | - | - | - | - | - | 12,330 |
| Fines and Forfeitures | - | 75,440 | - | - | - | - | 75,440 |
| Investment Income | 270,974 | 90 | - | 11,752 | 3,800 | 8,575 | 295,191 |
| Miscellaneous | 181,306 | - | 198,155 | - | - | 59,429 | 438,890 |
| Total Revenues | 2,317,663 | 380,989 | 264,154 | 1,304,200 | 3,800 | 420,423 | 4,691,229 |
| EXPENDITURES | | | | | | | |
| Current | | | | | | | |
| General Government | 1,024,499 | - | - | - | 26,071 | 40,074 | 1,090,644 |
| Public Safety | 133,343 | 1,063,897 | - | - | - | - | 1,197,240 |
| Road and Bridge | 968 | - | 184,976 | - | - | - | 185,944 |
| Capital Outlay | - | - | 1,508,582 | - | 53,926 | 165,129 | 1,727,637 |
| Debt Service | | | | | | | |
| Principal | - | - | - | 665,000 | - | 60,000 | 725,000 |
| Interest and Fiscal Charges | - | - | - | 57,120 | - | 70,315 | 127,435 |
| Total Expenditures | 1,158,810 | 1,063,897 | 1,693,558 | 722,120 | 79,997 | 335,518 | 5,053,900 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,158,853 | (682,908) | (1,429,404) | 582,080 | (76,197) | 84,905 | (362,671) |

| | General | Police | Road and Bridge | TIF Debt Service | Water Reservoir Project | Nonmajor Governmental Funds | Total Governmental Funds |
|--------------------------------------|--------------|-------------|--------------------|------------------------|-------------------------------|-----------------------------------|--------------------------------|
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Transfers In | \$ - | \$ 675,000 | \$ 1,280,000 | \$ - | \$ - | \$ 3,000 | \$ 1,958,000 |
| Transfers (Out) | (1,958,000) | - | - | - | - | - | (1,958,000) |
| Total Other Financing Sources (Uses) | (1,958,000) | 675,000 | 1,280,000 | - | - | 3,000 | - |
| NET CHANGE IN FUND BALANCES | (799,147) | (7,908) | (149,404) | 582,080 | (76,197) | 87,905 | (362,671) |
| FUND BALANCES (DEFICIT), MAY 1 | 9,478,284 | (4,294) | (34,526) | 1,080,769 | 292,667 | (278,036) | 10,534,864 |
| FUND BALANCES (DEFICIT), APRIL 30 | \$ 8,679,137 | \$ (12,202) | \$ (183,930) | \$ 1,662,849 | \$ 216,470 | \$ (190,131) | \$ 10,172,193 |

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, 2009

| | |
|---|--------------|
| NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS | \$ (362,671) |
|---|--------------|

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 - purchased | 1,260,846 |
| Developer contributed | 280,072 |

| | |
|--|-----------|
| 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 | (147,502) |
|--|-----------|

| | |
|---|---------|
| The gain/loss on disposal of capital assets is reported on the statement of activities as a reduction/increase of expense | (2,956) |
|---|---------|

| | |
|---|---------|
| 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 | 725,000 |
|---|---------|

| | |
|--|-----------|
| 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 | (168,723) |
|--|-----------|

| | |
|--|-------|
| The change in the accrual of interest on long-term debt is reported as an expense on the statement of activities | 6,670 |
|--|-------|

| | |
|---|----------|
| Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities | (21,307) |
|---|----------|

| | |
|--|-------|
| The change in compensated absences payable is shown as an expense on the statement of activities | 6,716 |
|--|-------|

| | |
|--|-----------------|
| Certain revenues that are deferred in the governmental funds (e.g., IRMA) are recognized as revenue in the governmental activities | <u>(16,941)</u> |
|--|-----------------|

| | |
|--|----------------------------|
| CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES | <u><u>\$ 1,559,204</u></u> |
|--|----------------------------|

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

April 30, 2009

| | Water Fund | Sewer Fund | Total |
|---|---------------------|---------------------|---------------------|
| CURRENT ASSETS | | | |
| Cash and Cash Equivalents | \$ 191,452 | \$ - | \$ 191,452 |
| Accounts Receivable | 196,875 | 44,119 | 240,994 |
| Other Receivables | - | 21,000 | 21,000 |
| Accrued Interest | 142 | - | 142 |
| Due from Other Funds | 561,526 | - | 561,526 |
| Deferred Issuance Costs | 35,434 | - | 35,434 |
| Total Current Assets | 985,429 | 65,119 | 1,050,548 |
| CAPITAL ASSETS | | | |
| Capital Assets Not Being Depreciated | 26,602 | 2,759 | 29,361 |
| Capital Assets Being Depreciated | 7,718,425 | 4,487,618 | 12,206,043 |
| Accumulated Depreciation | (941,524) | (763,441) | (1,704,965) |
| Net Capital Assets | 6,803,503 | 3,726,936 | 10,530,439 |
| Total Assets | 7,788,932 | 3,792,055 | 11,580,987 |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 25,567 | 218,069 | 243,636 |
| Due to Other Funds | - | 184,438 | 184,438 |
| Accrued Interest Payable | 30,207 | - | 30,207 |
| Bonds Payable | 95,000 | - | 95,000 |
| Unearned Revenue | - | 21,000 | 21,000 |
| Total Current Liabilities | 150,774 | 423,507 | 574,281 |
| NONCURRENT LIABILITIES | | | |
| Bonds Payable | 2,245,000 | - | 2,245,000 |
| Unamortized Discount on Bonds | (15,791) | - | (15,791) |
| Total Noncurrent Liabilities | 2,229,209 | - | 2,229,209 |
| Total Liabilities | 2,379,983 | 423,507 | 2,803,490 |
| NET ASSETS | | | |
| Invested in Capital Assets, Net of Related Debt | 4,479,294 | 3,726,936 | 8,206,230 |
| Restricted for Debt Service | 316,442 | - | 316,442 |
| Unrestricted | 613,213 | (358,388) | 254,825 |
| TOTAL NET ASSETS | \$ 5,408,949 | \$ 3,368,548 | \$ 8,777,497 |

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, 2009

| | Water Fund | Sewer Fund | Total |
|---|---------------|---------------|--------------|
| OPERATING REVENUES | | | |
| Charges for Services | \$ 775,643 | \$ 149,083 | \$ 924,726 |
| Total Operating Revenues | 775,643 | 149,083 | 924,726 |
| OPERATING EXPENSES | | | |
| Cost of Operations | 371,614 | 150,334 | 521,948 |
| Depreciation | 189,742 | 56,223 | 245,965 |
| Total Operating Expenses | 561,356 | 206,557 | 767,913 |
| OPERATING INCOME (LOSS) | 214,287 | (57,474) | 156,813 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment Income | 3,122 | - | 3,122 |
| Miscellaneous Income | 9,449 | - | 9,449 |
| Tap In Fees | - | 21,000 | 21,000 |
| Interest Expense | (95,683) | - | (95,683) |
| Total Nonoperating Revenues (Expenses) | (83,112) | 21,000 | (62,112) |
| INCOME BEFORE CONTRIBUTIONS | 131,175 | (36,474) | 94,701 |
| CONTRIBUTIONS | 178,531 | 246,860 | 425,391 |
| CHANGE IN NET ASSETS | 309,706 | 210,386 | 520,092 |
| NET ASSETS, MAY 1 | 5,099,243 | 3,158,162 | 8,257,405 |
| NET ASSETS, APRIL 30 | \$ 5,408,949 | \$ 3,368,548 | \$ 8,777,497 |

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended April 30, 2009

| | Water Fund | Sewer Fund | Total |
|--|-------------------|-------------------|--------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from Customers and Users | \$ 761,122 | \$ 132,553 | \$ 893,675 |
| Payments to Suppliers | (383,698) | 9,089 | (374,609) |
| Net Cash from Operating Activities | <u>377,424</u> | <u>141,642</u> | <u>519,066</u> |
| CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Interfund Receivable | (57,536) | 462,809 | 405,273 |
| Net Cash from Noncapital and Related Financing Activities | <u>(57,536)</u> | <u>462,809</u> | <u>405,273</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Principal Paid | (90,000) | - | (90,000) |
| Interest Paid | (93,947) | - | (93,947) |
| Tap-In Fees | - | 21,000 | 21,000 |
| Capital Assets Purchased | (264,513) | (625,451) | (889,964) |
| Net Cash from Capital and Related Financing Activities | <u>(448,460)</u> | <u>(604,451)</u> | <u>(1,052,911)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Investment Income | 3,582 | - | 3,582 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (124,990) | - | (124,990) |
| CASH AND CASH EQUIVALENTS, MAY 1 | 316,442 | - | 316,442 |
| CASH AND CASH EQUIVALENTS, APRIL 30 | <u>\$ 191,452</u> | <u>\$ -</u> | <u>\$ 191,452</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Operating Income (Loss) | \$ 214,287 | \$ (57,474) | \$ 156,813 |
| Miscellaneous Revenues | 9,449 | - | 9,449 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities | | | |
| Depreciation | 189,742 | 56,223 | 245,965 |
| Changes in Operating Assets and Liabilities | | | |
| Accounts Receivable | (23,970) | (16,530) | (40,500) |
| Accounts Payable | (12,084) | 159,423 | 147,339 |
| NET CASH FROM OPERATING ACTIVITIES | <u>\$ 377,424</u> | <u>\$ 141,642</u> | <u>\$ 519,066</u> |
| NONCASH TRANSACTIONS | | | |
| Contributions from Other Funds | <u>\$ 178,531</u> | <u>\$ 246,860</u> | <u>\$ 425,391</u> |

See accompanying notes to financial statements.

