

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**YEAR ENDED APRIL 30, 2009**

Prepared by Finance Department:

Gerald A. Zochowski  
Finance Director and Treasurer

# VILLAGE OF LAKE ZURICH, ILLINOIS

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## **INTRODUCTORY SECTION**

This section includes miscellaneous data regarding the Village of Lake Zurich including:

- List of Elected and Appointed Officials
- Organization Chart
- Certificate of Achievement for Excellence in Financial Reporting
- Letter of Transmittal from the Finance Director

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **List of Elected and Appointed Officials**

**April 30, 2009**

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### **VILLAGE BOARD OF TRUSTEES**

Suzanne K. Branding, Village President

Jeffrey M. Halen

Dana Rzeznik

James L. Johnson

Jonathan W. Sprawka

Thomas M. Poynton

Richard C. Sustich

Wende M. Dau, Village Clerk

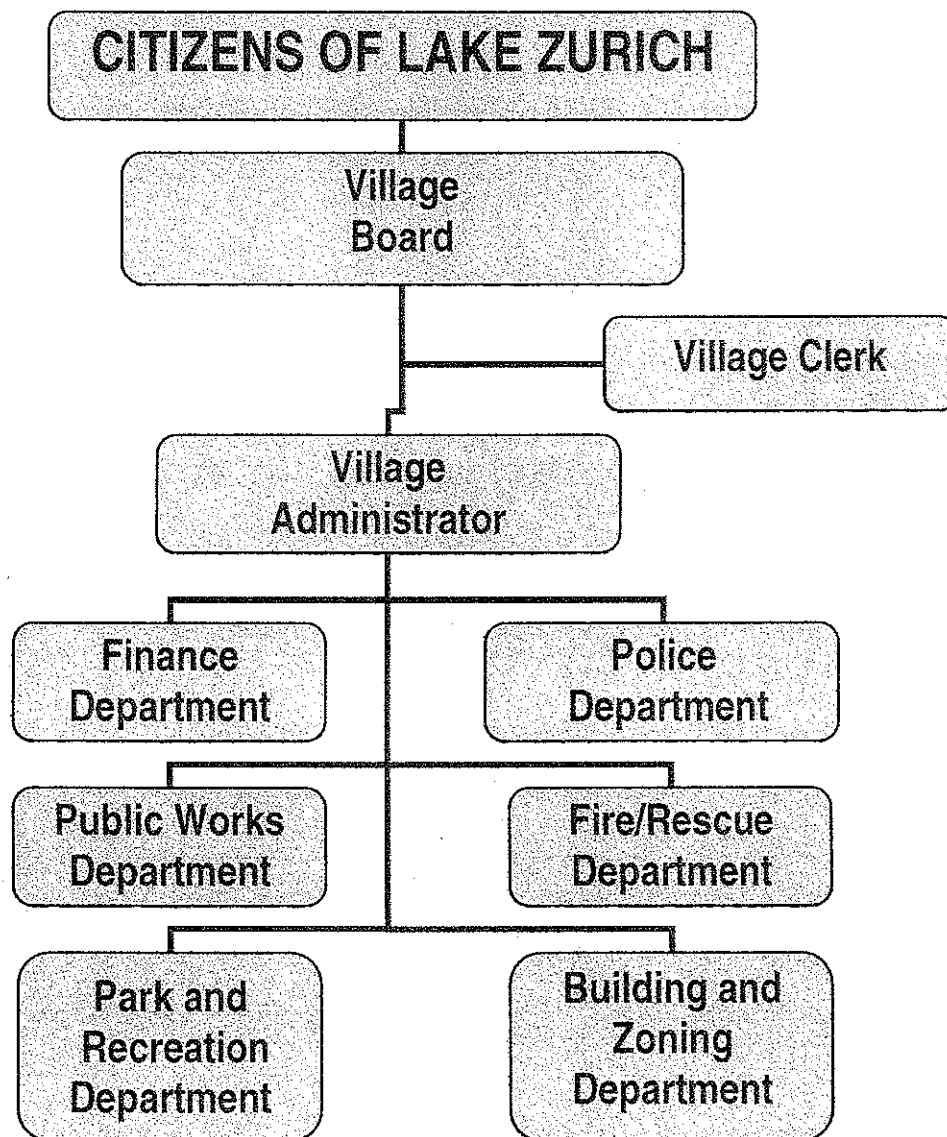
Bob Vitas, Village Administrator

Gerald A. Zochowski, Finance Director and Treasurer



# The Village of LAKE ZURICH

## Organization Chart





# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Lake Zurich  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
April 30, 2008

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



President

Executive Director

70 E. Main Street  
Lake Zurich, IL 60047-3226



Phone: (847) 438-5141  
Fax: (847) 540-1768  
Web: [www.volz.org](http://www.volz.org)

July 17, 2009

To the Honorable Village President, Members of the Village Board and Citizens of the Village of Lake Zurich, Illinois.

State law requires that all general-purpose local governments publish, within six months of the closing of the fiscal year, a complete set of financial statements presented in conformity with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the Village of Lake Zurich, Illinois.

This report consists of management's representations concerning the finances of the Village of Lake Zurich. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the Village of Lake Zurich, Illinois has established an internal control structure that is designed both to protect the government's assets from loss, theft and misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with generally accepted accounting principles (GAAP). The Village's internal control structure has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Lake Zurich, Illinois financial statements have been audited by Lauterbach and Amen LLP, a firm of licensed certified public accountants. Lauterbach and Amen concluded that the Village's financial statements for the fiscal year ended April 30, 2009, are fairly presented in conformity with generally accepted accounting principles. The independent auditors' report is presented as the first component of the financial section of this report.

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

### **Profile of the Government**

Incorporated in 1896, the Village of Lake Zurich, Illinois is a non-home rule community that operates under the management form of municipal government as provided in Chapter 65, Article 5 of the Illinois Compiled Statutes. The Village is governed by a President and Board of six trustees, all of whom are elected on an at-large basis to four-year overlapping terms. Policy-making and legislative authority are vested in the Village Board. The Board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the Village Administrator and Village Attorney. The Board is elected on a non partisan basis. Board members serve four year staggered terms, with three Board members elected every two years. The Village President and Clerk are elected to serve a four year term. An appointed Village Administrator is charged with the day-to-day responsibility of administering Board policy and supervising approximately 182 full time and 75 part time employees. The Village provides a full range of services, including administrative, financial, police and fire

protection, public works, water and sewer utilities, recreational activities, building and zoning inspections, economic development, and cultural events.

Lake Zurich, located northwest of Chicago in Lake County, is a balanced community with a strong residential population, an industrial park and commercial corridor. The Village offers its 19,932 residents a peaceful, affordable suburban living in close proximity to top-rated schools, medical resources, retail centers, and cultural venues. The population increased by 9 percent from the 2000 census, to 19,932 according to the latest special census. It is expected that the Village will continue to experience moderate growth, given its proximity and a relatively low median home value of \$362,267 as opposed to a median home value of the north shore communities.

Annually the Village adopts a budget that defines its legal spending authority. Departments submit requests to the Village Administrator so that a budget may be prepared. The requested budget appropriations for the next fiscal year are prepared by fund, function and activity. The budget is presented to the Village Board for review. The Village Board holds public hearings and adjusts the requested budgeted amounts to reflect anticipated operations and capital spending for the delivery of services offered by the Village. The Village's budget is adopted no later than April 30<sup>th</sup>, the close of the fiscal year.

### **Assessment of Economic Condition**

The Village has enjoyed rising property values in Lake Zurich for the past five years. Equalized Assessed Values from 2000-2006 have risen on average approximately 8%. The 2007 Equalized Assessed Value through the Village was valued at \$848,879,734 which remained constant with the 2006 assessed value. Lake Zurich was rated the thirteenth wealthiest community, with a population of 10,000 or more, in the State of Illinois after the 2000 Census. Lake Zurich has a very strong retail sales tax base primarily located on the Rand Road Corridor. Super stores such as Costco, Home Depot, Wal-mart and Target have helped to increase and bolster sales tax revenue in each of the last ten fiscal years by an average of 8 %. The Village is also home to Peapod, a national wide grocery delivery company. Peapods sales have increased significantly the last five years and the Village has a sales tax sharing incentive with Peapod.

### **Long Term Financial Planning**

The Village has traditionally engaged in discussions regarding long term capital planning which extend further than the annual operating budget year. Examples of long term capital planning include a 20 year street resurfacing, reconstruction, repair and maintenance schedule. The Fleet Maintenance division has a five year replacement schedule for all the Villages vehicles in each department. The Utilities division has also earmarked the replacement, repair and improvement of existing water mains and sanity sewers. The Finance Department is currently compiling a comprehensive Village wide five year operating and capital improvement plan.

### **Major Accomplishments**

A major achievement during the current fiscal year, that will have significant impacts on future Village operations, was the restructuring and refunding of the Village's TIF debt obligation. This restructuring aligned the Village's future expected cash outflows for the TIF with expected growth in incremental revenues.

The restructuring was the first step in realizing the potential growth from the Village's TIF District. The second part was the development of a new plan for the redevelopment of downtown. The adoption of the new plan by the Village Board moved the Village to new "Form Based Code" regulations to govern the future quality of all downtown development within a new Zoning Overlay District. The Village Board entered into a new redevelopment agreement with Equity Services Group, LLC of Barrington, Illinois to lead the Village in major redevelopment efforts in a significant portion of the downtown.

The Village believes it is ready to move forward with the new plan and to capitalize on the upswing of the economy as it recovers. We fully anticipate the Equity Services Group will be successful with their ambitious plans for the future of Lake Zurich's downtown.

#### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lake Zurich for its comprehensive annual financial report for the fiscal year ended April 30, 2008. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report that satisfies both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. It is our belief the Village of Lake Zurich's current comprehensive annual financial report continues to meet the requirements of the Certificate of Achievement Program and we are submitting it to the GFOA to determine its eligibility for the award.

The Finance Department staff is to be congratulated for their dedication in performing their duties in a professional manner. Through their collective efforts the audit was completed in a timely fashion. Special thanks go to Assistant Finance Director, Maria Forrest, for her dedication in managing preparation of this report. We also want to thank Village President Suzanne Branding and the Board of Trustees and Department Heads for their continued support.

Respectfully Submitted,

Bogdan Vitas, Jr  
Village Administrator

Gerald A. Zochowski  
Finance Director/Treasurer

## **FINANCIAL SECTION**

This section includes:

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

## **INDEPENDENT AUDITORS' REPORT**

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

**INDEPENDENT AUDITORS' REPORT**

July 17, 2009

The Honorable Village President  
Members of the Board of Trustees  
Village of Lake Zurich, Illinois

We have audited the accompanying basic financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Village of Lake Zurich, Illinois as of and for the year ended April 30, 2009, which collectively comprise the Village's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Lake Zurich, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 opinion.

In our opinion, the basic 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 Lake Zurich, Illinois as of April 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

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

*Lauterbach & Amen, LLP*

LAUTERBACH & AMEN, LLP



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

## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

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This section of the financial report is management's overview and analysis of the financial position and financial performance of the Village of Lake Zurich for the fiscal year ended April 30, 2009. It should be read along with the transmittal letter and financial statements for the most complete understanding of the Village of Lake Zurich's financial activities for the year.

### FINANCIAL HIGHLIGHTS

- Total assets exceeded liabilities by \$109,056,943. Unrestricted net assets (net assets used to meet ongoing operations) totaled \$12,126,307. Restricted net assets totaled \$1,952,723. The majority of the net assets, the amount "Invested in Capital Assets, Net of Related Debt," amounted to \$94,977,913.
- Governmental net assets decreased \$1,509,320 and Business-Type Activities net assets decreased \$1,777,869.
- Capital assets, net of \$50,084,108 of accumulated depreciation, amounted to \$133,762,470 at April 30, 2009. Assets capitalized include land, buildings and related improvements, machinery and equipment and infrastructure.
- Net debt increased by \$2,911,195 during the current fiscal year. Existing debt was reduced by \$16,368,784.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The Village of Lake Zurich's basic financial statements include the following: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. Also required is supplementary information provided that should be read in conjunction with the basic financial statements to further enhance the reader's knowledge and understanding of the Village of Lake Zurich's financial position.

#### Government wide statements

The government-wide statements are intended to provide a view of the financial position and operations of the Village of Lake Zurich in a manner similar to the private sector. These statements provide a long-term view of the financial position of the Village of Lake Zurich. The *Statement of Net Assets* reflects all of the Village's assets, liabilities, with the net difference between the two reported as net assets. Over time, the change in net assets may serve as a useful indicator to reflect the improving or deteriorating position of the Village.

The government-wide *Statement of Activities* reflects the change in Village net assets for the current year. These activities are reported on a full accrual basis. Thus revenues and expenses are recorded as they are incurred, regardless of when cash flow is affected. Both the *Statement of Net Assets* and the *Statement of Activities* include the Village's governmental and business-type activities. Governmental activities encompass general government, public safety, highways and streets, parks and recreation and economic development. In general, taxes and intergovernmental revenues support governmental funds. The business-type activities of the Village consist of water and wastewater operations, which are funded primarily from user fees. Revenues generated from water and sewer operations are intended to cover all or a significant amount of total costs.

## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

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#### **Fund Financial Statements**

The Village of Lake Zurich utilizes fund accounting. "A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives." Fund accounting is used to ensure compliance with specific finance and legal requirements and to provide a smaller, more detailed view of a sector of the government. The Village of Lake Zurich has three fund types; governmental, proprietary and fiduciary.

#### ***Governmental funds***

Governmental funds included in the fund financial statements are fundamentally the same as those reflected in the government-wide statements. The major difference is that the fund statements focus almost entirely on the short-term with emphasis on fiscal responsibility with relation to the current budgetary year. As such, the statements are prepared on the modified accrual basis. A reconciliation provided on the face of the governmental fund financial statements provides those items that were used to convert the fund modified accrual basis to the governmental-wide full accrual basis.

The Village of Lake Zurich has seven governmental funds to account for its governmental functions:

*The General Fund* is the general operating fund for the Village and is utilized to account for all activity that is not accounted for in another fund.