VILLAGE OF BANNOCKBURN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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, Series 1990A, and Series 2006 B 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 unearned/deferred revenue on its financial statements. Unearned/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned/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 unearned/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 Village has chosen, as is allowable under GAAP, to only report infrastructure on a prospective basis.

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 | \$ (183,930) |
| Audit | (2,058) |
| Special Service Area #7 | (104,242) |
| Special Service Area #8 | (14,358) |
| Special Service Area #9 | (14,367) |
| Special Service Area #10 | (86,788) |
| Special Service Area #11 | (13,343) |
| Special Service Area #12 | (10,691) |
| Special Service Area #13 | (39,663) |
| Special Service Area #14 | (42,204) |
| Special Service Area #16 | (328,988) |
| Police | (12,202) |

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 levied taxes are collected for the special service area. If future tax collections are insufficient to fund the deficit balance, the deficit will be transferred to the appropriate enterprise fund. The Audit Fund, Police Fund and Road and Bridge Fund deficits will be funded with future revenues.

3. RECEIVABLES - TAXES

Property taxes for 2008 attach as an enforceable lien on January 1, 2008 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, 2009 and are payable in two installments, on June 1, 2009 and September 1, 2009. The County collects such taxes and remits them periodically.

The 2008 taxes are intended to finance the 2010 fiscal year and are not considered available for current operations and are, therefore, shown as unearned/deferred revenue. The 2009 tax levy has not been recorded as a receivable at April 30, 2009, as the tax attached as a lien on property as of January 1, 2009, however, the tax will not be levied until December 2009 and, accordingly, is not measurable at April 30, 2009.

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)

The following table presents the investments and maturities of the Village's debt securities and debt mutual funds as of April 30, 2009:

| Investment Type | Fair Value | Investment Maturities (in Years) | | | |
|-----------------|--------------|----------------------------------|------|------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Greater than 10 |
| Illinois Funds | \$ 2,047,403 | \$ 2,047,403 | \$ - | \$ - | \$ - |
| TOTAL | \$ 2,047,403 | \$ 2,047,403 | \$ - | \$ - | \$ - |

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.

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

5. RECEIVABLES

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

| | |
|---|------------|
| GOVERNMENTAL ACTIVITIES | |
| Sales Tax | \$ 192,298 |
| Local Use Tax | 4,362 |
| Motor Fuel Tax | 2,853 |
| Simplified Telecommunications Tax | 49,304 |
| Court Fines | 7,715 |
| Miscellaneous | 19,218 |
| | <hr/> |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 275,750 |
| | |
| OTHER RECEIVABLES | |
| Special Service Area #3 and #6 Interest | \$ 18,125 |
| IRMA | 71,602 |
| | <hr/> |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 89,727 |

6. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2009 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|--------------|-----------|-------------------|
| GOVERNMENTAL ACTIVITIES | | | | |
| Capital Assets not Being Depreciated | | | | |
| Land | \$ 2,649,404 | \$ - | \$ - | \$ 2,649,404 |
| Land Improvements | 130,235 | - | - | 130,235 |
| Construction in Progress | 55,411 | 34,140 | 55,411 | 34,140 |
| Total Capital Assets not Being Depreciated | <hr/> 2,835,050 | 34,140 | 55,411 | <hr/> 2,813,779 |
| Capital Assets Being Depreciated | | | | |
| Buildings | 1,537,520 | - | - | 1,537,520 |
| Improvements Other than Building | 500,950 | 298,132 | - | 799,082 |
| Machinery and Equipment | 126,259 | - | - | 126,259 |
| Vehicles | 161,763 | 58,080 | 40,671 | 179,172 |
| Storm Sewers | 402,492 | 361,734 | - | 764,226 |
| Roads | - | 832,640 | - | 832,640 |
| Pathways | 489,015 | 11,603 | - | 500,618 |
| Total Capital Assets Being Depreciated | <hr/> 3,217,999 | 1,562,189 | 40,671 | <hr/> 4,739,517 |
| Less Accumulated Depreciation for | | | | |
| Buildings | 359,980 | 30,750 | - | 390,730 |
| Improvements Other than Building | 124,021 | 32,502 | - | 156,523 |
| Machinery and Equipment | 94,026 | 12,157 | - | 106,183 |
| Vehicles | 98,512 | 22,650 | 37,715 | 83,447 |
| Storm Sewers | 159,960 | 10,190 | - | 170,150 |
| Roads | - | 14,802 | - | 14,802 |
| Pathways | 36,511 | 24,451 | - | 60,962 |
| Total Accumulated Depreciation | <hr/> 873,010 | 147,502 | 37,715 | <hr/> 982,797 |
| Total Capital Assets Being Depreciated, Net | <hr/> 2,344,989 | 1,414,687 | 2,956 | <hr/> 3,756,720 |
| GOVERNMENTAL ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 5,180,039 | \$ 1,448,827 | \$ 58,367 | \$ 6,570,499 |

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

6. CAPITAL ASSETS (Continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|-------------|----------------------|
| BUSINESS-TYPE ACTIVITIES | | | | |
| Capital Assets not Being Depreciated | | | | |
| Construction in Progress | \$ - | \$ 29,361 | \$ - | \$ 29,361 |
| Total Capital Assets not Being Depreciated | - | 29,361 | - | 29,361 |
| Capital Assets Being Depreciated | | | | |
| Water Distribution System | 7,301,983 | 416,442 | - | 7,718,425 |
| Sewer Lines | 3,618,066 | 869,552 | - | 4,487,618 |
| Total Capital Assets Being Depreciated | 10,920,049 | 1,285,994 | - | 12,206,043 |
| Less Accumulated Depreciation for | | | | |
| Water Distribution System | 751,782 | 189,742 | - | 941,524 |
| Sewer Lines | 707,218 | 56,223 | - | 763,441 |
| Total Accumulated Depreciation | 1,459,000 | 245,965 | - | 1,704,965 |
| Total Capital Assets Being Depreciated, Net | 9,461,049 | 1,040,029 | - | 10,501,078 |
| BUSINESS-TYPE ACTIVITIES | | | | |
| CAPITAL ASSETS, NET | \$ 9,461,049 | \$ 1,069,390 | \$ - | \$ 10,530,439 |

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

GOVERNMENTAL ACTIVITIES

| | |
|---|-------------------|
| General Government | \$ 75,409 |
| Public Safety | 22,650 |
| Road and Bridge | 49,443 |
| TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES | \$ 147,502 |

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.

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

7. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

Risk of loss is transferred, except that each member assumes at a minimum 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, 2009.

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, 2009:

| | May 1 | Additions | Reductions | April 30 | Current Portion |
|--------------------------------------|---------------------|-------------------|-------------------|---------------------|-------------------|
| GOVERNMENTAL ACTIVITIES | | | | | |
| Special Service Area Bonds | \$ 730,000 | \$ - | \$ 60,000 | \$ 670,000 | \$ 65,000 |
| Tax Increment Allocation | | | | | |
| Revenue Bonds (1) | 3,193,752 | 168,723 | 665,000 | 2,697,475 | 695,000 |
| Less Discount on Issuance | (13,300) | - | (6,650) | (6,650) | - |
| Tax Increment Notes - Trinity | 900,000 | - | - | 900,000 | - |
| Engineering Advance - TIF | 100,000 | - | - | 100,000 | - |
| Project Advance - TIF | 145,784 | - | - | 145,784 | - |
| Compensated Absences | 151,598 | - | 6,716 | 144,882 | 14,488 |
| TOTAL GOVERNMENTAL ACTIVITIES | \$ 5,207,834 | \$ 168,723 | \$ 725,066 | \$ 4,651,491 | \$ 774,488 |

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

8. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

| | May 1 | Additions | Reductions | April 30 | Current Portion |
|--|---------------------|-------------|------------------|---------------------|--------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | |
| General Obligation Bonds | \$ 2,430,000 | \$ - | \$ 90,000 | \$ 2,340,000 | \$ 95,000 |
| Less Issuance Discount | (16,668) | - | (877) | (15,791) | - |
| TOTAL GOVERNMENTAL ACTIVITIES | | | | | |
| | <u>\$ 2,413,332</u> | <u>\$ -</u> | <u>\$ 89,123</u> | <u>\$ 2,324,209</u> | <u>\$ 95,000</u> |

(1) The amount shown in the “Additions” column includes \$154,504 of increase in the accreted value of the bonds during the fiscal year ended April 30, 2009.

b. Bonds Payable

Long-term liabilities payable from governmental activities at April 30, 2009 are comprised of the following:

| | Total | Current Portion |
|--|---------------------|--------------------|
| \$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%. | \$ 2,002,475 | \$ - |
| \$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%. | 670,000 | 65,000 |
| \$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% | 695,000 | 695,000 |
| TOTAL | <u>\$ 3,367,475</u> | <u>\$ 760,000</u> |

Long-term liabilities payable from business-type activities at April 30, 2009 are comprised of the following:

| | Total | Current Portion |
|---|--------------|--------------------|
| \$2,500,000 General Obligation Bonds Series 2006 Bonds dated November 15, 2006, in annual installment of \$70,000 to \$190,000 to January 1, 2026, interest at 3.7% to 4.0%. | \$ 2,340,000 | \$ 95,000 |

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

8. LONG-TERM DEBT (Continued)

c. Annual Debt Service Requirements to Maturity

The annual debt service requirements to retire these outstanding obligations at April 30, 2009 are as follows:

| Fiscal Year Ending April 30, | Governmental Activities | | | |
|------------------------------------|-------------------------|-------------------|---|------------------|
| | Special Tax Bonds | | Tax Increment Allocation Revenue Bonds | |
| | Principal | Interest | Principal | Interest |
| 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 | - | - |
| 2016 | 80,000 | 8,750 | - | - |
| 2017 | 85,000 | 5,950 | - | - |
| 2018 | 85,000 | 2,975 | - | - |
| TOTAL | \$ 670,000 | \$ 123,025 | \$ 695,000 | \$ 29,190 |

| Fiscal Year Ending April 30, | Business-Type Activities | |
|------------------------------------|-------------------------------------|-------------------|
| | General Obligation Revenue Bonds | |
| | Principal | Interest |
| 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 | 34,838 |
| 2023 | 165,000 | 28,518 |
| 2024 | 175,000 | 22,000 |
| 2025 | 185,000 | 15,000 |
| 2026 | 190,000 | 7,600 |
| TOTAL | \$ 2,340,000 | \$ 921,206 |

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

8. LONG-TERM DEBT (Continued)

c. Annual Debt Service Requirements to Maturity (Continued)

The annual requirements to amortize to maturity the 1990A Tax Increment Allocation Revenue Bonds outstanding as of April 30, 2009 are as follows:

| Fiscal Year | Principal | Interest Accretion |
|--|---------------------|-----------------------|
| 2010 | \$ 400,000 | \$ 183,938 |
| Capitalized interest at April 30, 2009 | 1,602,475 | - |
| TOTAL | \$ 2,002,475 | \$ 183,938 |

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 #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. However, the Village did pledge certain sales tax revenues. Therefore, the bond is reported as a Village liability.

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%.

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

8. LONG-TERM DEBT (Continued)

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, 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.

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 |

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

8. LONG-TERM DEBT (Continued)

e. Tax Increment Allocation Revenue Bonds (Continued)

The principal and interest reserve account is presented on the financial statements of the Village as the TIF Debt Service Fund. The general reserve account is presented on the financial statements as a Capital Projects - Water Reservoir and Project Fund.

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. Because the Village has not collected enough real estate taxes in the Special Tax Allocation Fund for bond obligations subsequently issued under Ordinance 87-16, the Tax Increment Allocation Revenue Bonds Series 1990A remain unfunded at April 30, 2009.

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, 2009. 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, 2009, 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:

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: | |
| Special Service Area #7 - \$398,510 original advance, due in annual installments of \$38,925 including interest at 6.25% through April 30, 2012. | \$ 103,028 |
| Special Service Area #8 - \$54,909 original advance, due in annual installments of \$5,371 including interest at 6.25% through April 30, 2012. | 14,191 |
| Special Service Area #9 - \$54,909 original advance, due in annual installments of \$5,371 including interest at 6.25% through April 30, 2012. | 14,191 |
| Special Service Area #10 - \$329,453 original advance, due in annual installments of \$32,176 including interest at 6.25% through April 30, 2012. | 85,712 |
| Special Service Area #11 - \$149,067 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2010. | 14,500 |
| Special Service Area #12 - \$116,163 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2010. | 10,500 |
| Special Service Area #13 - \$304,846 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2012. | 39,724 |
| Special Service Area #14 - \$140,684 original advance, due in annual installments of principal and interest at 8.00% through April 30, 2012. | 42,249 |
| Special Service Area #16 - \$385,900 original advance, due in annual installments of principal and interest at 5.00% through April 30, 2021. | <u>328,600</u> |
| Total General Fund | 652,695 |
| TIF Debt Service Fund: | |
| Water Reservoir and Project Fund | <u>142,948</u> |
| TOTAL ADVANCES FROM OTHER FUNDS | <u>\$ 795,643</u> |

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

8. LONG-TERM DEBT (Continued)

h. Advance from Other Funds (Continued)

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

| Year End | Advances Payable |
|------------------------------|---------------------|
| 2010 | \$ 167,743 |
| 2011 | 140,743 |
| 2012 | 140,743 |
| 2013 - 2021 | <u>334,602</u> |
| TOTAL PRINCIPAL AND INTEREST | 783,831 |
| INTEREST PORTION | <u>131,136</u> |
| TOTAL PRINCIPAL | <u>\$ 652,695</u> |

The Water Reservoir Fund advance of \$142,948 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, 2009 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.

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

9. TAX INCREMENT FINANCING (Continued)

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

For the year ended April 30, 2009, interfund receivables and payables consist of the following:

| | <u>Due From</u> | <u>Due To</u> |
|-----------------------|-------------------|-------------------|
| General Fund | | |
| Nonmajor Governmental | \$ 3,212 | \$ 18,777 |
| Road and Bridge | - | 1,852 |
| Police | - | 2,278 |
| Water | - | 561,526 |
| Sewer | 184,438 | - |
| Total General | <u>187,650</u> | <u>584,433</u> |
| Police | | |
| General | <u>2,278</u> | - |
| Road and Bridge | | |
| General | <u>1,852</u> | - |
| Nonmajor Governmental | | |
| General | <u>18,777</u> | 3,212 |
| Water | | |
| General | <u>561,526</u> | - |
| Sewer | | |
| General | <u>-</u> | 184,438 |
| TOTAL ALL FUNDS | <u>\$ 772,083</u> | <u>\$ 772,083</u> |

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

10. INTERFUND ACCOUNTS (Continued)

a. Due From/To Other Funds (Continued)

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 advances for these funds that do not have physical operating accounts.

b. Transfers

Interfund transfers during the year ended April 30, 2009 consisted of the following:

| | <u>Transfer In</u> | <u>Transfer Out</u> |
|-----------------------|---------------------|---------------------|
| General Fund | | |
| Police | \$ - | \$ 675,000 |
| Road and Bridge | - | 1,280,000 |
| Nonmajor Governmental | - | 3,000 |
| Total General | <u>-</u> | <u>1,958,000</u> |
| Police | | |
| General | <u>675,000</u> | - |
| Road and Bridge | | |
| General | <u>1,280,000</u> | - |
| Nonmajor Governmental | | |
| General | <u>3,000</u> | - |
| TOTAL ALL FUNDS | <u>\$ 1,958,000</u> | <u>\$ 1,958,000</u> |

The purpose of significant transfers is as follows:

- \$675,000 transferred to the Police Fund from the General Fund to cover current year operating and capital costs. This transfer will not be repaid.
- \$1,280,000 transferred to the Road and Bridge Fund from the General Fund and \$3,000 to the Audit Fund from the General 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 2008 was 15.50% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees.