*The TIF Tax Allocation Fund* accounts for all revenues and transfers to pay for administrative, debt service, and capital improvement activity necessary to stimulate and induce redevelopment of Downtown Lake Zurich pursuant to the TIF act.

*The Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specific purposes.

*The Debt Service Fund* accounts for the accumulation of financial resources to pay principal and interest for bond issues, including the debt generated by the establishment of the Tax Increment Financing District.

*The Capital Improvements Fund* accounts for the financial resources used for the acquisition and construction of capital projects. This fund includes street construction costs financed by the motor fuel tax allocation and park and recreation facility improvements financed by park donations, grants and contributions.

*The Downtown TIF Capital Projects Fund* captures all the costs and revenue associated with the construction and improvements to the TIF district.

Budgetary comparisons are included at the fund level in the basic financial statements.

#### ***Proprietary Funds***

The Village of Lake Zurich maintains one proprietary fund – the Waterworks and Sewerage Fund. As proprietary funds are reported on a full accrual basis, the Village of Lake Zurich fund statements for its Waterworks and Sewerage fund mirror the government-wide statements.

## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

#### *Fiduciary Funds*

"Fiduciary Funds are used to account for resources held for the benefit of parties outside the government." Hence, fiduciary funds are not included in the government-wide statements. The Village of Lake Zurich has three fiduciary funds – the Police Pension Fund, the Firefighters Pension Fund, and the Performance Escrow Fund. Like proprietary funds, fiduciary funds are accounted for on a full accrual basis.

#### *Notes to the Financial Statements*

The notes to the financial statements provide information that is critical to the full understanding of the financial statements. The notes to the financial statement are on page 17 through 59 of this report.

#### *Other Information*

In addition to the basic financial statements and accompanying notes, required supplementary information is available on page 60 through 69.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### **Net Assets**

The combined net assets for the fiscal year ended April 30, 2009 totaled \$109,056,943 and consisted of positive net assets from both governmental activities and business-type activities of \$64,303,675 and \$44,753,268 respectively. The following is a summary of the Village's net assets at April 30, 2009:

	Governmental Activities		Business-type Activities		Total	
	FYED9	FYED8	FYED9	FYED8	FYED9	FYED8
Current and other assets	\$ 28,254,159	\$ 27,462,436	\$ 4,091,725	\$ 5,390,020	\$ 32,345,884	\$ 32,852,456
Capital assets	84,130,913	83,233,595	49,631,557	50,219,834	133,762,470	133,453,429
Total assets	112,385,072	110,696,031	53,723,282	55,609,854	166,108,354	166,305,885
Long-term liabilities outstanding	36,475,926	32,628,608	6,768,843	6,387,520	43,244,769	39,016,128
Other liabilities	11,605,471	12,254,428	2,201,171	2,691,197	13,806,642	14,945,625
Total liabilities	48,081,397	44,883,036	8,970,014	9,078,717	57,051,411	53,961,753
Net assets:	64,303,675	65,812,995	44,753,268	46,531,137	109,056,943	112,344,132
Invested in capital assets, net of						
related debt	52,814,210	65,075,365	42,163,704	43,220,026	94,977,914	108,295,391
Restricted	1,952,723	1,852,808	-	-	1,952,723	1,852,808
Unrestricted	9,536,742	(1,115,178)	2,589,564	3,311,111	12,126,306	2,195,933
Total net assets	\$ 64,303,675	\$ 65,812,995	\$ 44,753,268	\$ 46,531,137	\$ 109,056,943	\$ 112,344,132

The most sizable asset for the Village of Lake Zurich is its capital assets, most noticeably its infrastructure. Since the Village's capital assets, particularly its infrastructure, need to remain intact these assets are not sellable. Therefore, any outstanding debt must be extinguished from operating revenue sources.

# VILLAGE OF LAKE ZURICH

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

### Statement of Activities

The change in net assets was a reduction of \$3,287,189. The reduction is mainly attributable to a decrease of connection fee and interest income revenue in the water and sewer fund and increased expenses in Governmental activities. The governmental activities generated decreases of \$1,509,320 and business-type activities generated decreases of \$1,777,869 respectively for a total reduction of \$3,287,189.

The following is a summary of changes in the Village's net assets for the fiscal year ended April 30, 2009:

	Governmental Activities		Business-type Activities		Total	
	FY09	FY08	FY09	FY08	FY09	FY08
Revenues:						
Program revenues:						
Charges for Services	\$ 7,326,865	\$ 7,710,616	\$ 3,846,907	\$ 4,290,807	\$ 11,173,772	\$ 12,001,423
Capital grants	677,672	633,667	-	-	677,672	633,667
General revenues:						
Sales Tax	5,592,133	5,458,214	-	-	5,592,133	5,458,214
Property taxes	8,248,091	8,091,060	11,724	11,732	8,259,815	8,102,792
Illinois state income taxes	1,683,021	1,788,320	-	-	1,683,021	1,788,320
Other taxes	825,019	815,847	-	-	825,019	815,847
Investment earnings	107,426	407,397	34,070	179,907	141,496	587,304
Other	2,650,181	684,602	-	-	2,650,181	684,602
Total revenues	27,110,408	25,589,723	3,892,701	4,482,446	31,003,109	30,072,169
Expenses:						
Program expenses:						
General Government	3,529,170	3,156,278	-	-	3,529,170	3,156,278
Public Safety	16,767,143	16,081,083	-	-	16,767,143	16,081,083
Highways and Streets	3,972,096	3,722,055	-	-	3,972,096	3,722,055
Parks and Recreation	2,242,138	2,034,648	-	-	2,242,138	2,034,648
Economic Development	913,927	425,359	-	-	913,927	425,359
Interest on long-term debt	1,695,254	2,045,277	-	-	1,695,254	2,045,277
Water/Sewer	-	-	5,170,570	5,148,885	5,170,570	5,148,885
Total expenses	29,119,728	27,464,700	5,170,570	5,148,885	34,290,298	32,613,585
Excess/(deficit) before transfers	(2,009,320)	(1,874,977)	(1,277,869)	(666,439)	(3,287,189)	(2,541,416)
Transfers	500,000	-	(500,000)	-	-	-
Increase/(decrease) in net assets	(1,509,320)	(1,874,977)	(1,777,869)	(666,439)	(3,287,189)	(2,541,416)
Beginning net assets	65,812,995	67,687,972	46,531,137	47,197,576	112,344,132	114,885,548
Ending net assets - April 30	\$ 64,303,675	\$ 65,812,995	\$ 44,753,268	\$ 46,531,137	\$ 109,056,943	\$ 112,344,132

## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

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#### **Governmental Activities -**

Governmental activities resulted in a \$1,509,320 decrease in net assets. This is \$365,657 less than FYE08 decrease of \$1,874,977.

Total revenues of \$27,710,408 increased from last year by approximately 8 percent, or \$2,120,685. The increase was primarily a result of increased general revenue, which included a land donation valued at \$2,130,000.

Governmental expenses of \$29,119,728 increased by approximately 6 percent, or \$1,655,028 from the previous year. The operational factors listed below attributed to the increase:

- Public safety expenses of \$16,767,143 increased by 5 percent, or \$686,060 from the previous year. There was a decrease in the police budget of approximately 638,000 primarily from savings in personnel services which include health insurance. The fire budget showed an increase of approximately \$86,000 which was also personnel related. Depreciation expense also decreased by \$214,512 as more of the assets used by the public safety function became fully depreciated. However the net pension obligation increased by \$1,453,027.
- Economic development expenses of \$913,927 increased over 100 percent, or \$488,568 from the previous year. The increase reflects a make-whole payment to the school district of \$532,869.
- General government expenses of \$3,529,170 were up 12 percent, or \$372,892 from the previous year. Approximately \$136,000 of the increase is related to compensated absences and obligation for other post employment benefits payable. An increase in risk management expenses of approximately \$241,000 accounted for the remainder of the increase.
- Culture and Recreation expenses of \$2,242,138 were up 10 percent, or \$207,490 from the previous year. The increase is primarily additional depreciation charge of \$145,821, coupled with an increase of \$67,797 for the purchase of a truck from the park maintenance program budget.

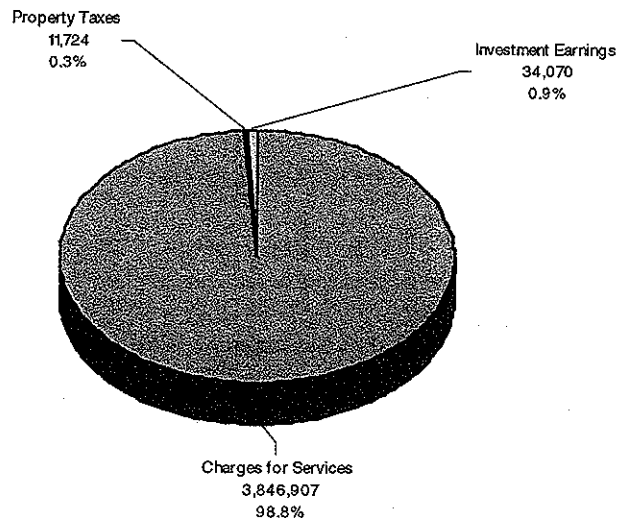
## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

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#### Revenues By Source-Business-type Activities



#### Business Type Activities -

Business-type activities resulted in a \$1,777,869 decrease in Village net assets for the fiscal year. The loss includes annual depreciation expense of \$1,661,324 which is not budgeted.

Business-type expenses of \$5,170,570 remained flat as compared to the previous year. However, charges for service decreased by 10 percent, or \$443,900 from the previous year. The decreased revenue is a result of a 56 percent decrease, or \$335,189, in connection fees. The recessionary type economic conditions caused several planned developments to be delayed and/or postponed.

#### FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

##### Governmental Funds -

As noted earlier, the focus of fund reporting is the short-term inflow and outflow of expendable resources. Fund balance is a useful indicator in assessing available resources with respect to meeting future obligations.

At April 30, 2009, governmental funds reported combined fund balances of \$17,855,597. Of this amount, \$2,815,314 is unreserved and is available for future obligations. The reserved fund balance of \$15,040,283 is comprised of the following: \$12,827,979 reserved for prepaid items and land held for resale, \$45,700 reserved for public safety expenditures, \$259,631 is reserved for future debt service payments, \$594,567 for the payment of future Tax Increment Financing interest payments, \$99,915 for allocation for eligible TIF expense, \$712,347 for improvements to the Tax Increment Financing district and \$500,194 to maintain the working cash reserve in compliance with legal requirements.

## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

The General Fund is the Village's primary operating fund. During FYE09 fund balance increased by \$39,061. The increase is primarily due to an increase in fund balance of approximately \$100,000 in the newly created TIF Tax Allocation fund. The fund was created to capture all revenues and to record transfers to the TIF debt service and TIF capital improvement funds. The restructure of debt that occurred left the allocation fund with a positive fund balance of \$100,000 to be used to fund TIF administration, debt, and capital improvement expenditures.

The Debt Service Fund has a positive fund balance of \$854,198 that is restricted entirely for the payment of future debt service. The Capital Improvements Fund and the Downtown TIF Fund have positive fund balances of \$587,586 and \$13,056,280 respectively. The Capital Improvements fund balance will be used for street and park improvements and additions. The Downtown TIF fund balance is earmarked exclusively to fund improvements to the downtown TIF district and includes reserve fund balance for and capitalized interest proceeds.

#### Proprietary Funds -

The focus for the proprietary fund at the fund level is synonymous with that found at the government-wide level. Reporting is on a full-accrual basis with short-term and long-term emphasis on financial data. The Waterworks and Sewerage Fund is the sole proprietary fund for the Village of Lake Zurich. This fund records all financial activity relating to the municipality's water and sewer operations. The Waterworks and Sewerage Fund provides the same type of information in the government-wide financial statements reflected as "Business-type" activities, but in more detail.

#### GENERAL FUND BUDGETARY HIGHLIGHTS

During the year the Village made no amendments to the General Fund budget. The emphasis of the FY09 budget was on residential street improvements including construction and engineering. General Fund revenues remained primarily flat in the areas of property taxes. Various park improvements projects were completed the largest being the improvements at Staples Park. Work began on the Police Firing Range. The Mionske storm drain system was completed. The General Fund in total had a positive net change in fund balance of \$39,061. At April 30, 2009 the General Fund had a fund balance of 14.3% of total expenditures.

#### CAPITAL ASSETS

The Village of Lake Zurich's investment in capital assets, net of accumulated depreciation, amounted to \$133,762,470 at April 30, 2009. The investment includes land, buildings, improvements, machinery and equipment, vehicles and infrastructure as follows:

	Governmental Activities		Business-type Activities		Total	
	FYE09	FYE08	FYE09	FYE08	FYE09	FYE08
Land and Improvements	\$ 34,021,114	\$ 31,783,228	\$ 249,652	\$ 249,652	\$ 34,270,766	\$ 32,032,880
Building and Improvements	9,677,903	9,858,770	-	-	9,677,903	9,858,770
Machinery & Equipment	2,544,369	2,773,888	416,091	451,135	2,960,460	3,225,023
Infrastructure	37,887,527	37,887,527	48,965,814	49,519,047	86,853,341	87,406,574
Total	\$ 84,130,913	\$ 82,303,413	\$ 49,631,557	\$ 50,219,834	\$ 133,762,470	\$ 132,523,247



## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

	Governmental Activities		Business-type Activities		Total	
	FYE09	FYE08	FYE09	FYE08	FYE09	FYE08
Land and Improvements	\$ 34,021,114	\$ 31,783,228	\$ 249,652	\$ 249,652	\$ 34,270,766	\$ 32,032,880
Building and Improvements	9,677,903	9,858,770	-	-	9,677,903	9,858,770
Machinery & Equipment	2,544,369	2,773,888	416,091	451,135	2,960,460	3,225,023
Infrastructure	37,887,527	37,887,527	48,965,814	49,519,047	86,853,341	87,406,574
Total	\$ 84,130,913	\$ 82,303,413	\$ 49,631,557	\$ 50,219,834	\$ 133,762,470	\$ 132,523,247

Capital additions for the year totaled \$4,103,667 and included the following major additions:

- \$2,411,129 – Land and Improvements:
  - A parcel of land along Rand Road valued at \$2,130,000 was donated to the Village.
  - Park Improvement spending totaled \$281,129, a majority of the spending was for improvements at Staples Park.
- \$106,723 – Buildings:
  - Work began in FYE09 for the Police Firing Range which is expected to be complete in FYE10 the project was funded by issuing debt.
- \$146,250 – Vehicles:
  - Two police squad cars and two heavy duty trucks were purchased. One of the trucks was for use in the water and sewer and the other in park operations.
- \$248,938 – Streets:
  - Mionske drain system was constructed in FYE09 and cost the Village \$210,838 to complete.
- \$1,022,378 - Well Improvements:
  - The ion exchange installation for the Village wells #9 and #12 were completed in FYE09. Ion exchange installation is necessary to reduce radium levels of finished water to meet the Illinois Environmental Protection and the Federal Safe Drinking Water Act compliance standards.