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs

Employer contributions have been determined as follows:

| | <u>Illinois Municipal Retirement</u> |
|--|--|
| Actuarial Valuation Date | December 31, 2006 |
| Actuarial Cost Method | Entry-age Normal |
| Asset Valuation Method | 5 Year Smoothed Market |
| Amortization Method | Level Percentage of Payroll |
| Amortization Period | 28 Years, Open |
| 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 10.0% |

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

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Annual Pension Costs (Continued)

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

| | For Fiscal Year | Illinois Municipal Retirement |
|-------------------------------|-----------------------|-------------------------------------|
| Annual Pension Cost (APC) | 2008 | \$ 127,638 |
| | 2007 | 117,487 |
| | 2006 | 111,865 |
| Actual Contribution | 2008 | \$ 127,638 |
| | 2007 | 117,487 |
| | 2006 | 111,865 |
| Percentage of APC Contributed | 2008 | 100.00% |
| | 2007 | 100.00 |
| | 2006 | 100.00 |
| NPO | 2008 | \$ - |
| | 2007 | - |
| | 2006 | - |

c. Funded Status and Funding Progress

The funded status and funding progress of the plan as of December 31, 2008 were as follows:

| | Illinois Municipal Retirement |
|---|-------------------------------------|
| Actuarial accrued liability (AAL) | \$ 2,158,159 |
| Actuarial value of plan assets | 1,062,843 |
| Unfunded actuarial accrued liability (UAAL) | 1,095,316 |
| Funded ratio (actuarial value of plan assets/AAL) | 49.25% |
| Covered payroll (active plan members) | \$ 823,474 |
| UAAL as a percentage of covered payroll | 133.01% |

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, 2009

| | Original Budget | Final Budget | Actual |
|--|-----------------------|-----------------------|---------------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 208,350 | \$ 208,350 | \$ 207,839 |
| Hotel/Motel | 117,500 | 117,500 | 102,461 |
| Intergovernmental | 1,631,227 | 1,631,227 | 1,241,380 |
| Licenses and Permits | 192,000 | 192,000 | 301,373 |
| Charges for Services | 6,500 | 6,500 | 12,330 |
| Investment Income | 449,743 | 449,743 | 270,974 |
| Miscellaneous | 88,025 | 88,025 | 181,306 |
| Total Revenues | 2,693,345 | 2,693,345 | 2,317,663 |
| EXPENDITURES | | | |
| Current | | | |
| General Government | 1,511,411 | 1,511,411 | 1,024,499 |
| Public Safety | 150,000 | 150,000 | 133,343 |
| Road and Bridge | - | - | 968 |
| Total Expenditures | 1,661,411 | 1,661,411 | 1,158,810 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 1,031,934 | 1,031,934 | 1,158,853 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers (Out) | (2,519,367) | (2,519,367) | (1,958,000) |
| Total Other Financing Sources (Uses) | (2,519,367) | (2,519,367) | (1,958,000) |
| NET CHANGE IN FUND BALANCE | \$ (1,487,433) | \$ (1,487,433) | (799,147) |
| FUND BALANCE, MAY 1 | | | 9,478,284 |
| FUND BALANCE, APRIL 30 | | | \$ 8,679,137 |

(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, 2009

| | Original and Final Budget | Actual |
|--|------------------------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 300,050 | \$ 299,289 |
| Intergovernmental | | |
| Canine Grant | - | 4,067 |
| Tobacco Grant | 4,500 | 1,100 |
| Vest Grant | - | 985 |
| FEMA Grant | - | 18 |
| Fines and Forfeitures | 67,000 | 75,440 |
| Investment Income | - | 90 |
| | <u>371,550</u> | <u>380,989</u> |
| Total Revenues | | |
| EXPENDITURES | | |
| Public Safety | | |
| Personnel Services | | |
| Salaries | 661,155 | 628,161 |
| Insurance | 117,480 | 105,137 |
| Other Employee Services | 12,815 | 7,498 |
| Contractual Services | | |
| Legal | 14,850 | 10,962 |
| Police Dispatch | 96,800 | 89,278 |
| Community Relations | 4,300 | 3,888 |
| Professional Services | 1,100 | 5,670 |
| Maintenance and Repairs | 11,000 | 9,447 |
| Operating Supplies | 64,200 | 37,540 |
| Communications | 10,450 | 9,106 |
| Printed Materials | 3,300 | 4,003 |
| Memberships | 20,350 | 17,559 |
| Professional Development | 9,900 | 8,955 |
| Liability Insurance | 93,000 | 70,613 |
| Capital Outlay | | |
| Police Equipment | 68,750 | 56,080 |
| | <u>1,189,450</u> | <u>1,063,897</u> |
| Total Expenditures | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (817,900) | (682,908) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | 813,150 | 675,000 |
| NET CHANGE IN FUND BALANCE | <u>\$ (4,750)</u> | (7,908) |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(4,294)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (12,202)</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, 2009

| | Original Budget | Final Budget | Actual |
|--|---------------------|---------------------|---------------------|
| REVENUES | | | |
| Taxes | | | |
| Property Taxes | \$ 47,662 | \$ 47,662 | \$ 48,499 |
| Intergovernmental | - | - | 17,500 |
| Miscellaneous | 572,150 | 572,150 | 198,155 |
| Total Revenues | 619,812 | 619,812 | 264,154 |
| EXPENDITURES | | | |
| Road and Bridge | | | |
| Personnel Services | | | |
| Part-Time Wages | 2,500 | 2,500 | 6,329 |
| Contractual Services | | | |
| Consultants | 21,845 | 21,845 | 3,073 |
| Tree Program and Landscaping | 29,600 | 29,600 | 26,211 |
| Maintenance and Repairs | 131,350 | 111,350 | 86,241 |
| Snow Removal | 41,800 | 61,800 | 59,925 |
| Street Lighting | 6,200 | 6,200 | 3,197 |
| Capital Outlay | | | |
| Waukegan Road Widening | 898,700 | 898,700 | 240,279 |
| Route 22 Bridge | 140,500 | 140,500 | 50,972 |
| Route 22 | 2,750 | 2,750 | 7,612 |
| Path | 99,000 | 99,000 | 2,284 |
| Road Repairs | 943,300 | 943,300 | 779,955 |
| Storm Sewer | 638,000 | 638,000 | 427,480 |
| Total Expenditures | 2,955,545 | 2,955,545 | 1,693,558 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (2,335,733) | (2,335,733) | (1,429,404) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 1,696,301 | 1,696,301 | 1,280,000 |
| NET CHANGE IN FUND BALANCE | \$ (639,432) | \$ (639,432) | (149,404) |
| FUND BALANCE (DEFICIT), MAY 1 | | | (34,526) |
| FUND BALANCE (DEFICIT), APRIL 30 | | | \$ (183,930) |

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2009

| 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) |
|---|--|--|-------------------------------------|---|---------------------------|--|
| 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% |
| 2007 | 776,895 | 1,840,450 | 42.21% | 1,063,555 | 805,811 | 131.99% |
| 2008 | 1,062,843 | 2,158,159 | 49.25% | 1,095,316 | 823,474 | 133.01% |

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, 2009

| <u>For the Year December 31</u> | <u>Employer Contributions</u> | <u>Annual Required Contribution (ARC)</u> | <u>Percentage Contributed</u> |
|-------------------------------------|-----------------------------------|---|-----------------------------------|
| 2004 | \$ 75,235 | \$ 75,235 | 100.00% |
| 2005 | 107,324 | 107,324 | 100.00% |
| 2006 | 111,865 | 111,865 | 100.00% |
| 2007 | 117,487 | 117,487 | 100.00% |
| 2008 | 127,638 | 127,638 | 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, 2009

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 financial statements.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, a supplementary appropriation was adopted. The amendment shifted budgeted line items within several funds without altering the total budget in any fund.

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2009

| | Original Budget | Final Budget | Actual |
|---------------------------------|---------------------|---------------------|---------------------|
| EXPENDITURES | | | |
| General Government | | | |
| Personnel Services | | | |
| Salaries | \$ 315,650 | \$ 315,650 | \$ 307,260 |
| Employer Contribution - | | | |
| Pension and Retirement | 105,000 | 105,000 | 69,386 |
| Employee Health Insurance | 48,180 | 48,180 | 34,266 |
| Other Personnel Services | 13,470 | 13,470 | 10,973 |
| Contractual Services | | | |
| Legal | 99,945 | 99,945 | 72,567 |
| Recreation | 2,750 | 2,750 | 1,961 |
| Village Administration | 63,541 | 63,541 | 45,187 |
| Building Inspection Fees | 180,500 | 180,500 | 85,249 |
| Professional Services | 71,355 | 71,355 | 31,294 |
| Liability Insurance | 45,000 | 45,000 | 31,792 |
| Village Hall Maintenance | 46,400 | 61,400 | 56,716 |
| Open Space | 58,350 | 68,350 | 55,167 |
| Reimbursement Expenditures | 128,000 | 128,000 | 113,591 |
| Beautification | 45,900 | 45,900 | 34,068 |
| Emergency Disaster Services | 3,300 | 3,300 | - |
| Special Events | 11,000 | 11,000 | 7,951 |
| Other Expenditures | 14,570 | 14,570 | 8,870 |
| Capital Outlay | 258,500 | 233,500 | 58,201 |
| Total General Government | 1,511,411 | 1,511,411 | 1,024,499 |
| Public Safety | | | |
| Personnel Services | | | |
| Employer Contribution - | | | |
| Pension and Retirement | 150,000 | 150,000 | 133,343 |
| Total Public Safety | 150,000 | 150,000 | 133,343 |
| Road and Bridge | | | |
| Personnel Services | | | |
| Employer Contribution - | | | |
| Pension and Retirement | - | - | 968 |
| Total Road and Bridge | - | - | 968 |
| TOTAL EXPENDITURES | \$ 1,661,411 | \$ 1,661,411 | \$ 1,158,810 |

(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, 2009

| | Final Budget | Actual |
|----------------------------|---------------------|-------------------|
| REVENUES | | |
| Investment Income | \$ - | \$ 3,800 |
| Total Revenues | - | 3,800 |
| EXPENDITURES | | |
| General Government | | |
| Engineering | - | 15,002 |
| Contractual Services | 15,000 | 11,069 |
| Capital Outlay | 450,000 | 53,926 |
| Total Expenditures | 465,000 | 79,997 |
| NET CHANGE IN FUND BALANCE | <u>\$ (465,000)</u> | (76,197) |
| FUND BALANCE, MAY 1 | | <u>292,667</u> |
| FUND BALANCE, APRIL 30 | | <u>\$ 216,470</u> |