Additional information on the Village's capital assets is presented in the notes to the basic financial statements.

### DEBT ADMINISTRATION

During FYE09, proceeds for an Illinois EPA loan in the amount of \$1,134,979 were issued to fund construction for radium removal of deep water wells. However, net debt was increased by \$2,911,195 during the current fiscal year.

## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

Outstanding long-term debt at April 30, 2009 is as follows:

	Governmental Activities		Business-type Activities		Total	
	FYED9	FYED8	FYED9	FYED8	FYED9	FYED8
General Obligation Bonds	\$ 4,575,000	\$ 5,095,000	\$ -	\$ -	\$ 4,575,000	\$ 5,095,000
Alternate Revenue Bonds	8,270,000	10,000,000	3,925,000	4,510,000	12,195,000	14,510,000
TIF Revenue Bonds	20,135,000	9,100,000	-	-	20,135,000	9,100,000
IEPA Loan	-	-	3,542,854	2,489,808	3,542,854	2,489,808
Note Payable	-	6,091,851	-	-	-	6,091,851
Installment Contracts	255,000	505,000	-	-	255,000	505,000
Total	33,235,000	30,791,851	7,467,854	6,999,808	40,702,854	37,791,659

On March 29, 2009, Standard & Poor's upgraded the Village's bond rating from an A+ to an AA rating. Standard & Poor's rationale for upgrading the rating was due to the following four reasons: participation in the deep and diverse Chicago metropolitan area economy, very strong wealth and income levels, strong general fund reserve position, and low overall net debt burden as a percent of market value. The Village also remains in compliance with the statutorily required legal debt margin of 8.625% of Assessed Valuation. Additional information on the Village's long term liabilities is presented in the notes to the basic financial statements.

#### TAX INCREMENT FINANCING DISTRICT - TIF

##### *Financing*

A Tax Increment Financing District was established in Lake Zurich in March of 2002. During FYE03, the issuance of \$10,000,000 in Tax Increment bonds was authorized in two separate bond issues of \$5,800,000 and \$4,200,000. In June 2005 a \$10,000,000 TIF Revenue Bond was issued and the Village continues to utilize a line of credit (notes payable) to help acquire additional properties. At April 30, 2008 the balance on the line of credit was \$6,091,851.

During FYE09 the Village issued \$13,610,000 of which \$5,429,542 was payment to an escrow agent to refund 4 years of debt principal and interest on certain existing TIF bonds. The balance of the line of credit of \$6,091,851 was also paid off. The restructured debt implementation aligned the future debt service payments with the expected incremental revenue.

##### *Development*

The proceeds from the bonds and notes are used to pay for land acquisition and economic development cost in the downtown district which is centered at the intersection of Main Street (Route 22) and Old Rand Road. Significant historical improvements in the TIF district include downtown promenade and streetscape projects, acquisition of land, capital improvements to help construct the Concorde Village site and Phase II of downtown redevelopment and legal and consulting work.

## VILLAGE OF LAKE ZURICH

### MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2009

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During FYE09 the adoption of the new plan by the Village Board moved the Village to new "Form Based Code" regulations to govern the future quality of all downtown development within a new Zoning Overlay District. The Village Board entered into a new redevelopment agreement with Equity Services Group, LLC of Barrington, Illinois.

#### *Incremental Revenue*

Incremental real estate taxes generated by the value added to the property tax base, along with enhanced sales tax revenues, are earmarked to repay the loans. To date \$3,900,565 of incremental taxes have been received. In May 2009 the Lake County Clerks office confirmed the Village will receive approximately \$1,502,011 in incremental property taxes during the 2009/2010 fiscal year. This amount is anticipated to increase substantially over the coming years.

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

- The Illinois Department of Revenue has certified the CPI used for calculating the Villages Tax Levy to be 4.1%. It is anticipated the CPI increase along with the value of new construction will bring in approximately \$337,000 of new revenue.
- The Village will continue to monitor the residential housing market during fiscal year 2010. Downtown redevelopment is predicated on residential and commercial development. Sluggish sales have reduced the possibility of increased incremental property taxes needed to help move the downtown forward.
- The Village has re-negotiated the Fraternal Order of Police agreement during FYE09. Final negotiated rates for salary and benefits will increase funding requirements for personnel in the FYE 2010 budget and into the future.
- The Village will be looking to explore alternate risk management coverage options for possible cost savings.

The above factors were taken into consideration for funding and planning purposes for current and future fiscal years. As noted under budgetary highlights, the Village has increased its fund balance by \$147,835. At April 30, 2009 the fund balance of the General Fund was 14.3% of total expenditures.

The Water/Sewer Fund continues to have very strong cash balances. At April 30, 2009 the fund had a cash balance of \$3,388,702. The fund also had unrestricted net assets of \$2,589,564. Unrestricted net assets are 50% of operating expenses. During FYE10 the Village will conduct a rate study to determine the rate levels necessary to cover the maintenance and long term replacement infrastructure needs of the Water/Sewer Fund.

**VILLAGE OF LAKE ZURICH**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**April 30, 2009**

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**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village of Lake Zurich's financial position and activities for the fiscal year ended April 30, 2009. Questions and requests for additional information should be directed to the Finance Director, Village of Lake Zurich, 70 E. Main Street, Lake Zurich, Illinois 60047.

## **BASIC FINANCIAL STATEMENTS**

The basic financial Statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board. The sets of statements include:

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

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

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Statement of Net Assets**

**April 30, 2009**

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**See Following Page**

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Statement of Net Assets

April 30, 2009

	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Investments	\$ 4,393,847	3,388,702	7,782,549
Receivables - Net of Allowances	9,101,918	692,511	9,794,429
Due from Other Governments	1,421,789	-	1,421,789
Deposits	508,676	10,512	519,188
Prepays	483,996	-	483,996
Inventory - Land Held for Resale	12,343,933	-	12,343,933
Total Current Assets	28,254,159	4,091,725	32,345,884
<b>Noncurrent Assets</b>			
<b>Capital Assets</b>			
Nondepreciable Capital Assets	30,463,170	249,652	30,712,822
Depreciable Capital Assets	82,616,526	70,517,230	153,133,756
Accumulated Depreciation	(28,948,783)	(21,135,325)	(50,084,108)
Total Noncurrent Assets	84,130,913	49,631,557	133,762,470
Total Assets	112,385,072	53,723,282	166,108,354

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

	Governmental Activities	Business- Type Activities	Total
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	506,422	1,265,903	1,772,325
Accrued Payroll	1,090,138	77,526	1,167,664
Interest Payable	169,509	86,844	256,353
Unearned/Deferred Revenues	8,802,002	-	8,802,002
Current Portion of Long-Term Debt	1,037,400	770,898	1,808,298
Total Current Liabilities	11,605,471	2,201,171	13,806,642
Noncurrent Liabilities			
Compensated Absences Payable	1,049,602	57,510	1,107,112
Net Pension Obligation Payable	4,859,627	-	4,859,627
Net Other Postemployment Benefit Payable	24,994	-	24,994
IEPA Loan Payable	-	3,391,333	3,391,333
General Obligation Bonds Payable	4,160,000	-	4,160,000
Alternate Revenue Bonds Payable	20,135,000	3,320,000	23,455,000
TIF Revenue Bonds Payable	8,165,000	-	8,165,000
Unamortized Gain on Refunding	(2,088,664)	-	(2,088,664)
Unamortized Premium on Debt Issuance	170,367	-	170,367
Total Noncurrent Liabilities	36,475,926	6,768,843	43,244,769
Total Liabilities	48,081,397	8,970,014	57,051,411
<b>NET ASSETS</b>			
Invested in Capital Assets - Net of Related Debt	52,814,210	42,163,703	94,977,913
Restricted - Special Levies	545,894	-	545,894
Restricted - Tax Increment Financing	1,406,829	-	1,406,829
Unrestricted	9,536,742	2,589,565	12,126,307
Total Net Assets	64,303,675	44,753,268	109,056,943

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



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Statement of Activities Year Ended April 30, 2009

		Program Revenues	
		Charges for Services	Capital Grants/ Contributions
	Expenses		
Governmental Activities			
General Government	\$ 3,529,170	2,136,166	-
Public Safety	16,767,143	4,560,817	-
Highways and Streets	3,972,096	-	677,672
Culture and Recreation	2,242,138	629,882	-
Economic Development	913,927	-	-
Interest on Long-Term Debt	1,695,254	-	-
Total Governmental Activities	29,119,728	7,326,865	677,672
Business-Type Activities			
Waterworks and Sewerage	5,170,570	3,846,907	-
	34,290,298	11,173,772	677,672

General Revenues  
Taxes  
    Property Taxes  
    Municipal Sales Taxes  
Intergovernmental - Unrestricted  
    Illinois State Income Taxes  
    Other Taxes  
Interest Income  
Miscellaneous  
Transfers - Internal Activity

Change in Net Assets

Net Assets - Beginning

Net Assets - Ending

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

Net Expense/Revenue		
Governmental Activities	Business-Type Activities	Total
(1,393,004)	-	(1,393,004)
(12,206,326)	-	(12,206,326)
(3,294,424)	-	(3,294,424)
(1,612,256)	-	(1,612,256)
(913,927)	-	(913,927)
(1,695,254)	-	(1,695,254)
(21,115,191)	-	(21,115,191)
-	(1,323,663)	(1,323,663)
(21,115,191)	(1,323,663)	(22,438,854)
8,248,091	11,724	8,259,815
5,592,133	-	5,592,133
1,683,021	-	1,683,021
825,019	-	825,019
107,426	34,070	141,496
2,650,181	-	2,650,181
500,000	(500,000)	-
19,605,871	(454,206)	19,151,665
(1,509,320)	(1,777,869)	(3,287,189)
65,812,995	46,531,137	112,344,132
64,303,675	44,753,268	109,056,943

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

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Balance Sheet - Governmental Funds April 30, 2009

	General	TIF Tax Allocation	Debt Service	Capital Improvements	Downtown TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Investments	\$ 1,947,568	119,950	854,498	703,964	707,927	59,940	4,393,847
Receivables - Net of Allowances							
Property Taxes	6,185,304	-	2,616,698	-	-	-	8,802,002
Accounts	256,231	5,760	-	37,925	-	-	299,916
Due from Other Governments	1,417,369	-	-	-	4,420	-	1,421,789
Deposits	508,676	-	-	-	-	-	508,676
Prepays	483,996	-	-	-	-	-	483,996
Inventory - Land Held for Resale	-	-	-	-	12,343,933	-	12,343,933
<b>Total Assets</b>	<b>10,799,144</b>	<b>125,710</b>	<b>3,471,196</b>	<b>741,889</b>	<b>13,056,280</b>	<b>59,940</b>	<b>28,254,159</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities</b>							
Accounts Payable	326,024	25,795	300	154,303	-	-	506,422
Accrued Payroll	1,090,138	-	-	-	-	-	1,090,138
Unearned/Deferred Revenues	6,185,304	-	2,616,698	-	-	-	8,802,002
<b>Total Liabilities</b>	<b>7,601,466</b>	<b>25,795</b>	<b>2,616,998</b>	<b>154,303</b>	<b>-</b>	<b>-</b>	<b>10,398,562</b>
<b>Fund Balances</b>							
Reserved - Prepays/Inventory	483,996	-	-	-	12,343,933	-	12,827,929
Reserved - Public Safety	45,700	-	-	-	-	-	45,700
Reserved - Working Cash	500,194	-	-	-	-	-	500,194
Reserved - Debt Service	-	-	259,631	-	-	-	259,631
Reserved - TIF	-	99,915	594,567	-	712,347	-	1,406,829
Unreserved - General	2,167,788	-	-	-	-	-	2,167,788
Unreserved - Special Revenue	-	-	-	-	-	59,940	59,940
Unreserved - Capital Projects	-	-	-	587,586	-	-	587,586
<b>Total Fund Balances</b>	<b>3,197,678</b>	<b>99,915</b>	<b>854,198</b>	<b>587,586</b>	<b>13,056,280</b>	<b>59,940</b>	<b>17,855,597</b>
<b>Total Liabilities and Fund Balances</b>	<b>10,799,144</b>	<b>125,710</b>	<b>3,471,196</b>	<b>741,889</b>	<b>13,056,280</b>	<b>59,940</b>	<b>28,254,159</b>

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

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Reconciliation of Total Governmental Fund Balance to Net Assets of Governmental Activities April 30, 2009

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<b>Total Governmental Fund Balances</b>	<b>\$ 17,855,597</b>
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Amounts reported for governmental activities in the Statement of Net Assets  
are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	84,130,913
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Long-term liabilities are not due and payable in the current  
period and therefore are not reported in the funds.

General Obligation Bonds Payable	(4,575,000)
Alternate Revenue Bonds Payable	(20,135,000)
TIF Revenue Bonds Payable	(8,270,000)
Installment Contracts Payable	(255,000)
Unamortized Gain on Refunding	2,088,664
Unamortized Premium on Debt Issuance	(170,367)
Net Other Postemployment Benefit Obligation Payable	(24,994)
Net Pension Obligation Payable	(4,859,627)
Compensated Absences Payable	(1,312,002)
Accrued Interest Payable	<u>(169,509)</u>

<b>Net Assets of Governmental Activities</b>	<b><u>64,303,675</u></b>
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The notes to the financial statements are an integral part of this statement.

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Year Ended April 30, 2009

	General	TIF Tax Allocation	Debt Service	Capital Improvements	Downtown TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>							
Taxes	\$ 11,448,884	1,303,158	1,058,704	-	-	29,478	13,840,224
Licenses and Permits	1,912,348	-	-	-	-	-	1,912,348
Intergovernmental	2,676,492	-	-	509,220	-	-	3,185,712
Charges for Services	5,005,802	-	-	-	-	-	5,005,802
Fines and Forfeits	408,715	-	-	-	-	-	408,715
Interest	57,602	27,529	3,612	18,683	-	-	107,426
Miscellaneous	411,386	103,095	-	2,135,700	-	-	2,650,181
Total Revenues	21,921,229	1,433,782	1,062,316	2,663,603	-	29,478	27,110,408
<b>Expenditures</b>							
Current							
General Government	3,082,137	-	-	-	-	1,300	3,083,437
Public Safety	14,471,695	-	-	-	-	-	14,471,695
Highways and Streets	2,557,233	-	-	252,200	-	-	2,809,433
Culture and Recreation	2,004,690	-	-	-	-	-	2,004,690
Economic Development	-	898,015	-	-	15,912	-	913,927
Capital Outlay	-	-	-	2,762,692	8,500	-	2,771,192
Debt Service							
Principal Retirement	250,000	-	1,650,000	-	-	-	1,900,000
Interest and Fiscal Charges	16,413	368,400	1,544,056	4,632	-	-	1,933,501
Total Expenditures	22,382,168	1,266,415	3,194,056	3,019,524	24,412	1,300	29,887,875
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(460,939)	167,367	(2,131,740)	(355,921)	(24,412)	28,178	(2,777,467)
<b>Other Financing Sources</b>							
Debt Issuance	-	13,610,000	4,265,000	270,000	-	-	18,145,000
Premium on Debt Issuance	-	-	167,578	2,789	-	-	170,367
Payment to Escrow Agent	-	(5,429,542)	(10,460,973)	-	-	-	(15,890,515)
Transfers In	500,000	-	8,223,498	-	24,412	-	8,747,910
Transfers Out	-	(8,247,910)	-	-	-	-	(8,247,910)
	500,000	(67,452)	2,195,103	272,789	24,412	-	2,924,852
<b>Net Change in Fund Balances</b>	39,061	99,915	63,363	(83,132)	-	28,178	147,385
<b>Fund Balances - Beginning</b>	3,158,617	-	790,835	670,718	13,056,280	31,762	17,708,212
<b>Fund Balances - Ending</b>	3,197,678	99,915	854,198	587,586	13,056,280	59,940	17,855,597

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

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended April 30, 2009

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Net Change in Fund Balances - Total Governmental Funds	\$ 147,385
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Amounts reported for governmental activities in the Statement of Activities  
are different because:

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

Capital Outlays - Capitalized	3,030,620
Depreciation Expense	(2,133,302)

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

Additions to Compensated Absences Payable	(329,760)
Additions to Net Pension Obligation Payable	(1,912,664)
Additions to Other Postemployment Benefit Obligation Payable	(24,994)
Issuance of Debt	(18,145,000)
Retirement of Debt	15,701,851
Amortization of Gain on Refunding	2,088,664
Amortization of Premium on Debt Issuance	(170,367)

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

238,247
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Changes in Net Assets of Governmental Activities

<u>(1,509,320)</u>
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The notes to the financial statements are an integral part of this statement.

VILLAGE OF LAKE ZURICH, ILLINOIS

Statement of Net Assets - Proprietary Fund  
April 30, 2009

	Waterworks and Sewerage
<b>ASSETS</b>	
Current Assets	
Cash and Investments	\$ 3,388,702
Receivables - Net of Allowances	
Property Taxes	11,706
Accounts	490,495
Deposits	181,674
Prepays	8,636
Inventories	10,512
Total Current Assets	4,091,725
Noncurrent Assets	
Capital Assets	
Nondepreciable Capital Assets	249,652
Depreciable Capital Assets	70,517,230
Accumulated Depreciation	(21,135,325)
Total Noncurrent Assets	49,631,557
Total Assets	53,723,282

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

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Waterworks  
and  
Sewerage

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**LIABILITIES**

**Current Liabilities**

Accounts Payable	\$ 1,265,903
Accrued Payroll	77,526
Interest Payable	86,844
Compensated Absences Payable	14,377
IEPA Loan Payable	151,521
Alternate Revenue Bonds Payable	605,000
Total Current Liabilities	<u>2,201,171</u>

**Noncurrent Liabilities**

Compensated Absences Payable	57,510
IEPA Loan Payable	3,391,333
Alternate Revenue Bonds Payable	3,320,000
Total Noncurrent Liabilities	<u>6,768,843</u>
Total Liabilities	<u>8,970,014</u>

**NET ASSETS**

Investment in Capital Assets - Net of Related Debt	42,163,703
Unrestricted	<u>2,589,565</u>
Total Net Assets	<u><u>44,753,268</u></u>

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



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Fund Year Ended April 30, 2009

	<u>Waterworks and Sewerage</u>
Operating Revenues	
Charges for Services	<u>\$ 3,585,506</u>
Operating Expenses	
Administration	983,753
Operations	2,270,237
Depreciation	<u>1,661,324</u>
Total Operating Expenses	<u>4,915,314</u>
Operating Income (Loss)	<u>(1,329,808)</u>
Nonoperating Revenues (Expenses)	
Property Taxes	11,724
Connection Fees	261,401
Interest Income	34,070
Interest and Fiscal Charges	<u>(255,256)</u>
	<u>51,939</u>
Income (Loss) Before Transfers	(1,277,869)
Transfers Out	<u>(500,000)</u>
Change in Net Assets	(1,777,869)
Net Assets - Beginning	<u>46,531,137</u>
Net Assets - Ending	<u>44,753,268</u>

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

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Statement of Cash Flows - Proprietary Fund Year Ended April 30, 2009

	Waterworks and Sewerage
Cash flows from Operating Activities	
Receipts from Customers and Users	\$ 3,726,425
Payments to Employees	(1,211,895)
Payments to Suppliers	(2,618,844)
	<u>(104,314)</u>
Cash Flows from Capital and Related Financing Activities	
Purchase of Capital Assets	(1,073,047)
Issuance of Capital Debt	1,134,979
Principal Paid on Capital Debt	(666,933)
Interest Paid on Capital Debt	(255,256)
	<u>(860,257)</u>
Cash Flows from Noncapital Financing Activities	
Transfers Out	(500,000)
Property Taxes	11,724
	<u>(488,276)</u>
Cash Flows from Investing Activities	
Interest Received	34,070
	<u>34,070</u>
Net Change in Cash and Cash Equivalents	(1,418,777)
Cash and Cash Equivalents - Beginning	4,807,479
	<u>4,807,479</u>
Cash and Cash Equivalents - Ending	<u>3,388,702</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	(1,329,808)
Adjustments to Reconcile Operating Income to Net Income to Net Cash	
Provided by (Used in) Operating Activities:	
Depreciation	1,661,324
Other Income	261,401
(Increase) Decrease in Current Assets	(120,482)
Increase (Decrease) in Current Liabilities	(576,749)
Net Cash Provided by (Used in) Operating Activities	<u>(104,314)</u>

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

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Statement of Net Assets - Fiduciary Funds**  
**April 30, 2009**

	<u>Pension Trust</u>	<u>Agency</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,250,795	1,486,890
Investments		
U.S. Government and Agency Securities	8,364,958	-
State and Local Governments Securities	764,035	-
Mutual Funds	5,506,884	-
Insurance Contracts	157,721	-
Receivables		
Accrued Interest	114,305	-
Due from Other Governments	16,271	-
Prepays	<u>500</u>	<u>-</u>
Total Assets	<u>16,175,469</u>	<u>1,486,890</u>
<b>LIABILITIES</b>		
Accounts Payable	4,560	35,082
Deposits Payable	<u>-</u>	<u>1,451,808</u>
Total Liabilities	<u>4,560</u>	<u>1,486,890</u>
<b>NET ASSETS</b>		
Held in Trust for Pension Benefits		
(A schedule of funding progress is presented following the notes to the financial statements.)	<u>16,170,909</u>	<u>-</u>

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

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Statement of Changes in Net Assets - Fiduciary Funds Year Ended April 30, 2009

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 599,490
Contributions - Plan Members	718,250
Other Income	<u>10,118</u>
Total Contributions	<u>1,327,858</u>
Investment Income	
Interest Earned	663,098
Net Change in Fair Value	<u>(2,986,514)</u>
	(2,323,416)
Less Investment Expenses	<u>(34,691)</u>
Net Investment Income	<u>(2,358,107)</u>
Total Additions	<u>(1,030,249)</u>
Deductions	
Administration	40,428
Benefits and Refunds	<u>735,710</u>
Total Deductions	<u>776,138</u>
Change in Net Assets	(1,806,387)
Net Assets - Beginning	<u>17,977,296</u>
Net Assets - Ending	<u><u>16,170,909</u></u>

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

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lake Zurich, Illinois, incorporated in 1896, is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks and sewerage services, parks and recreation and general administrative services.

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

### REPORTING ENTITY

The Village's financial reporting entity comprises the following:

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

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

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

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

**Notes to the Financial Statements**  
**April 30, 2009**

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

#### **REPORTING ENTITY – Continued**

##### **Blended Component Units**

###### **Police Pension Employees Retirement System**

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

###### **Firefighters' Pension Employees Retirement System**

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

#### **BASIS OF PRESENTATION**

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

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's police and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, parks and recreation, and general administrative services are classified as governmental activities. The Village's waterworks and sewerage services are classified as business-type activities.

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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

##### **BASIS OF PRESENTATION – Continued**

##### **Government-Wide Statements – Continued**

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, public works, etc). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) changes to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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

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

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

##### **Fund Financial Statements**

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

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

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

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

##### Governmental Funds

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

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

**Special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains one major special revenue fund, the TIF Tax Allocation Fund, which is used to capture all revenues and to record fund transfers to pay for administrative, debt service, and capital improvement activity necessary to stimulate and induce redevelopment of Downtown Lake Zurich pursuant to the TIF act. The Village maintains two nonmajor special revenue funds, the Foreign Fire Tax Fund and the Hotel Tax Fund.

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

**Capital projects funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Village maintains two major capital projects funds, the Capital Improvements Fund, and the Downtown TIF Fund. The Capital Improvements Fund accounts for the acquisition of general capital assets by the Village including infrastructure capital assets. The Downtown TIF Fund accounts for activities associated with improvements within the Tax Increment Financing District.



## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### BASIS OF PRESENTATION – Continued

##### Fund Financial Statements – Continued

##### Proprietary Funds

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

**Enterprise funds** are required to account for operations for which a fee is charged to external users for goods or services and the activity is (a) financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges, or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Waterworks and Sewerage Fund, a major fund, accounts for the provision of water and sewer services to the residents and businesses of the Village.

##### Fiduciary Funds

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

**Pension trust funds** are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's police force. The Firefighters' Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the Village's Fire Department.

**Agency funds** are used to account for assets held by the Village in a purely custodial capacity. The Escrow Performance Fund accounts for refundable deposits held by the Village to ensure the completion of public improvements by private parties.

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

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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

##### **MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

##### **Measurement Focus**

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate.

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

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

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

##### **Basis of Accounting**

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

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

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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

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

###### **Basis of Accounting – Continued**

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

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

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

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

###### **Cash and Investments**

For the purpose of the Statement of Net Assets, cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

###### **Interfund Receivables, Payables and Activity**

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

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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

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

###### **Receivables**

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

###### **Prepays /Inventories – Land Held for Resale**

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids. Inventory of land held for resale is valued at cost using the specific identification method, and is recognized as an expenditure when sold/consumed.

###### **Capital Assets**

Capital assets purchased or acquired with an original cost of \$10,000 to \$250,000, depending on classification, are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in governmental capital assets. Infrastructure such as streets, traffic signals and signs are capitalized. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by the governmental activities) the government chose to include all such items regardless of their acquisition date. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

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

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

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

##### Capital Assets – Continued

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

Land	N/A
Land/Land Improvements	20 - 30 Years
Buildings	45 Years
Building Improvements	10 - 30 Years
Vehicles	3 - 25 Years
Machinery & Equipment	10 - 30 Years
Computers/Software	5 Years
Furniture & Fixtures	5 - 20 Years
Infrastructure	40 - 50 Years

##### Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement. The liability for these compensated absences is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured.

##### Long-Term Obligations

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

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

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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

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

###### **Unearned/Deferred Revenue**

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

###### **Fund Equity**

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

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

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

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

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

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

##### **BUDGETARY INFORMATION**

Budgets are adopted on a basis consistent with generally accepted accounting principles. All departments of the Village submit requests for budgets to the Village Administrator so that a budget may be prepared. The budget is prepared by fund, function, and activity, 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 governing body for review. The governing body holds public hearings and may add to, subtract from, or change budgeted amounts, but may not change the form of the budget.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### BUDGETARY INFORMATION – Continued

Prior to May 1, the budget, which by State law also serves as the appropriation ordinance, is adopted by the Board of Trustees and constitutes the legal budget of the Village. The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, the governing body must approve any revisions that alter the total expenditures of any fund. State statutes establish that expenditures may not legally exceed budgeted appropriations at the fund level. Appropriations lapse at the end of the fiscal year. During the year, one supplemental appropriation was necessary. The Village does not budget for the Downtown TIF and the Firefighters' Pension Fund.

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

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

Fund	Excess
TIF Tax Allocation	\$ 271,583
Debt Service	10,427,086
Capital Improvements	370,320
Police Pension	218,473

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

##### DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, and the Illinois Metropolitan Investment Fund.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### DEPOSITS AND INVESTMENTS – Continued

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

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

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

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

*Deposits.* At year-end, the carrying amount of the Village's deposits for governmental, business-type, and agency activities totaled \$9,220,931 and the bank balances totaled \$7,735,322.



## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### DEPOSITS AND INVESTMENTS – Continued.

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

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

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 to 5
Illinois Metropolitan Investment Fund	\$ 1,602,653	940,641	662,012
Illinois Funds	3,874,823	3,874,823	-
	5,477,476	4,815,464	662,012

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that the investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated in any fund. Investment maturities will not exceed fourteen months unless the funds invested are earmarked for a special purpose.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the Village's investment policy does not further limit investment choices to mitigate credit risk. At year-end, the Village's investments in the Illinois Funds and the Illinois Metropolitan Investment Fund were rated AAAm by Standard & Poor's.

*Custodial Credit Risk.* In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy states that time deposits in excess of FDIC or SAIF insurable limits be secured by some form of collateral. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:

Government Securities	110%
Federal Agencies	110%
Federal Instrumentalities	110%
Obligations of the State of Illinois	110%
Village General Obligation Bonds	110%

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### DEPOSITS AND INVESTMENTS – Continued

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

Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations: a Federal Reserve Bank or its branch office at another custodial facility – generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved or by an escrow agent of the pledging institution. Safekeeping will be documented by an approved written agreement. At year-end, \$5,831,474 of the bank balance of deposits was not covered by collateral, federal depository or equivalent insurance.

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

*Concentration Risk.* This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that investments shall be diversified to eliminate the risk of loss resulting in over concentration in a specific maturity, issuer, or class of securities and diversification strategies shall be determined and revised periodically by the Finance Director. The Village's investment policy does not further mitigate concentration risk. At year-end, the Village has over 5 percent of the total cash and investment portfolio (other than U.S. Government guaranteed obligations) invested in the Illinois Funds and the Illinois Metropolitan Investment Fund.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements

April 30, 2009

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

##### DEPOSITS AND INVESTMENTS – Continued

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$1,130,361 and the bank balances totaled \$1,303,361.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Government Treasuries	\$ 1,810,186	254,258	1,362,053	193,875	-
U.S. Government Agencies	2,316,666	-	666,569	1,334,461	315,636
	4,126,852	254,258	2,028,622	1,528,336	315,636

*Interest Rate Risk.* The Fund's investment policy does not mitigate interest rate risk.

*Credit Risk.* The Fund's investment policy states that safety of principal is the foremost objective of the Pension Board. Each investment transaction shall seek to first ensure that capital losses are avoided, whether they be from securities defaults or erosion of market value. The Fund's investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government.

*Custodial Credit Risk.* In the case of deposits, the Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions. For investments, the Fund's investment policy states that investments of the Board shall be clearly held and accounted for to indicate ownership by the Board. The Fund will direct the registration of the securities in its own name or in the name of a nominee created for the express purpose of registration of securities by national or state bank or trust company authorized to conduct a trust business in the State of Illinois. At year-end, the Fund's investments in U.S. Treasury and Agency securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

*Concentration Risk.* The Fund's investment policy does not mitigate concentration risk. In addition to the securities and fair values listed above, the Fund also has \$2,186,884 invested in mutual funds. At year-end, the Fund has investments over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) in Vanguard 500 Mutual Fund of \$503,147, LSV Value Fund of \$465,254, and T. Rowe Price Growth Fund of \$459,858.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements

April 30, 2009

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

##### DEPOSITS AND INVESTMENTS – Continued

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

*Deposits.* At year-end, the carrying amount of the Fund's deposits totaled \$120,434 and the bank balances totaled \$120,434.

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

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Government Treasuries	\$ 1,153,989	-	185,597	862,992	105,400
U.S. Government Agencies	3,084,117	20,131	1,261,999	1,401,636	400,351
State and Local Governments Securities	764,035	-	404,758	176,700	182,577
	5,002,141	20,131	1,852,354	2,441,328	688,328

*Interest Rate Risk.* The Fund's investment policy does not mitigate interest rate risk.

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

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### DEPOSITS AND INVESTMENTS – Continued

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

*Custodial Credit Risk.* The Fund's investment policy states that investments of the Board shall be clearly held and accounted for to indicate ownership by the Board. The Fund will direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by national or state bank or trust company authorized to conduct a trust business in the State of Illinois. At April 30, 2009, the categorizable investments are held by the counterparty in the Fund's name. Furthermore, the Fund's investments in U.S. Treasury and Agency securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name.

*Concentration Risk.* The Fund's investment policy does not mitigate concentration risk. In addition to the securities and fair values listed above, the Fund also has \$3,320,000 invested in mutual funds and \$157,721 invested in insurance contracts. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in Vanguard Institutional Mutual Fund of \$942,844, American Beacon of \$640,892, and Fidelity Advisor Insights of \$598,265.

##### **PROPERTY TAXES**

Property taxes for 2007 attach as an enforceable lien on January 1, 2008, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by Lake County and are payable in two installments, on or about May 1, 2009, and September 1, 2009. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 1% of the tax levy, to reflect actual collection experience.

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### CAPITAL ASSETS

##### Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases/ Transfers	Ending Balances
<b>Nondepreciable Capital Assets</b>				
Land	\$ 28,333,170	2,130,000	-	30,463,170
<b>Depreciable Capital Assets</b>				
Land Improvements	4,133,670	281,129	-	4,414,799
Buildings	12,757,354	106,723	-	12,864,077
Building Improvements	77,000	-	-	77,000
Vehicles	4,113,423	95,581	-	4,209,004
Machinery and Equipment	1,431,002	168,249	-	1,599,251
Computers / Software	164,479	-	-	164,479
Furniture and Fixtures	43,182	-	-	43,182
Infrastructure	58,995,796	248,938	-	59,244,734
	81,715,906	900,620	-	82,616,526
<b>Less Accumulated Depreciation</b>				
Land Improvements	683,612	173,243	-	856,855
Buildings	2,951,800	283,740	-	3,235,540
Building Improvements	23,784	3,850	-	27,634
Vehicles	2,262,476	365,590	-	2,628,066
Machinery and Equipment	594,298	95,845	-	690,143
Computers / Software	84,926	28,245	-	113,171
Furniture and Fixtures	36,498	3,669	-	40,167
Infrastructure	20,178,087	1,179,120	-	21,357,207
	26,815,481	2,133,302	-	28,948,783
<b>Total Net Depreciable Capital Assets</b>	54,900,425	(1,232,682)	-	53,667,743
<b>Total Net Capital Assets</b>	83,233,595	897,318	-	84,130,913

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### CAPITAL ASSETS – Continued

#### Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 90,979
Public Safety	382,784
Highway and Streets	1,422,091
Culture and Recreation	<u>237,448</u>
	<u>2,133,302</u>

#### Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets	\$ 249,652	-	-	249,652
Depreciable Capital Assets				
Infrastructure	68,423,102	1,022,378	-	69,445,480
Machinery and Equipment	584,654	-	-	584,654
Vehicles	436,427	50,669	-	487,096
	<u>69,444,183</u>	<u>1,073,047</u>	<u>-</u>	<u>70,517,230</u>
Less Accumulated Depreciation				
Infrastructure	18,904,055	1,575,611	-	20,479,666
Machinery and Equipment	283,052	37,245	-	320,297
Vehicles	286,894	48,468	-	335,362
	<u>19,474,001</u>	<u>1,661,324</u>	<u>-</u>	<u>21,135,325</u>
Total Net Depreciable Capital Assets	<u>49,970,182</u>	<u>(588,277)</u>	<u>-</u>	<u>49,381,905</u>
Total Net Capital Assets	<u>50,219,834</u>	<u>(588,277)</u>	<u>-</u>	<u>49,631,557</u>

Depreciation expense of \$1,661,324 was charged to business-type activities for waterworks and sewerage.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### INTERFUND TRANSFERS

Interfund transfers for the year consisted of the following:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General	Waterworks and Sewerage	\$ 500,000
Debt Service	TIF Tax Allocation	8,223,498
Downtown TIF	TIF Tax Allocation	<u>24,412</u>
		<u>8,747,910</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

##### LONG-TERM DEBT

###### General Obligation TIF Alternate Revenue Bonds

The Village issues general obligation tax increment financing alternate revenue bonds to provide funds for the acquisition and construction of tax increment financing projects. General obligation tax increment financing alternate revenue source bonds provide for the collection, segregation and distribution of certain taxes received by the government for the payment of principal and interest on the general obligation tax increment financing alternate revenue bonds.



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

#### General Obligation TIF Alternate Revenue Bonds – Continued

General obligation tax increment financing alternate revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation TIF Alternate Revenue Bonds of 2002, due in annual installments of \$155,000 to \$385,000, plus interest at 5.0% to 6.0% through December 15, 2021.	Debt Service	\$ 3,655,000	-	* 785,000 170,000	2,700,000
General Obligation TIF Alternate Revenue Bonds of 2002A, due in annual installments of \$85,000 to \$155,000, plus interest at 4.0% to 4.7% through December 15, 2021.	Debt Service	1,660,000	-	* 395,000 90,000	1,175,000
General Obligation TIF Alternate Revenue Bonds of 2003A, due in installments of \$205,000 to \$345,000, plus interest at 3.625% to 3.75% through December 15, 2021.	Debt Service	3,785,000	-	* 920,000 215,000	2,650,000
General Obligation TIF Alternate Revenue Bonds of 2009A, due in annual installments of \$30,000 to \$830,000, plus interest at 3.30% to 6.15% through February 1, 2029.	Debt Service	-	7,830,000	-	7,830,000

\* Refunded

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

#### General Obligation TIF Alternate Revenue Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation TIF Alternate Revenue Bonds of 2009B, due in annual installments of \$125,000 to \$425,000, plus interest at 4.10% to 5.10% through December 15, 2020.	Debt Service	\$ -	1,525,000	-	1,525,000
General Obligation TIF Alternate Revenue Refunding Bonds of 2009C, due in annual installments of \$125,000 to \$1,350,000, plus interest at 4.00% to 4.20% through December 15, 2024.	Debt Service	-	4,255,000	-	4,255,000
		9,100,000	13,610,000	2,575,000	20,135,000

#### General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Police Building Bonds of 2000, due in annual installments of \$215,000 to \$500,000 plus interest at 5.25% to 5.375% through December 15, 2019.	Debt Service	\$ 4,560,000	-	* 4,280,000 280,000	-

\* Refunded

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

#### General Obligation Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Refunding Bonds of 2001, due in annual installments of \$410,000 to \$905,000 plus interest at 2.50% to 3.75% through December 15, 2008.	Debt Service	\$ 450,000	-	450,000	-
General Obligation Bonds of 2003C, due in installments of \$370,000 to \$40,000 plus interest at 2.00% to 3.00% through May 1, 2009.	Debt Service	85,000	-	45,000	40,000
General Obligation Refunding Bonds of 2008A, due in annual installments of \$105,000 to \$505,000 plus interest at 3.50% to 5.00% through January 1, 2020.	Debt Service	-	4,265,000	-	4,265,000
General Obligation Limited Tax Bonds of 2008B, due in one installment of \$270,000 plus interest at 3.50% on January 1, 2010.	Debt Service	-	270,000	-	270,000
		5,095,000	4,535,000	5,055,000	4,575,000

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

##### General Obligation Waterworks and Sewerage Alternate Revenue Bonds

The Village issues general obligation waterworks and sewerage alternate revenue bonds to provide funds for the acquisition and construction of waterworks and sewerage capital projects. General obligation waterworks and sewerage alternate revenue source bonds provide for the collection, segregation and distribution of revenues received by the government for the payment of principal and interest on the general obligation waterworks and sewerage alternate revenue bonds. General obligation waterworks and sewerage alternate revenue bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Waterworks and Sewerage Alternate Revenue Bonds of 2002, due in annual installments of \$170,000 to \$240,000 plus interest at 4.00% to 4.25% through December 15, 2012.	Waterworks and Sewerage	\$ 1,095,000	-	200,000	895,000
General Obligation Waterworks and Sewerage Alternate Revenue Bonds of 2003B, due in installments of \$225,000 to \$275,000 plus interest at 2.50% to 2.625% through May 1, 2011.	Waterworks and Sewerage	1,035,000	-	245,000	790,000
Taxable General Obligation Waterworks and Sewerage Alternate Revenue Bonds of 2003D, due in installments of \$80,000 to \$100,000 plus interest at 3.35% to 4.75% through May 1, 2011.	Waterworks and Sewerage	380,000	-	90,000	290,000

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

#### General Obligation Waterworks and Sewerage Alternate Revenue Bonds – Continued

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
General Obligation Waterworks and Sewerage Bonds of 2006, due in annual installments of \$50,000 to \$700,000 plus interest at 4.00% through December 15, 2014.	Waterworks and Sewerage	\$ 2,000,000	-	50,000	1,950,000
		4,510,000	-	585,000	3,925,000

#### IEPA Loans

The Village, through the Illinois Environmental Protection Agency, received a low interest loan for the construction of waterworks and sewerage capital assets in the amount of \$1,768,390. As of the date of this report the total amount owed to the IEPA is \$538,203. A final repayment schedule will not be established until construction is complete and the final draws on the loan have been made. The final debt will be due semi-annually over a 20 year period plus interest at 2.5 percent. IEPA loans currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
IEPA Loan of 2006, due in annual installments of \$40,712 to \$63,672 plus interest at 2.5% through Dec. 16, 2026.	Waterworks and Sewerage	\$ 1,951,605	-	81,933	1,869,672
IEPA Loan of 2008, due in annual installments plus interest through Oct. 1, 2028.	Waterworks and Sewerage	538,203	1,134,979	-	1,673,182
		2,489,808	1,134,979	81,933	3,542,854

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

##### TIF Revenue Bonds

The Village issues bonds where the Village pledges incremental tax income derived from a separately created tax increment financing district. These bonds are not an obligation of the government and are secured by the incremental tax revenue generated within the district. Tax increment bonds outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
TIF Revenue Bonds of 2005A, due in annual installments of \$50,000 to \$825,000 through Dec. 15, 2024, plus interest at 3.75% to 4.0%.	Debt Service	\$ 8,500,000	-	* 900,000 50,000	7,550,000
TIF Revenue Bonds of 2005B, due in annual installments of \$100,000 to \$350,000 through Dec. 15, 2014, plus interest at 4.30% to 4.80%.	Debt Service	1,500,000	-	* 430,000 350,000	720,000
		10,000,000	-	1,730,000	8,270,000

\* Refunded

##### Installment Contracts

The government enters into installment contracts to provide funds for the acquisition of capital assets. Installment contracts currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balances	Issuances	Retirements	Ending Balances
Equipment Purchases and Construction Installment Contract of 2004, due in annual installments of \$230,000 to \$255,000 plus interest at 3.25% through December 15, 2009.	General	\$ 505,000	-	250,000	255,000

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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

##### **LONG-TERM DEBT – Continued**

###### **Non-Commitment Debt**

The Village has issued Industrial Development Revenue Bonds (IDRBs) to provide financial assistance to private organizations for the construction and acquisition of industrial and commercial property deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from the payments received on the underlying mortgage loans on the property. The Village is not obligated in any manner for the repayment of the bonds. Accordingly, the bonds outstanding are not reported as a liability on these financial statements. As of the date of this report, there was one IDRB outstanding with a principal amount of \$1,165,000.