(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, 2009

| | Final Budget | Actual |
|-----------------------------|-------------------|---------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 931,500 | \$ 1,292,448 |
| Investment Income | 5,000 | 11,752 |
| | <u>936,500</u> | <u>1,304,200</u> |
| Total Revenues | | |
| EXPENDITURES | | |
| Debt Service | | |
| Principal | 700,000 | 665,000 |
| Interest and Fiscal Charges | 100,000 | 57,120 |
| | <u>800,000</u> | <u>722,120</u> |
| Total Expenditures | | |
| NET CHANGE IN FUND BALANCE | <u>\$ 136,500</u> | 582,080 |
| FUND BALANCE, MAY 1 | | <u>1,080,769</u> |
| FUND BALANCE, APRIL 30 | | <u>\$ 1,662,849</u> |

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2009

| | Special Revenue | Debt Service | Total Nonmajor Governmental |
|--|--------------------|-------------------|-----------------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 122,178 | \$ 73,118 | \$ 195,296 |
| Investments | 278,197 | - | 278,197 |
| Receivables (Net, Where Applicable, of Allowances For Uncollectibles) | | | |
| Property Taxes | 59,948 | 255,801 | 315,749 |
| Accrued Interest | 2,136 | 12 | 2,148 |
| Other | 12,861 | - | 12,861 |
| Due from Other Governments | 2,854 | - | 2,854 |
| Due from Other Funds | 17,514 | 1,263 | 18,777 |
| TOTAL ASSETS | \$ 495,688 | \$ 330,194 | \$ 825,882 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ 2,250 | \$ 29,246 | \$ 31,496 |
| Deferred Property Tax Revenue | 59,948 | 255,801 | 315,749 |
| Other Deferred Revenue | 12,861 | - | 12,861 |
| Due to Other Funds | - | 3,212 | 3,212 |
| Advances from Other Funds | - | 652,695 | 652,695 |
| Total Liabilities | 75,059 | 940,954 | 1,016,013 |
| FUND BALANCES | | | |
| Reserved for Maintenance of Roadways | 405,365 | - | 405,365 |
| Reserved for Liability Insurance | 17,285 | - | 17,285 |
| Reserved for Special Projects | 37 | - | 37 |
| Reserved for Debt Service | - | 43,884 | 43,884 |
| Unreserved | | | |
| Undesignated (Deficit) - Special Revenue Funds | (2,058) | - | (2,058) |
| Undesignated (Deficit) - Debt Service Funds | - | (654,644) | (654,644) |
| Total Fund Balances | 420,629 | (610,760) | (190,131) |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 495,688 | \$ 330,194 | \$ 825,882 |

(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, 2008

| | Special Revenue | Debt Service | Total Nonmajor Governmental |
|--|--------------------|---------------------|-----------------------------------|
| REVENUES | | | |
| Taxes | \$ 57,142 | \$ 257,987 | \$ 315,129 |
| Intergovernmental | 37,290 | - | 37,290 |
| Recapture Fees | - | 59,429 | 59,429 |
| Investment Income | 7,509 | 1,066 | 8,575 |
| Total Revenues | 101,941 | 318,482 | 420,423 |
| EXPENDITURES | | | |
| Current | | | |
| General Government | 40,074 | - | 40,074 |
| Capital Outlay | 163,275 | 1,854 | 165,129 |
| Debt Service | | | |
| Principal | - | 60,000 | 60,000 |
| Interest and Fiscal Charges | - | 70,315 | 70,315 |
| Total Expenditures | 203,349 | 132,169 | 335,518 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (101,408) | 186,313 | 84,905 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 3,000 | - | 3,000 |
| Total Other Financing Sources (Uses) | 3,000 | - | 3,000 |
| NET CHANGE IN FUND BALANCES | (98,408) | 186,313 | 87,905 |
| FUND BALANCES (DEFICIT), MAY 1 | 519,037 | (797,073) | (278,036) |
| FUND BALANCES (DEFICIT), APRIL 30 | \$ 420,629 | \$ (610,760) | \$ (190,131) |

(See independent auditor's report.)

NONMAJOR SPECIAL REVENUE FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS

April 30, 2009

| | Motor Fuel Tax | Audit | Liability Insurance |
|--|-------------------|------------------|------------------------|
| ASSETS | | | |
| Cash and Cash Equivalents | \$ 122,178 | \$ - | \$ - |
| Investments | 278,197 | - | - |
| Receivables (Net, Where Applicable, of Allowances For Uncollectibles) | | | |
| Property Taxes | - | 16,990 | 32,282 |
| Accrued Interest | 2,136 | - | - |
| Other | - | - | 12,861 |
| Due from Other Governments | 2,854 | - | - |
| Due from Other Funds | - | 192 | 17,285 |
| TOTAL ASSETS | \$ 405,365 | \$ 17,182 | \$ 62,428 |
| LIABILITIES AND FUND BALANCES | | | |
| LIABILITIES | | | |
| Accounts Payable | \$ - | \$ 2,250 | \$ - |
| Deferred Property Tax Revenue | - | 16,990 | 32,282 |
| Other Deferred Revenue | - | - | 12,861 |
| Total Liabilities | - | 19,240 | 45,143 |
| FUND BALANCES | | | |
| Reserved for Maintenance of Roadways | 405,365 | - | - |
| Reserved for Liability Insurance | - | - | 17,285 |
| Reserved for Special Projects | - | - | - |
| Unreserved | | | |
| Undesignated (Deficit) | - | (2,058) | - |
| Total Fund Balances | 405,365 | (2,058) | 17,285 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 405,365 | \$ 17,182 | \$ 62,428 |

| Special Service Area #1 | Special Service Area #2 | Total Nonmajor Special Revenue |
|-------------------------------|-------------------------------|---|
| \$ - | \$ - | \$ 122,178 |
| - | - | 278,197 |
| 2,060 | 8,616 | 59,948 |
| - | - | 2,136 |
| - | - | 12,861 |
| - | - | 2,854 |
| 7 | 30 | 17,514 |
| <u>\$ 2,067</u> | <u>\$ 8,646</u> | <u>\$ 495,688</u> |
| \$ - | \$ - | \$ 2,250 |
| 2,060 | 8,616 | 59,948 |
| - | - | 12,861 |
| <u>2,060</u> | <u>8,616</u> | <u>75,059</u> |
| - | - | 405,365 |
| - | - | 17,285 |
| 7 | 30 | 37 |
| - | - | (2,058) |
| <u>7</u> | <u>30</u> | <u>420,629</u> |
| <u>\$ 2,067</u> | <u>\$ 8,646</u> | <u>\$ 495,688</u> |

(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, 2009

| | Motor Fuel Tax | Audit | Liability Insurance |
|--|-------------------|-------------------|------------------------|
| REVENUES | | | |
| Taxes | \$ - | \$ 16,627 | \$ 29,928 |
| Intergovernmental | 37,290 | - | - |
| Investment Income | 7,509 | - | - |
| Total Revenues | 44,799 | 16,627 | 29,928 |
| EXPENDITURES | | | |
| Current | | | |
| General Government | - | 18,949 | 21,125 |
| Capital Outlay | - | - | - |
| Total Expenditures | - | 18,949 | 21,125 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 44,799 | (2,322) | 8,803 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | - | 3,000 | - |
| Total Other Financing Sources (Uses) | - | 3,000 | - |
| NET CHANGE IN FUND BALANCES | 44,799 | 678 | 8,803 |
| FUND BALANCES (DEFICIT), MAY 1 | 360,566 | (2,736) | 8,482 |
| FUND BALANCES (DEFICIT), APRIL 30 | \$ 405,365 | \$ (2,058) | \$ 17,285 |

| Special Service Area #1 | Special Service Area #2 | Total Nonmajor Special Revenue |
|-------------------------------|-------------------------------|---|
| \$ 2,000 | \$ 8,587 | \$ 57,142 |
| - | - | 37,290 |
| - | - | 7,509 |
| 2,000 | 8,587 | 101,941 |
| - | - | 40,074 |
| 27,942 | 135,333 | 163,275 |
| 27,942 | 135,333 | 203,349 |
| (25,942) | (126,746) | (101,408) |
| - | - | 3,000 |
| - | - | 3,000 |
| (25,942) | (126,746) | (98,408) |
| 25,949 | 126,776 | 519,037 |
| \$ 7 | \$ 30 | \$ 420,629 |