###### **Defeased Debt**

On August 1, 2008 through August 8, 2008, the Village issued \$4,265,000 par value General Obligation Bonds of 2008A to refund \$4,280,000 of the General Obligation Police Building Bonds of 2000, \$7,830,000 par value General Obligation Alternate Revenue Source Bonds of 2009A to refund \$6,091,851 line of credit with Inland Bank, \$1,525,000 par value General Obligation Alternate Revenue Source Bonds of 2009B to refund \$785,000 of General Obligation TIF Alternate Revenue Bonds of 2002 and \$430,000 of TIF Revenue Bonds of 2005B, and \$4,255,000 par value General Obligation Alternate Revenue Bonds of 2009C to refund \$395,000 of General Obligation TIF Alternate Revenue Bonds of 2002A, \$920,000 of General Obligation TIF Alternate Revenue Bonds of 2003A, and \$900,000 of TIF Revenue Bonds of 2005A. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village increased its total debt service by \$3,349,237 and obtained an economic loss of \$495,425. The Village undertook the above refundings to restructure future debt service payments to match anticipated cash flows.

In prior years the government defeased revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Defeased Waterworks and Sewerage bonds of \$10,000 remain outstanding as of the date of this report.

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

#### Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 982,242	659,520	329,760	1,312,002	262,400
Net Pension Obligation	2,946,963	2,512,074	599,410	4,859,627	-
Notes Payable	6,091,851	-	6,091,851	-	-
GO TIF Alternate Revenue Bonds	9,100,000	13,610,000	2,575,000	20,135,000	-
General Obligation Bonds	5,095,000	4,535,000	5,055,000	4,575,000	415,000
TIF Alternate Revenue Bonds	10,000,000	-	1,730,000	8,270,000	105,000
Installment Contracts	505,000	-	250,000	255,000	255,000
Unamortized Gain on Refunding	-	(2,088,664)	-	(2,088,664)	-
Unamortized Premium on Debt Issuance	-	170,367	-	170,367	-
Net Other Post-Employment Benefit Obligation	-	51,857	26,863	24,994	-
	<u>34,721,056</u>	<u>19,450,154</u>	<u>16,657,884</u>	<u>37,513,326</u>	<u>1,037,400</u>
<b>Business-Type Activities</b>					
Compensated Absences	68,306	7,162	3,581	71,887	14,377
GO Waterworks and Sewerage Alternate Revenue Bonds	4,510,000	-	585,000	3,925,000	605,000
IEPA Loans	2,489,808	1,134,979	81,933	3,542,854	151,521
	<u>7,068,114</u>	<u>1,142,141</u>	<u>670,514</u>	<u>7,539,741</u>	<u>770,898</u>

Payments on the general obligation bonds are made by the Debt Service and Waterworks and Sewerage Fund. The Debt Service Fund makes payments on the tax increment alternate revenue bonds, revenue bonds and notes payable. Payments on the installment contracts are made by the General Fund. The Waterworks and Sewerage Fund makes payments on the IEPA loans. Also, for the governmental activities, compensated absences are generally liquidated by the general fund. In fiscal year 2009, the Village implemented GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. This pronouncement required the Village to calculate and record a net other post employment benefit obligation (NOPEBO) at April 30, 2009. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since May 1, 2008.



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT -- Continued

#### Debt Service Requirements to Maturity

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

Fiscal Year Ending April 30	Governmental Activities							
	Installment Contracts		GO TIF Alternate Revenue Bonds		General Obligation Bonds		TIF Alternate Revenue Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2010	\$ 255,000	8,288	-	695,711	415,000	103,144	105,000	65,962
2011	-	-	-	860,675	345,000	174,638	120,000	52,912
2012	-	-	30,000	851,173	360,000	162,562	130,000	41,788
2013	-	-	65,000	840,185	370,000	149,962	140,000	32,788
2014	-	-	690,000	975,919	385,000	136,550	500,000	307,862
2015	-	-	770,000	946,847	395,000	121,150	525,000	287,924
2016	-	-	850,000	913,985	420,000	105,350	550,000	267,188
2017	-	-	1,045,000	876,883	435,000	84,350	575,000	246,562
2018	-	-	1,240,000	830,824	460,000	62,600	600,000	225,000
2019	-	-	1,430,000	774,612	485,000	39,600	625,000	201,000
2020	-	-	1,625,000	707,740	505,000	20,200	650,000	176,000
2021	-	-	1,900,000	629,307	-	-	675,000	150,000
2022	-	-	2,085,000	535,170	-	-	725,000	123,000
2023	-	-	1,590,000	435,594	-	-	750,000	94,000
2024	-	-	1,755,000	362,260	-	-	775,000	64,000
2025	-	-	2,010,000	279,992	-	-	825,000	33,000
2026	-	-	695,000	184,682	-	-	-	-
2027	-	-	740,000	143,330	-	-	-	-
2028	-	-	785,000	98,930	-	-	-	-
2029	-	-	830,000	51,043	-	-	-	-
Total	255,000	8,288	20,135,000	11,994,862	4,575,000	1,160,106	8,270,000	2,368,986

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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

#### LONG-TERM DEBT – Continued

#### Debt Service Requirements to Maturity – Continued

Fiscal Year Ending April 30	Business-Type Activities			
	Alternate Revenue Bonds		IEPA Loan	
	Principal	Interest	Principal	Interest
2009	\$ 605,000	144,329	-	-
2010	630,000	122,743	151,521	87,630
2011	1,025,000	99,746	155,333	83,819
2012	690,000	67,194	159,240	79,911
2013	700,000	39,000	163,246	75,904
2014	275,000	11,000	167,353	71,799
2015	-	-	171,563	67,589
2016	-	-	175,878	63,272
2017	-	-	180,303	58,848
2018	-	-	184,839	54,312
2019	-	-	189,489	49,663
2020	-	-	194,255	44,895
2021	-	-	199,142	40,009
2022	-	-	204,151	35,000
2023	-	-	209,287	29,863
2024	-	-	214,552	24,599
2025	-	-	219,949	19,202
2026	-	-	225,482	13,668
2027	-	-	217,868	7,996
2028	-	-	105,607	3,330
2029	-	-	53,796	672
Total	3,925,000	484,012	3,542,854	911,981

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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

##### LONG-TERM DEBT – Continued

###### Legal Debt Margin

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

Assessed Valuation - 2008	<u>\$ 885,557,913</u>
Legal Debt Limit - 8.625% of Assessed Value	76,379,370
Amount of Debt Applicable to Limit	
General Obligation Bonds	4,575,000
Installment Contracts	<u>255,000</u>
Legal Debt Margin	<u>71,549,370</u>

#### NOTE 4 – OTHER INFORMATION

##### 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; natural disasters; and injuries to the Village's employees. These risks are provided for through insurance from private insurance companies. The Village currently reports all its risk management activities in the General Fund and Waterworks and Sewerage Fund. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

##### Intergovernmental Risk Management Agency (IRMA)

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

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **RISK MANAGEMENT – Continued**

##### **Intergovernmental Risk Management Agency (IRMA) – Continued**

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

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

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

##### **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.

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **POST-EMPLOYMENT BENEFITS**

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

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

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Funds and may be obtained by writing to the Village at 70 E. Main Street, Lake Zurich, IL 60047-3226. However, IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

##### **Plan Descriptions, Provisions and Funding Policies**

###### **Illinois Municipal Retirement System**

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

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2008 was 11.19 percent.

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

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### NOTE 4 – OTHER INFORMATION – Continued

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

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

###### Police Pension Plan

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

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

Retirees and Beneficiaries Currently Receiving Benefits	9
Current Employees Vested and Nonvested	<u>38</u>
	<u>47</u>

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

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

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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#### NOTE 4 – OTHER INFORMATION – Continued

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

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

#### Police Pension Plan – Continued

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

#### Firefighters' Pension Plan

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

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	2
Current Employees Vested and Nonvested	<u>57</u>
	<u>59</u>

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

### **Notes to the Financial Statements April 30, 2009**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

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

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

###### **Firefighters' Pension Plan – Continued**

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

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

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

###### **Summary of Significant Accounting Policies and Plan Asset Matters**

###### **Basis of Accounting**

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

###### **Method Used to Value Investments**

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



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Notes to the Financial Statements April 30, 2009

### NOTE 4 – OTHER INFORMATION – Continued

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

##### Summary of Significant Accounting Policies and Plan Asset Matters – Continued

##### Significant Investments

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

Fund	Investment	Amount
Police Pension	Vanguard 500 Mutual Fund	\$ 503,147
Police Pension	LSV Value Fund	465,254
Police Pension	T. Rowe Price Growth Fund	459,858
Firefighters' Pension	Vanguard Institutional Mutual Fund	942,844
Firefighters' Pension	American Beacon	640,892
Firefighters' Pension	Fidelity Advisor Insights	598,265

##### Related Party Transactions

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

##### Annual Pension Cost and Net Pension Obligation

The IMRF Plan did not have a net pension obligation at the front or end of the fiscal year. The amount of the pension liability for the Police and Firefighters' Pension plans is as follows:

	Police Pension	Firefighters' Pension	Totals
Annual Required Contribution	\$ 863,038	952,492	1,815,530
Interest on the NPO	126,280	139,465	265,745
Adjustment to the ARC	346,435	84,364	430,799
Annual Pension Cost	1,335,753	1,176,321	2,512,074
Actual Contribution	(194,701)	(404,709)	(599,410)
Increase in the NPO	1,141,052	771,612	1,912,664
NPO - Beginning	1,268,125	1,678,838	2,946,963
NPO - Ending	2,409,177	2,450,450	4,859,627

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements

April 30, 2009

#### NOTE 4 – OTHER INFORMATION – Continued

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

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

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

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	11.19%	6.04%	8.20%
Employee	4.50%	9.91%	9.455%
Annual Required Contribution	\$596,291	\$577,274	\$518,020
Contributions Made	\$596,291	\$185,101	\$368,340
Actuarial Valuation Date	12/31/08	04/30/08	04/30/08
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	24 Years	25 Years	25 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	7.50% Compounded Annually	7.50% Compounded Annually
Projected Salary Increases	.4 to 11.6%	4.00%	4.00%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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#### NOTE 4 – OTHER INFORMATION – Continued

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

##### Trend Information

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2007	\$ 564,690	\$ 431,869	\$ 521,042
	2008	574,605	600,705	549,040
	2009	596,291	1,335,753	1,176,321
Actual Contributions	2007	\$ 564,690	\$ 165,717	\$ 327,346
	2008	574,605	184,860	368,340
	2009	596,291	194,781	404,709
Percentage of APC Contributed	2007	100.00%	38.37%	62.83%
	2008	100.00%	30.77%	67.09%
	2009	100.00%	14.58%	34.40%
Net Pension Obligation	2007	\$ -	\$ 1,002,184	\$ 1,485,142
	2008	-	1,268,125	1,678,838
	2009	-	2,409,177	2,450,450

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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#### NOTE 4 – OTHER INFORMATION – Continued

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

#### Funded Status and Funding Progress

The Village's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/08	04/30/08	04/30/08
Percent Funded	77.92%	46.16%	52.59%
Actuarial Accrued Liability for Benefits	\$14,164,791	\$19,008,281	\$17,500,606
Actuarial Value of Assets	\$11,037,150	\$8,774,202	\$9,203,095
Funded Actuarial Accrued Liability (UAAL)	(\$3,127,641)	(\$10,234,079)	(\$8,297,511)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$5,328,787	\$3,066,128	\$4,490,884
Ratio of UAAL to Covered Payroll	58.69%	333.78%	184.76%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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#### NOTE 4 – OTHER INFORMATION – Continued

##### OTHER POST-EMPLOYMENT BENEFITS

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

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

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute 100% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2009, retirees contributed \$26,863. Active employees do not contribute to the plan until retirement.

At April 30, 2009, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	5
Active Employees	<u>169</u>
Total	<u>174</u>
Participating Employers	1

The Village does not currently have a funding policy.

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Notes to the Financial Statements April 30, 2009

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#### NOTE 4 – OTHER INFORMATION – Continued

#### OTHER POST-EMPLOYMENT BENEFITS – Continued

##### Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the plan as of April 30, 2009 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2009.

The net OPEB obligation (NOPEBO) as of April 30, 2009, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 51,857
Interest on the NOPEBO	-
Adjustment to the ARC	<u>-</u>
Annual NOPEBO Cost	51,857
Actual Contribution	<u>26,863</u>
Change in the NOPEBO	24,994
NOPEBO - Beginning of Year	<u>-</u>
NOPEBO - End of Year	<u><u>24,994</u></u>

##### Funded Status and Funding Progress

The funded status of the plan as of April 30, 2009, was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,032,756.0
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	1,032,756
Funded Ratio (actuarial value of plan assets/AAL)	0.00%
Covered Payroll (active plan members)	N/A
UAAL as a percentage of covered payroll	N/A

## **VILLAGE OF LAKE ZURICH, ILLINOIS**

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

**April 30, 2009**

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#### **NOTE 4 – OTHER INFORMATION – Continued**

##### **OTHER POST-EMPLOYMENT BENEFITS – Continued**

##### **Annual OPEB Costs and Net OPEB Obligation – Continued**

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

##### **Actuarial Methods and Assumptions**

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

In the April 30, 2009 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of 3.0% inflation), and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2009, was 30 years.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- **Schedule of Funding Progress**
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
- **Employer Contributions**
  - Illinois Municipal Retirement Fund
  - Police Pension Fund
  - Firefighters' Pension Fund
  - Other Post-Employment Benefit Plan
- **Budgetary Comparison Schedules**
  - General Fund
  - TIF Tax Allocation – Special Revenue Fund

### **Notes to the Required Supplementary Information**

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



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Illinois Municipal Retirement Fund

### Required Supplementary Information

#### Schedule of Funding Progress

April 30, 2009

Actuarial Valuation Date Dec. 31	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ 9,277,735	\$ 10,488,702	88.45%	\$ 1,210,967	\$ 4,605,642	26.29%
2004	9,141,658	10,674,818	85.64%	1,533,160	4,407,867	34.78%
2005	10,475,161	11,951,398	87.65%	1,476,237	4,655,135	31.71%
2006	11,406,364	13,065,836	87.30%	1,659,472	4,834,675	34.32%
2007	12,106,236	13,860,429	87.34%	1,754,193	5,195,342	33.76%
2008	11,037,150	14,164,791	77.92%	3,127,641	5,328,787	58.69%

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Schedule of Funding Progress  
April 30, 2009**

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Unit Credit	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ 7,069,348	\$ 8,480,685	83.36%	\$ 1,411,337	\$ 2,332,789	60.50%
2004	7,532,153	9,609,424	78.38%	2,077,271	2,441,034	85.10%
2005	8,021,601	11,005,373	72.89%	2,983,772	2,514,139	118.68%
2006	8,504,710	13,459,014	63.19%	4,954,304	2,742,673	180.64%
2007	8,520,926	16,584,974	51.38%	8,064,048	3,028,587	266.26%
2008	8,774,202	19,008,281	46.16%	10,234,079	3,066,128	333.78%

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Schedule of Funding Progress April 30, 2009

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Unit Credit	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2003	\$ 4,451,581	\$ 5,812,971	76.58%	\$ 1,361,390	\$ 3,639,667	37.40%
2004	5,351,488	6,816,321	78.51%	1,464,833	3,599,204	40.70%
2005	6,104,797	7,964,087	76.65%	1,859,290	3,840,950	48.41%
2006	7,128,638	9,002,422	79.19%	1,873,784	4,034,235	46.45%
2007	8,264,970	13,751,211	60.10%	5,486,241	4,285,543	128.02%
2008	9,203,095	17,500,606	52.59%	8,297,511	4,490,884	184.76%

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Other Post-Employment Benefit Plan

### Required Supplementary Information Schedule of Funding Progress April 30, 2009

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2004	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	N/A	N/A	N/A	N/A	N/A	N/A
2007	N/A	N/A	N/A	N/A	N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	-	1,032,756	0.00%	1,032,756	N/A	N/A

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years and 2009 is not available.

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Illinois Municipal Retirement Fund**

**Required Supplementary Information**

**Employer Contributions**

**April 30, 2009**

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
2003	\$ 231,664	\$ 231,664	100.00%
2004	392,300	392,300	100.00%
2005	467,841	467,841	100.00%
2006	564,690	564,690	100.00%
2007	574,605	574,605	100.00%
2008	596,291	596,291	100.00%

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Police Pension Fund**

**Required Supplementary Information  
Employer Contributions  
April 30, 2009**

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<b>Year Ended April 30</b>	<b>Employer Contributions</b>	<b>Annual Required Contribution</b>	<b>Percent Contributed</b>
2004	\$ 141,219	\$ 261,579	53.99%
2005	132,988	332,670	39.98%
2006	154,285	412,012	37.45%
2007	165,717	577,274	28.71%
2008	184,860	692,295	26.70%
2009	194,781	863,038	22.57%

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Firefighters' Pension Fund

### Required Supplementary Information Employer Contributions April 30, 2009

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2004	\$ 354,418	\$ 462,746	76.59%
2005	132,988	440,098	30.22%
2006	294,371	491,616	59.88%
2007	327,346	518,020	63.19%
2008	368,340	739,593	49.80%
2009	404,709	952,492	42.49%

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Other Post-Employment Benefit Plan**

**Required Supplementary Information  
Employer Contributions  
April 30, 2009**

<b>Year Ended April 30</b>	<b>Employer Contributions</b>	<b>Annual Required Contributions</b>	<b>Percent Contributed</b>
2004	\$ N/A	\$ N/A	N/A
2005	N/A	N/A	N/A
2006	N/A	N/A	N/A
2007	N/A	N/A	N/A
2008	N/A	N/A	N/A
2009	26,863	51,857	51.80%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009. Information for prior years and 2009 is not available.



# VILLAGE OF LAKE ZURICH, ILLINOIS

## General Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Taxes	\$ 11,414,939	11,414,939	11,448,884
Licenses and Permits	2,260,545	2,260,545	1,912,348
Intergovernmental	2,588,719	2,588,719	2,676,492
Charges for Services	5,152,412	5,152,412	5,005,802
Fines and Forfeitures	488,481	488,481	408,715
Interest	295,500	295,500	57,602
Miscellaneous	562,773	562,773	411,386
Total Revenues	<u>22,763,369</u>	<u>22,763,369</u>	<u>21,921,229</u>
<b>Expenditures</b>			
General Administration	3,185,332	3,185,332	3,082,137
Public Safety	14,916,965	14,916,965	14,471,695
Highways and Streets	2,458,025	2,458,025	2,557,233
Culture and Recreation	2,144,012	2,144,012	2,004,690
Debt Service			
Principal Retirement	250,000	250,000	250,000
Interest and Fiscal Charges	16,412	16,412	16,413
Total Expenditures	<u>22,970,746</u>	<u>22,970,746</u>	<u>22,382,168</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(207,377)	(207,377)	(460,939)
<b>Other Financing Sources</b>			
Transfers In	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
<b>Net Change in Fund Balance</b>	<u>292,623</u>	<u>292,623</u>	39,061
<b>Fund Balance - Beginning</b>			<u>3,158,617</u>
<b>Fund Balance - Ending</b>			<u>3,197,678</u>

**VILLAGE OF LAKE ZURICH, ILLINOIS****TIF Tax Allocation - Special Revenue Fund****Schedule of Revenues, Expenditures and  
Changes in Fund Balance - Budget and Actual  
Year Ended April 30, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes	\$ 1,435,000	1,435,000	1,303,158
Interest	80,000	80,000	27,529
Miscellaneous	-	-	103,095
Total Revenues	1,515,000	1,515,000	1,433,782
Expenditures			
Economic Development	995,406	995,406	898,015
Debt Service			
Interest and Fiscal Charges	-	-	368,400
Total Expenditures	995,406	995,406	1,266,415
Excess (Deficiency) of Revenues Over (Under) Expenditures	519,594	519,594	167,367
Other Financing Sources (Uses)			
Debt Issuance	-	-	13,610,000
Payment to Escrow Agent	-	-	(5,429,542)
Transfers In	750,000	750,000	-
Transfers Out	-	-	(8,247,910)
	750,000	750,000	(67,452)
Net Change in Fund Balance	1,269,594	1,269,594	99,915
Fund Balance - Beginning			-
Fund Balance - Ending			99,915

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

## **GENERAL FUND**

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

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## **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

## **FOREIGN FIRE TAX FUND**

The Foreign Fire Tax Fund is used to account for the revenues received from a tax on fire insurance policies sold by foreign (out of state) insurance companies, and to account for the expenditures of those revenues for the operation and maintenance of the fire department.

## **HOTEL TAX FUND**

The Hotel Tax Fund is used to account for specific hotel tax money restricted to certain uses by Village ordinance.

## **TIF TAX ALLOCATION FUND**

The TIF Tax Allocation Fund is used to account for capture all revenues and to record fund transfers to pay for administrative, debt service, and capital improvement activity necessary to stimulate and induce redevelopment of Downtown Lake Zurich pursuant to the TIF act

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## **DEBT SERVICE FUND**

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

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## **CAPITAL PROJECTS FUNDS**

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

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

## **CAPITAL PROJECTS FUNDS – Continued**

### **CAPITAL IMPROVEMENTS - CAPITAL PROJECTS FUND**

The Capital Improvements Fund is a major fund and accounts for all resources used for the acquisition of general capital assets including infrastructure capital assets.

### **DOWNTOWN TIF - CAPITAL PROJECTS FUND**

The Downtown TIF Fund is a major fund and accounts for all activities associated with improvements within the Tax Increment Financing District.

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### **WATERWORKS AND SEWERAGE – ENTERPRISE FUND**

The Waterworks and Sewerage Fund is a major fund and is used to account for the provision of potable water and wastewater treatment services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations and maintenance, financing and related debt service, billing and collection.

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### **POLICE PENSION – PENSION TRUST FUND**

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

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### **FIREFIGHTERS' PENSION - PENSION TRUST FUND**

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

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### **ESCROW PERFORMANCE – AGENCY FUND**

The Escrow Performance Fund is a fiduciary fund and is used to account for refundable deposits held by the Village to ensure the completion of public improvements by private developers.

# VILLAGE OF LAKE ZURICH, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Taxes</b>			
<b>Property Taxes</b>			
Corporate	\$ 1,230,866	1,230,866	1,228,097
Police Protection	935,124	935,124	940,129
Fire Protection	855,199	855,199	855,433
Ambulance	799,251	799,251	804,615
Pension	223,790	223,790	228,680
Social Security	847,206	847,206	846,963
Police Pension	191,827	191,827	194,802
Fire Pension	191,820	191,820	194,802
Liability Insurance	304,014	304,014	347,255
SRA	178,300	178,300	186,332
Road and Bridge	25,000	25,000	29,643
Municipal Sales Taxes	5,632,542	5,632,542	5,592,133
	<u>11,414,939</u>	<u>11,414,939</u>	<u>11,448,884</u>
<b>Licenses and Permits</b>			
<b>Licenses</b>			
Television Franchise	200,000	200,000	197,295
Telephone Franchise	1,110,000	1,110,000	1,139,845
Liquor	85,000	85,000	77,190
Other Business	105,000	105,000	99,978
<b>Permits</b>			
Administrative Plan Review	158,365	158,365	99,890
Building	302,350	302,350	67,789
Electrical	65,390	65,390	30,732
Plumbing	60,000	60,000	32,464
Occupancy Certificates	21,715	21,715	31,100
Park	35,000	35,000	27,727
Truck Permits	15,000	15,000	6,450
Other	102,725	102,725	101,888
	<u>2,260,545</u>	<u>2,260,545</u>	<u>1,912,348</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual - Continued Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Intergovernmental</b>			
Illinois State Income Tax	\$ 1,708,380	1,708,380	1,683,021
Illinois State Replacement Tax	62,000	62,000	61,935
Foreign Fire Insurance	23,637	23,637	-
Street Maintenance Reimbursement	21,500	21,500	34,219
Local Use Tax	257,206	257,206	271,259
Auto Rental Tax	4,000	4,000	5,027
Pull Tab Taxes	2,000	2,000	1,997
Reimbursements			
Government Agency - Grants	46,700	46,700	168,452
Government Agency	433,896	433,896	443,882
Training	29,400	29,400	6,700
	<u>2,588,719</u>	<u>2,588,719</u>	<u>2,676,492</u>
<b>Charges for Services</b>			
Police Alarm Fees	39,500	39,500	49,990
Public Safety Special Detail	50,000	50,000	33,858
Watercraft Inspection Fees	8,500	8,500	8,292
Police Lock Out Fees	8,000	8,000	9,650
Fire/Rescue Fees			
Alarm	2,000	2,000	-
Special Detail	7,092	7,092	5,714
Ambulance Fees	315,000	315,000	361,167
Service Contract	3,700,000	3,700,000	3,677,221
Public Education	5,500	5,500	4,157
Miscellaneous	5,000	5,000	2,053
Snow Removal Fees	2,000	2,000	-
Annexation Fees	37,000	37,000	1,000
Site Plan Review	23,000	23,000	48,084
Elevator Inspections	13,520	13,520	12,560
Exterior Appearance Review	5,000	5,000	4,000
Subdivision Applications	2,300	2,300	500
Planned Unit Development Review	6,500	6,500	2,600
Publication and Recording	1,500	1,500	-

# VILLAGE OF LAKE ZURICH, ILLINOIS

## General Fund

### Schedule of Revenues - Budget and Actual - Continued Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Charges for Services - Continued</b>			
Printing and Reproduction Fees	\$ 7,250	7,250	6,224
Special Use Permits	6,000	6,000	6,550
Zoning Text	3,300	3,300	4,025
Variances - Single Family	1,000	1,000	1,125
Variances - Other	1,650	1,650	1,155
Engineering Review	105,000	105,000	20,404
Watershed Development	27,000	27,000	10,000
Park Fees	23,400	23,400	35,381
Park Program Fees	587,000	587,000	539,386
Park Special Events	49,200	49,200	34,620
Park Outings	5,000	5,000	3,793
Park Concessions	11,500	11,500	16,702
Vehicle Maintenance Fees	93,700	93,700	105,591
	<u>5,152,412</u>	<u>5,152,412</u>	<u>5,005,802</u>
<b>Fines and Forfeitures</b>			
Circuit Court Fines	457,881	457,881	345,310
Other Fines	30,600	30,600	63,405
	<u>488,481</u>	<u>488,481</u>	<u>408,715</u>
<b>Interest</b>			
Investment Income	<u>295,500</u>	<u>295,500</u>	<u>57,602</u>
<b>Miscellaneous</b>			
Miscellaneous Revenue	194,350	194,350	151,838
Donations	115,823	115,823	3,691
Insurance Reimbursements	-	-	9,010
Sale of Capital Assets	28,000	28,000	24,473
Rent Income	224,600	224,600	222,374
	<u>562,773</u>	<u>562,773</u>	<u>411,386</u>
<b>Total Revenues</b>	<u><u>22,763,369</u></u>	<u><u>22,763,369</u></u>	<u><u>21,921,229</u></u>