(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, 2009

| | Final Budget | Actual |
|----------------------------|---------------------|-------------------|
| REVENUES | | |
| Intergovernmental | | |
| Motor Fuel Tax | \$ 40,000 | \$ 37,290 |
| Investment Income | 11,000 | 7,509 |
| Total Revenues | <u>51,000</u> | <u>44,799</u> |
| EXPENDITURES | | |
| Capital Outlay | | |
| Contractual Services | 300,000 | - |
| Total Expenditures | <u>300,000</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (249,000)</u> | 44,799 |
| FUND BALANCE, MAY 1 | | <u>360,566</u> |
| FUND BALANCE, APRIL 30 | | <u>\$ 405,365</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, 2009

| | Final Budget | Actual |
|--|-----------------|-------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 15,784 | \$ 16,627 |
| Total Revenues | <u>15,784</u> | <u>16,627</u> |
| EXPENDITURES | | |
| General Government | | |
| Contractual Services | | |
| Audit Services | <u>25,700</u> | <u>18,949</u> |
| Total Expenditures | <u>25,700</u> | <u>18,949</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (9,916) | (2,322) |
| OTHER FINANCING SOURCES (USES) | | |
| Transfers In | <u>9,916</u> | <u>3,000</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ -</u> | 678 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(2,736)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (2,058)</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, 2009

| | Final Budget | Actual |
|-----------------------------------|-------------------|------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 26,858 | \$ 29,928 |
| | | |
| Total Revenues | 26,858 | 29,928 |
| EXPENDITURES | | |
| General Government | | |
| Contractual Services | | |
| Liability Insurance | 34,250 | 21,125 |
| | | |
| Total Expenditures | 34,250 | 21,125 |
| NET CHANGE IN FUND BALANCE | \$ (7,392) | 8,803 |
| FUND BALANCE, MAY 1 | | 8,482 |
| FUND BALANCE, APRIL 30 | | \$ 17,285 |

(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, 2009

| | Final Budget | Actual |
|-----------------------------------|---------------------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 1,995 | \$ 2,000 |
| Total Revenues | <u>1,995</u> | <u>2,000</u> |
| EXPENDITURES | | |
| Capital Outlay | | |
| Maintenance and Repairs | 5,000 | 503 |
| Route 22 Liftstation | 50,000 | 27,439 |
| Total Expenditures | <u>55,000</u> | <u>27,942</u> |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (53,005)</u></u> | (25,942) |
| FUND BALANCE, MAY 1 | | <u>25,949</u> |
| FUND BALANCE, APRIL 30 | | <u><u>\$ 7</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 #2 FUND

For the Year Ended April 30, 2009

| | Final Budget | Actual |
|-----------------------------------|---------------------|----------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 8,505 | \$ 8,587 |
| Total Revenues | 8,505 | 8,587 |
| EXPENDITURES | | |
| Capital Outlay | | |
| Maintenance and Repairs | 7,000 | 2,012 |
| Capital Outlay | 160,000 | 133,321 |
| Total Expenditures | 167,000 | 135,333 |
| NET CHANGE IN FUND BALANCE | \$ (158,495) | (126,746) |
| FUND BALANCE, MAY 1 | | 126,776 |
| FUND BALANCE, APRIL 30 | | \$ 30 |

(See independent auditor's report.)

NONMAJOR DEBT SERVICE FUNDS

VILLAGE OF BANNOCKBURN, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS

April 30, 2009

| | Special Service Area #4 | Special Service Area #7 | Special Service Area #8 | Special Service Area #9 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| ASSETS | | | | |
| Cash and Cash Equivalents | \$ 32,464 | \$ - | \$ - | \$ - |
| Receivables (Net, Where Applicable, of Allowances For Uncollectibles) | | | | |
| Property Taxes | - | 38,862 | 5,355 | 5,355 |
| Accrued Interest | 12 | - | - | - |
| Due from Other Funds | - | - | - | - |
| TOTAL ASSETS | \$ 32,476 | \$ 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 | - | 1,214 | 167 | 176 |
| Advances from Other Funds | - | 103,028 | 14,191 | 14,191 |
| Total Liabilities | - | 143,104 | 19,713 | 19,722 |
| FUND BALANCES | | | | |
| Reserved for Debt Service | 32,476 | - | - | - |
| Unreserved | | | | |
| Undesignated (Deficit) | - | (104,242) | (14,358) | (14,367) |
| Total Fund Balances (Deficit) | 32,476 | (104,242) | (14,358) | (14,367) |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 32,476 | \$ 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 |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-----------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 40,654 | \$ - | \$ 73,118 |
| 32,128 | 16,049 | 11,586 | 12,704 | 9,162 | 87,422 | 37,178 | 255,801 |
| - | - | - | - | - | - | - | 12 |
| - | 1,157 | - | 61 | 45 | - | - | 1,263 |
| \$ 32,128 | \$ 17,206 | \$ 11,586 | \$ 12,765 | \$ 9,207 | \$ 128,076 | \$ 37,178 | \$ 330,194 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 29,246 | \$ - | \$ 29,246 |
| 32,128 | 16,049 | 11,586 | 12,704 | 9,162 | 87,422 | 37,178 | 255,801 |
| 1,076 | - | 191 | - | - | - | 388 | 3,212 |
| 85,712 | 14,500 | 10,500 | 39,724 | 42,249 | - | 328,600 | 652,695 |
| 118,916 | 30,549 | 22,277 | 52,428 | 51,411 | 116,668 | 366,166 | 940,954 |
| - | - | - | - | - | 11,408 | - | 43,884 |
| (86,788) | (13,343) | (10,691) | (39,663) | (42,204) | - | (328,988) | (654,644) |
| (86,788) | (13,343) | (10,691) | (39,663) | (42,204) | 11,408 | (328,988) | (610,760) |
| \$ 32,128 | \$ 17,206 | \$ 11,586 | \$ 12,765 | \$ 9,207 | \$ 128,076 | \$ 37,178 | \$ 330,194 |

(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, 2009

| | Special Service Area #4 | Special Service Area #7 | Special Service Area #8 | Special Service Area #9 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| REVENUES | | | | |
| Taxes | \$ - | \$ 38,883 | \$ 5,357 | \$ 5,357 |
| Recapture fees | - | - | - | - |
| Investment Income | 377 | - | - | - |
| Total Revenues | 377 | 38,883 | 5,357 | 5,357 |
| EXPENDITURES | | | | |
| Capital Outlay | - | - | - | - |
| Debt Service | | | | |
| Principal | - | - | - | - |
| Interest and Fiscal Charges | - | 8,348 | 1,151 | 1,151 |
| Total Expenditures | - | 8,348 | 1,151 | 1,151 |
| NET CHANGE IN FUND BALANCES | 377 | 30,535 | 4,206 | 4,206 |
| FUND BALANCES (DEFICIT), MAY 1 | 32,099 | (134,777) | (18,564) | (18,573) |
| FUND BALANCES (DEFICIT), APRIL 30 | \$ 32,476 | \$ (104,242) | \$ (14,358) | \$ (14,367) |

| 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 |
|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|-----------------------------------|
| \$ 32,145 | \$ 17,258 | \$ 12,443 | \$ 12,711 | \$ 9,167 | \$ 87,468 | \$ 37,198 | \$ 257,987 |
| - | - | - | 42,429 | 17,000 | - | - | 59,429 |
| - | - | - | - | - | 689 | - | 1,066 |
| 32,145 | 17,258 | 12,443 | 55,140 | 26,167 | 88,157 | 37,198 | 318,482 |
| - | - | - | - | - | 1,854 | - | 1,854 |
| - | - | - | - | - | 60,000 | - | 60,000 |
| 6,933 | 2,320 | 1,681 | 3,322 | 2,396 | 25,550 | 17,463 | 70,315 |
| 6,933 | 2,320 | 1,681 | 3,322 | 2,396 | 87,404 | 17,463 | 132,169 |
| 25,212 | 14,938 | 10,762 | 51,818 | 23,771 | 753 | 19,735 | 186,313 |
| (112,000) | (28,281) | (21,453) | (91,481) | (65,975) | 10,655 | (348,723) | (797,073) |
| \$ (86,788) | \$ (13,343) | \$ (10,691) | \$ (39,663) | \$ (42,204) | \$ 11,408 | \$ (328,988) | \$ (610,760) |

(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, 2009

| | Final Budget | Actual |
|-----------------------------------|-----------------|------------|
| REVENUES | | |
| Investment Income | \$ 350 | \$ 377 |
| Total Revenues | 350 | 377 |
| EXPENDITURES | | |
| None | - | - |
| Total Expenditures | - | - |
| NET CHANGE IN FUND BALANCE | \$ 350 | 377 |
| FUND BALANCE, MAY 1 | | 32,099 |
| FUND BALANCE, APRIL 30 | | \$ 32,476 |

(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, 2009

| | Final Budget | Actual |
|----------------------------------|-------------------|---------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 38,861 | \$ 38,883 |
| Total Revenues | <u>38,861</u> | <u>38,883</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | 38,900 | 8,348 |
| Miscellaneous | 1,000 | - |
| Total Expenditures | <u>39,900</u> | <u>8,348</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,039)</u> | 30,535 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(134,777)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (104,242)</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 #8 FUND

For the Year Ended April 30, 2009

| | Final Budget | Actual |
|----------------------------------|-----------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 5,355 | \$ 5,357 |
| Total Revenues | <u>5,355</u> | <u>5,357</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | <u>5,500</u> | <u>1,151</u> |
| Total Expenditures | <u>5,500</u> | <u>1,151</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (145)</u> | 4,206 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(18,564)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (14,358)</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, 2009

| | Final Budget | Actual |
|---|-----------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 5,355 | \$ 5,357 |
| | <u>5,355</u> | <u>5,357</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | 5,500 | 1,151 |
| | <u>5,500</u> | <u>1,151</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (145)</u> | 4,206 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(18,573)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (14,367)</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, 2009

| | Final Budget | Actual |
|----------------------------------|-------------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 32,128 | \$ 32,145 |
| Total Revenues | <u>32,128</u> | <u>32,145</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | 33,000 | 6,933 |
| Miscellaneous | 1,000 | - |
| Total Expenditures | <u>34,000</u> | <u>6,933</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,872)</u> | 25,212 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(112,000)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (86,788)</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, 2009

| | Final Budget | Actual |
|----------------------------------|-------------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 16,820 | \$ 17,258 |
| Total Revenues | <u>16,820</u> | <u>17,258</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | 18,000 | 2,320 |
| Miscellaneous | 1,000 | - |
| Total Expenditures | <u>19,000</u> | <u>2,320</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (2,180)</u> | 14,938 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(28,281)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (13,343)</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, 2009

| | Final Budget | Actual |
|----------------------------------|-----------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 14,700 | \$ 12,443 |
| Total Revenues | <u>14,700</u> | <u>12,443</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | 13,100 | 1,681 |
| Miscellaneous | 1,000 | - |
| Total Expenditures | <u>14,100</u> | <u>1,681</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 600</u> | 10,762 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(21,453)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (10,691)</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, 2009

| | Final Budget | Actual |
|----------------------------------|-------------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 12,704 | \$ 12,711 |
| Recapture Fees | - | 42,429 |
| Total Revenues | <u>12,704</u> | <u>55,140</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | 12,800 | 3,322 |
| Miscellaneous | 1,000 | - |
| Total Expenditures | <u>13,800</u> | <u>3,322</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,096)</u> | 51,818 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(91,481)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (39,663)</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, 2009

| | Final Budget | Actual |
|----------------------------------|-------------------|--------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 9,162 | \$ 9,167 |
| Recapture Fees | - | 17,000 |
| Total Revenues | <u>9,162</u> | <u>26,167</u> |
| EXPENDITURES | | |
| Debt Service | | |
| Interest and Fiscal Charges | 9,300 | 2,396 |
| Miscellaneous | 1,000 | - |
| Total Expenditures | <u>10,300</u> | <u>2,396</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,138)</u> | 23,771 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(65,975)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (42,204)</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, 2009

| | Final Budget | Actual |
|-----------------------------|----------------------------|-------------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 84,902 | \$ 87,468 |
| Investment Income | 1,200 | 689 |
| | <u>86,102</u> | <u>88,157</u> |
| Total Revenues | | |
| EXPENDITURES | | |
| Capital Outlay | 81,000 | 1,854 |
| Debt Service | | |
| Principal | 126,400 | 60,000 |
| Interest and Fiscal Charges | - | 25,550 |
| | <u>207,400</u> | <u>87,404</u> |
| Total Expenditures | | |
| NET CHANGE IN FUND BALANCE | <u><u>\$ (121,298)</u></u> | 753 |
| FUND BALANCE, MAY 1 | | <u>10,655</u> |
| FUND BALANCE, APRIL 30 | | <u><u>\$ 11,408</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 #16 FUND

For the Year Ended April 30, 2009

| | Final Budget | Actual |
|----------------------------------|-------------------|---------------------|
| REVENUES | | |
| Taxes | | |
| Property Taxes | \$ 37,178 | \$ 37,198 |
| Total Revenues | <u>37,178</u> | <u>37,198</u> |
| EXPENDITURES | | |
| Capital Outlay | 1,000 | - |
| Debt Service | | |
| Interest and Fiscal Charges | <u>37,300</u> | <u>17,463</u> |
| Total Expenditures | <u>38,300</u> | <u>17,463</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (1,122)</u> | 19,735 |
| FUND BALANCE (DEFICIT), MAY 1 | | <u>(348,723)</u> |
| FUND BALANCE (DEFICIT), APRIL 30 | | <u>\$ (328,988)</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, 2009

| | Original Budget | Final Budget | Actual |
|--|--------------------|-----------------|--------------|
| OPERATING REVENUES | | | |
| Charges for Services | | | |
| Water Fees | \$ 697,030 | \$ 697,030 | \$ 775,643 |
| OPERATING EXPENSES | | | |
| Cost of Operations | | | |
| Personnel Services | 13,320 | 13,320 | 10,625 |
| Water Purchases | 302,537 | 302,537 | 264,698 |
| Lab Analysis | 1,213 | 1,213 | - |
| Maintenance Service | 77,250 | 77,250 | 53,673 |
| Consultants | 16,284 | 16,284 | 10,882 |
| Capital Improvements | 334,700 | 334,700 | 267,664 |
| Less Capital Assets | (238,221) | (238,221) | (238,221) |
| Other Charges | - | - | 2,293 |
| Total Operating Expenses | 507,083 | 507,083 | 371,614 |
| OPERATING INCOME (LOSS) BEFORE DEPRECIATION | 189,947 | 189,947 | 404,029 |
| DEPRECIATION | - | - | 189,742 |
| OPERATING INCOME (LOSS) | 189,947 | 189,947 | 214,287 |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Investment Income | - | - | 3,122 |
| Miscellaneous Income | - | - | 9,449 |
| Interest Expense | (102,750) | (102,750) | (95,683) |
| Total Nonoperating Revenues (Expenses) | (102,750) | (102,750) | (83,112) |
| INCOME (LOSS) BEFORE CONTRIBUTIONS | 87,197 | 87,197 | 131,175 |
| CONTRIBUTIONS | - | - | 178,531 |
| CHANGE IN NET ASSETS | \$ 87,197 | \$ 87,197 | 309,706 |
| NET ASSETS, MAY 1 | | | 5,099,243 |
| NET ASSETS, APRIL 30 | | | \$ 5,408,949 |

(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, 2009

| | Original Budget | Final Budget | Actual |
|--|---------------------|---------------------|---------------------|
| OPERATING REVENUES | | | |
| Charges for Services | | | |
| Sewer Fees | \$ 138,492 | \$ 138,492 | \$ 149,083 |
| OPERATING EXPENSES | | | |
| Cost of Operations | | | |
| Sewer Disposal Services | 188,000 | 173,000 | 101,689 |
| Maintenance Service | 19,800 | 19,800 | 30,063 |
| Capital Improvements | 583,000 | 598,000 | 981 |
| Other Charges | - | - | 17,601 |
| Total Operating Expenses | 790,800 | 790,800 | 150,334 |
| OPERATING INCOME (LOSS) BEFORE DEPRECIATION | (652,308) | (652,308) | (1,251) |
| DEPRECIATION | - | - | 56,223 |
| OPERATING INCOME (LOSS) | (652,308) | (652,308) | (57,474) |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Tap-In Connection Fees | 30,000 | 30,000 | 21,000 |
| INCOME (LOSS) BEFORE CONTRIBUTIONS | (622,308) | (622,308) | (36,474) |
| CONTRIBUTIONS | - | - | 246,860 |
| CHANGE IN NET ASSETS | <u>\$ (622,308)</u> | <u>\$ (622,308)</u> | 210,386 |
| NET ASSETS, MAY 1 | | | <u>3,158,162</u> |
| NET ASSETS, APRIL 30 | | | <u>\$ 3,368,548</u> |

(See independent auditor's report.)

SUPPLEMENTARY SCHEDULES

VILLAGE OF BANNOCKBURN, ILLINOIS

SCHEDULE OF WATER AND SEWER FUND OPERATING ACTIVITY

Last Eight Fiscal Years

| | 2009 | 2008 | 2007 | 2006 | 2005* | 2004 | 2003 | 2002 |
|---|------------|--------------|--------------|--------------|--------------|------------|------------|------------|
| OPERATING REVENUES | | | | | | | | |
| Charges for Services | \$ 924,726 | \$ 857,695 | \$ 759,385 | \$ 807,322 | \$ 678,548 | \$ 589,990 | \$ 542,970 | \$ 497,028 |
| OPERATING EXPENSES | | | | | | | | |
| Cost of Operations | #REF! | 368,701 | 389,276 | 469,072 | 375,355 | 349,441 | 324,400 | 373,362 |
| General Operating Expenses | #REF! | 1,024,556 | 1,561,694 | 178,771 | 70,704 | 90,598 | 76,802 | 95,601 |
| Less Capital Assets | (238,221) | (881,316) | (1,711,981) | - | - | - | - | - |
| Depreciation | 245,965 | 212,375 | 104,199 | 88,470 | 83,754 | 42,054 | 38,153 | 112,388 |
| Total Operating Expenses | #REF! | 724,316 | 343,188 | 736,313 | 529,813 | 482,093 | 439,355 | 581,351 |
| OPERATING INCOME (LOSS) | #REF! | 133,379 | 416,197 | 71,009 | 148,735 | 107,897 | 103,615 | (84,323) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Investment Income | 3,122 | 25,430 | 22,611 | - | - | - | - | - |
| Tap on Fees | 30,449 | 64,545 | - | 42,374 | 27,257 | - | 2,350 | - |
| Interest Expense | (95,683) | (96,299) | (40,405) | - | - | - | - | - |
| Transfers In | - | - | - | - | - | 86,449 | - | - |
| Transfers (Out) | - | - | - | - | - | (86,449) | (107,557) | - |
| Total Nonoperating Revenues (Expenses) | (62,112) | (6,324) | (17,794) | 42,374 | 27,257 | - | (105,207) | - |
| INCOME (LOSS) BEFORE CONTRIBUTIONS | #REF! | 127,055 | 398,403 | 113,383 | 175,992 | 107,897 | (1,592) | (84,323) |
| CONTRIBUTIONS | 425,391 | 411,843 | 2,614,458 | 411,905 | 113,224 | - | - | 53,643 |
| NET INCOME (LOSS) | #REF! | 538,898 | 3,012,861 | 525,288 | 289,216 | 107,897 | (1,592) | (30,680) |
| NET ASSETS, MAY 1 | 8,257,405 | 7,718,507 | 4,705,647 | 4,180,359 | 3,884,175 | 645,716 | 647,308 | 887,282 |
| Prior Period Adjustment | - | - | - | - | 6,968 | - | - | (209,294) |
| NET ASSETS, MAY 1, RESTATED | 8,257,405 | 7,718,507 | 4,705,647 | 4,180,359 | 3,891,143 | 645,716 | 647,308 | 677,988 |
| NET ASSETS, APRIL 30 | #REF! | \$ 8,257,405 | \$ 7,718,508 | \$ 4,705,647 | \$ 4,180,359 | \$ 753,613 | \$ 645,716 | \$ 647,308 |

* The Village implemented GASB Statement No. 34 which required combining \$3,130,562 of contributed capital to net assets.

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

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

April 30, 2009

| | |
|-------------------------|-----------------------|
| 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 | | Totals |
|--|---------------------|--------------|------------|--------------|
| | | Principal | Interest | |
| 2010 | 2008 | \$ 400,000 | \$ 183,938 | \$ 583,938 |
| Capitalized interest at April 30, 2009 | | 1,602,475 | - | 1,602,475 |
| TOTAL AT APRIL 30, 2009 | | \$ 2,002,475 | \$ 183,938 | \$ 2,186,413 |

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SPECIAL TAX BONDS, SERIES 2003

April 30, 2009

| | |
|-------------------------|-----------------------|
| 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 | |
| 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 | | \$ 670,000 | \$ 123,025 | \$ 793,025 |

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2006

April 30, 2009

| | |
|-------------------------|----------------------|
| 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 | |
| 2010 | 2008 | \$ 95,000 | \$ 90,617 | \$ 185,617 |
| 2011 | 2009 | 100,000 | 87,103 | 187,103 |
| 2012 | 2010 | 105,000 | 83,402 | 188,402 |
| 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 | | \$ 2,340,000 | \$ 921,206 | \$ 3,261,206 |

(See independent auditor's report.)

VILLAGE OF BANNOCKBURN, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
 TAX INCREMENT REVENUE BONDS, SERIES 2006B

April 30, 2009

| | |
|-------------------------|------------------------|
| 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 | |
| 2010 | 2008 | \$ 695,000 | \$ 29,190 | \$ 724,190 |
| TOTAL | | \$ 695,000 | \$ 29,190 | \$ 724,190 |

(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 | 2008 | | 2007 | | 2006 | | 2005 | | 2004 | |
|---|----------------|------------|----------------|------------|----------------|------------|----------------|------------|----------------|------------|
| ASSESSED VALUATIONS | \$ 169,904,073 | | \$ 166,696,120 | | \$ 152,794,878 | | \$ 143,635,569 | | \$ 134,832,956 | |
| | Rate | Amount | Rate | Amount | Rate | Amount | Rate | Amount | Rate | Amount |
| TAX RATES | | | | | | | | | | |
| Corporate | 0.125 | \$ 212,380 | 0.125 | \$ 208,370 | 0.132 | \$ 201,689 | 0.135 | \$ 193,908 | 0.138 | \$ 186,069 |
| Street and bridge (West Deerfield and Vernon Townships) | 0.029 | 49,272 | 0.029 | 48,061 | 0.030 | 45,567 | 0.028 | 39,950 | 0.027 | 36,145 |
| Liability insurance | 0.019 | 32,282 | 0.018 | 30,005 | 0.017 | 25,975 | 0.017 | 24,418 | 0.016 | 21,573 |
| Audit | 0.010 | 16,990 | 0.010 | 16,670 | 0.010 | 15,279 | 0.010 | 14,364 | 0.008 | 10,787 |
| Police | 0.192 | 326,216 | 0.180 | 300,053 | 0.191 | 291,838 | 0.194 | 278,653 | 0.199 | 268,318 |
| TOTAL TAX RATES/AMOUNTS | 0.375 | \$ 637,140 | 0.362 | \$ 603,159 | 0.380 | \$ 580,348 | 0.384 | \$ 551,293 | 0.388 | \$ 522,892 |
| SPECIAL SERVICE AREAS* | | | | | | | | | | |
| Special Service Area #1 | 0.013 | \$ 2,060 | 0.013 | \$ 1,999 | 0.014 | \$ 2,002 | - | \$ 2,062 | - | \$ 2,118 |
| Special Service Area #2 | 0.029 | 8,616 | 0.029 | 8,583 | 0.033 | 8,523 | - | 8,695 | - | 8,607 |
| Special Service Area #7 | - | 38,862 | - | 38,863 | - | 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 | 0.130 | 16,049 | 0.143 | 17,250 | 0.169 | 18,342 | - | 19,606 | - | 20,748 |
| Special Service Area #12 | 0.118 | 11,586 | 0.124 | 12,436 | 0.168 | 13,340 | - | 14,195 | - | 15,053 |
| 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 | - | 87,422 |
| Special Service Area #16 | - | 37,178 | - | 37,178 | - | 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 | 2003 | | 2002 | | 2001 | | 2000 | | 1999 | |
|---|----------------|------------|----------------|------------|----------------|------------|----------------|------------|---------------|------------|
| ASSESSED VALUATIONS | \$ 128,711,344 | | \$ 121,973,058 | | \$ 111,102,753 | | \$ 103,796,394 | | \$ 94,783,700 | |
| | Rate | Amount | Rate | Amount | Rate | Amount | Rate | Amount | Rate | Amount |
| TAX RATES | | | | | | | | | | |
| Corporate | 0.137 | \$ 176,335 | 0.138 | \$ 168,323 | 0.146 | \$ 162,210 | 0.149 | \$ 154,657 | 0.152 | \$ 144,071 |
| Street and bridge (West Deerfield and Vernon Townships) | 0.028 | 35,787 | 0.030 | 36,348 | 0.029 | 31,987 | 0.029 | 29,855 | 0.031 | 29,142 |
| Liability insurance | 0.016 | 20,594 | 0.016 | 19,516 | 0.017 | 18,887 | 0.017 | 17,645 | 0.018 | 17,061 |
| Audit | 0.008 | 10,297 | 0.008 | 9,758 | 0.009 | 9,999 | 0.009 | 9,342 | 0.008 | 7,583 |
| Police | 0.195 | 250,987 | 0.198 | 241,507 | 0.203 | 225,539 | 0.210 | 217,972 | 0.219 | 207,576 |
| TOTAL TAX RATES/AMOUNTS | 0.384 | \$ 494,000 | 0.390 | \$ 475,452 | 0.404 | \$ 448,622 | 0.414 | \$ 429,471 | 0.428 | \$ 405,433 |
| SPECIAL SERVICE AREAS* | | | | | | | | | | |
| Special Service Area #1 | - | \$ 2,006 | - | \$ 2,071 | - | \$ 2,001 | - | \$ 2,037 | - | \$ 2,052 |
| Special Service Area #2 | - | 8,522 | - | 8,675 | - | - | - | 8,629 | - | 8,508 |
| 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 | - | 21,918 | - | 23,118 | - | 24,271 | - | 25,477 | - | 26,701 |
| Special Service Area #12 | - | 15,918 | - | 16,717 | - | 17,590 | - | 18,444 | - | 19,278 |
| Special Service Area #13 | - | 12,704 | - | 12,704 | - | 12,704 | - | - | - | - |
| Special Service Area #14 | - | 9,162 | - | 9,162 | - | 9,162 | - | - | - | - |
| Special Service Area #15 | - | 87,422 | - | - | - | - | - | - | - | - |
| 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.

(See independent auditor's report.)