**VILLAGE OF LAKE ZURICH, ILLINOIS****General Fund****Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
General Government			
General Administration	\$ 934,258	934,258	1,011,312
Village Administration	370,117	370,117	428,122
Finance Department	885,599	885,599	724,167
Building and Zoning	995,358	995,358	918,536
	<u>3,185,332</u>	<u>3,185,332</u>	<u>3,082,137</u>
Public Safety			
Police Department	6,946,825	6,946,825	6,544,065
Fire Department	7,970,140	7,970,140	7,927,630
	<u>14,916,965</u>	<u>14,916,965</u>	<u>14,471,695</u>
Highways and Streets			
Public Works Department - General Services	2,458,025	2,458,025	2,557,233
Culture and Recreation			
Park and Recreation Department	2,144,012	2,144,012	2,004,690
Debt Service			
Principal Retirement	250,000	250,000	250,000
Interest and Fiscal Charges	16,412	16,412	16,413
	<u>266,412</u>	<u>266,412</u>	<u>266,413</u>
Total Expenditures	<u>22,970,746</u>	<u>22,970,746</u>	<u>22,382,168</u>



**VILLAGE OF LAKE ZURICH, ILLINOIS****TIF Tax Allocation - Special Revenue Fund****Schedule of Expenditures - Budget and Actual  
Year Ended April 30, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Economic Development			
Contractual Services			
Legal Fees	\$ 119,600	119,600	173,427
Consultants	-	-	21,032
Memberships/Dues/Subscriptions	-	-	375
Training & Business Meetings	-	-	35
Legal Notices	-	-	47
SD #95 Reimbursement	470,406	470,406	532,869
Lake County Real Estate Taxes	80,400	80,400	80,365
Electricity	-	-	9,909
Natural Gas	-	-	21,625
Building Rental	-	-	850
Other Professional Services	-	-	5,345
Building & Grounds Maintenance	303,000	303,000	52,136
Capital Outlay			
Land & Building Improvement	22,000	22,000	-
	995,406	995,406	898,015
Debt Service			
Interest and Fiscal Charges	-	-	368,400
Total Expenditures	\$ 995,406	995,406	1,266,415

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Debt Service Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Revenues			
Taxes			
Property Taxes	\$ 1,037,117	1,037,117	1,058,704
Interest	9,000	9,000	3,612
Total Revenues	1,046,117	1,046,117	1,062,316
Expenditures			
Debt Service			
Principal Retirement	1,650,000	1,650,000	1,650,000
Interest and Fiscal Charges	1,577,943	1,577,943	1,544,056
Total Expenditures	3,227,943	3,227,943	3,194,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,181,826)	(2,181,826)	(2,131,740)
Other Financing Sources			
Debt Issuance	-	-	4,265,000
Premium on Debt Issuance	-	-	167,578
Payment to Escrow Agent	-	-	(10,460,973)
Transfers In	-	-	8,223,498
	-	-	2,195,103
Net Change in Fund Balance	(2,181,826)	(2,181,826)	63,363
Fund Balance - Beginning			790,835
Fund Balance - Ending			854,198

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Capital Improvements Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Revenues</b>			
Intergovernmental			
MFT Allocations	\$ 553,089	553,089	509,220
Interest	85,835	85,835	18,683
Miscellaneous	1,650,000	1,650,000	2,135,700
Total Revenues	2,288,924	2,288,924	2,663,603
<b>Expenditures</b>			
Highways and Streets			
Snow and Ice Control	125,000	125,000	252,200
Capital Outlay			
Infrastructure Improvements	432,167	432,167	88,920
Park Improvements	1,018,000	1,018,000	434,753
Capital Project Improvements	1,070,000	1,070,000	2,239,019
Debt Service			
Interest and Fiscal Charges	-	-	4,632
Total Expenditures	2,645,167	2,645,167	3,019,524
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(356,243)</b>	<b>(356,243)</b>	<b>(355,921)</b>
<b>Other Financing Sources</b>			
Debt Issuance	-	-	270,000
Premium on Debt Issuance	-	-	2,789
	-	-	272,789
<b>Net Change in Fund Balance</b>	<b>(356,243)</b>	<b>(356,243)</b>	<b>(83,132)</b>
<b>Fund Balance - Beginning</b>			<b>670,718</b>
<b>Fund Balance - Ending</b>			<b>587,586</b>

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Combining Balance Sheet - Nonmajor Governmental Funds**  
**April 30, 2009**

	<u>Special Revenue Funds</u>		
	Foreign		
	Fire	Hotel	
	Tax	Tax	Total
<b>ASSETS</b>			
Cash and Investments	\$ 58,344	1,596	59,940
<b>FUND BALANCES</b>			
Fund Balances			
Unreserved	58,344	1,596	59,940

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended April 30, 2009**

	Special Revenue Funds		
	Foreign Fire Tax	Hotel Tax	Total
Revenues			
Taxes	\$ 28,836	642	29,478
Expenditures			
General Government	1,300	-	1,300
Net Change in Fund Balances	27,536	642	28,178
Fund Balances - Beginning	30,808	954	31,762
Fund Balances - Ending	58,344	1,596	59,940

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Waterworks and Sewerage Fund

### Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operating Revenues			
Charges for Services	\$ 3,880,618	3,880,618	3,585,506
Operating Expenses			
Administration	1,019,990	1,019,990	983,753
Operations	3,035,775	3,035,475	2,270,237
Depreciation	-	-	1,661,324
Total Operating Expenses	4,055,765	4,055,465	4,915,314
Operating Income (Loss)	(175,147)	(174,847)	(1,329,808)
Nonoperating Revenues (Expenses)			
Property Taxes	11,718	11,718	11,724
Connection Fees	1,240,400	1,240,400	261,401
Interest Income	185,000	185,000	34,070
Interest and Fiscal Charges	(250,385)	(250,385)	(255,256)
	1,186,733	1,186,733	51,939
Income (Loss) Before Transfers	1,011,586	1,011,886	(1,277,869)
Transfers Out	(1,250,000)	(1,250,000)	(500,000)
Change in Net Assets	(238,414)	(238,114)	(1,777,869)
Net Assets - Beginning			46,531,137
Net Assets - Ending			44,753,268

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Waterworks and Sewerage Fund

### Schedule of Operating Revenues - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Charges for Services			
Water Charges	\$ 2,146,825	2,146,825	1,988,136
Sewer Charges	1,468,325	1,468,325	1,313,461
Meter Sales	78,200	78,200	16,840
Late Fees	80,000	80,000	82,647
Wastewater Service Agreements	90,268	90,268	120,264
Inspection Fees	-	-	925
Other	17,000	17,000	63,233
Total Operating Revenues	3,880,618	3,880,618	3,585,506

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Waterworks and Sewerage Fund

### Schedule of Operating Expenses - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Administration</b>			
Personnel Services	\$ 537,777	537,777	545,704
Contractual Services	476,708	476,708	428,890
Commodities	5,505	5,505	5,932
	<u>1,019,990</u>	<u>1,019,990</u>	<u>980,526</u>
Capital Outlay and Maintenance	9,850	9,850	3,227
Less Nonoperating Items			
Capital Assets Capitalized	<u>(9,850)</u>	<u>(9,850)</u>	<u>-</u>
Total Administration	<u>1,019,990</u>	<u>1,019,990</u>	<u>983,753</u>
<b>Operations</b>			
Water Production and Storage			
Personnel Services	168,107	168,107	190,527
Contractual Services	892,880	892,880	610,948
Commodities	150,655	150,655	91,444
	<u>1,211,642</u>	<u>1,211,642</u>	<u>892,919</u>
Water Distribution			
Personnel Services	236,081	236,081	228,024
Contractual Services	47,359	47,359	42,299
Commodities	62,130	61,830	43,801
	<u>345,570</u>	<u>345,270</u>	<u>314,124</u>
Meter Reading			
Personnel Services	144,521	144,521	152,654
Contractual Services	39,835	39,835	35,365
Commodities	253,070	253,070	199,734
	<u>437,426</u>	<u>437,426</u>	<u>387,753</u>



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Waterworks and Sewerage Fund

### Schedule of Operating Expenses - Budget and Actual - Continued Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
Operations - Continued			
Industrial Pretreatment Monitoring			
Personnel Services	\$ 32,835	32,835	37,058
Contractual Services	11,764	11,764	5,369
Commodities	850	850	134
	45,449	45,449	42,561
Interceptor Sewer			
Personnel Services	153,937	153,937	120,597
Contractual Services	56,387	56,387	22,191
Commodities	15,350	15,350	8,832
	225,674	225,674	151,620
Lift Stations			
Personnel Services	174,045	174,045	193,361
Contractual Services	300,647	300,647	97,519
Commodities	19,000	19,000	8,707
	493,692	493,692	299,587
Collection System			
Personnel Services	170,405	170,405	183,617
Contractual Services	81,567	81,567	9,801
Commodities	24,350	24,350	3,861
	276,322	276,322	197,279
Capital Outlay and Maintenance	3,718,900	3,718,900	(15,606)
Less Nonoperating Items			
Capital Assets Capitalized	(3,718,900)	(3,718,900)	-
Total Operations	3,035,775	3,035,475	2,270,237

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Waterworks and Sewerage Fund**

**Schedule of Operating Expenses - Budget and Actual - Continued**  
**Year Ended April 30, 2009**

	Budgeted Amounts		Actual Amounts
	Original	Final	
Debt Service			
Principal Retirement	\$ 741,933	741,933	-
Interest and Fiscal Charges	250,385	250,385	255,256
	992,318	992,318	255,256
Less Nonoperating Items			
Debt Service	(992,318)	(992,318)	(255,256)
Total Debt Service	-	-	-

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Pension Trust Funds

### Combining Statement of Net Plan Assets

April 30, 2009

	Police Pension	Firefighters' Pension	Totals
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,130,361	120,434	1,250,795
Investments			
U.S. Government and Agency Securities	4,126,852	4,238,106	8,364,958
State and Local Governments Securities	-	764,035	764,035
Mutual Funds	2,186,884	3,320,000	5,506,884
Insurance Contracts	-	157,721	157,721
Receivables			
Accrued Interest	52,522	61,783	114,305
Due from Other Governments	-	16,271	16,271
Prepays	-	500	500
Total Assets	7,496,619	8,678,850	16,175,469
<b>Liabilities</b>			
Accounts Payable	-	4,560	4,560
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
(A schedule of funding progress is presented following the notes to the financial statements.)	7,496,619	8,674,290	16,170,909

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Pension Trust Funds

### Combining Statement of Changes in Net Plan Assets Year Ended April 30, 2009

	Police Pension	Firefighters' Pension	Totals
<b>Additions</b>			
Contributions - Employer	\$ 194,781	404,709	599,490
Contributions - Plan Members	290,897	427,353	718,250
Other Income	9,850	268	10,118
Total Contributions	495,528	832,330	1,327,858
<b>Investment Income</b>			
Interest Earned	214,090	449,008	663,098
Net Change in Fair Value	(1,342,583)	(1,643,931)	(2,986,514)
	(1,128,493)	(1,194,923)	(2,323,416)
Less Investment Expenses	(5,192)	(29,499)	(34,691)
Net Investment Income	(1,133,685)	(1,224,422)	(2,358,107)
Total Additions	(638,157)	(392,092)	(1,030,249)
<b>Deductions</b>			
Administration	10,159	30,269	40,428
Benefits and Refunds			
Benefits	629,267	102,013	731,280
Refunds	-	4,430	4,430
Total Deductions	639,426	136,712	776,138
Change in Net Assets	(1,277,583)	(528,804)	(1,806,387)
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning of Year	8,774,202	9,203,094	17,977,296
End of Year	7,496,619	8,674,290	16,170,909

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Police Pension Fund

### Schedule of Changes in Net Assets - Budget and Actual Year Ended April 30, 2009

	Budgeted Amounts		Actual Amounts
	Original	Final	
<b>Additions</b>			
Contributions - Employer	\$ 191,820	191,820	194,781
Contributions - Plan Members	295,000	295,000	290,897
Other Income	-	-	9,850
Total Contributions	486,820	486,820	495,528
<b>Investment Income</b>			
Interest Earned	219,150	219,150	214,090
Net Change in Fair Value	295,000	295,000	(1,342,583)
	514,150	514,150	(1,128,493)
Less Investment Expenses	-	-	(5,192)
Net Investment Income	514,150	514,150	(1,133,685)
Total Additions	1,000,970	1,000,970	(638,157)
<b>Deductions</b>			
Administration	2,000	2,000	10,159
Benefits and Refunds	418,953	418,953	629,267
Total Deductions	420,953	420,953	639,426
Change in Net Assets	580,017	580,017	(1,277,583)
<b>Net Plan Assets Held in Trust for Pension Benefits</b>			
Beginning of Year			8,774,202
End of Year			7,496,619

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Escrow Performance Fund**

**Statement of Changes in Assets and Liabilities  
Year Ended April 30, 2009**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
<b>ASSETS</b>				
Cash and Investments	<u>\$ 1,419,190</u>	<u>67,700</u>	<u>-</u>	<u>1,486,890</u>
<b>LIABILITIES</b>				
Liabilities				
Accounts Payable	19,940	15,142	-	35,082
Deposits Payable	<u>1,399,250</u>	<u>52,558</u>	<u>-</u>	<u>1,451,808</u>
Total Liabilities	<u>1,419,190</u>	<u>67,700</u>	<u>-</u>	<u>1,486,890</u>

## **SUPPLEMENTAL SCHEDULES**

**VILLAGE OF LAKE ZURICH, ILLINOIS****Schedule of Insurance in Force  
Year Ended April 30, 2009**

Coverage	Amount of Coverage	Expiration Date of Policy
General Liability	\$ 10,000,000	11/1/09
Auto Liability	10,000,000	11/1/09
Uninsured/Underinsured Motorist	500,000	11/1/09
Public Officials Liability	10,000,000	11/1/09
Employment Practices	10,000,000	11/1/09
Workers' Compensation	101,500,000	11/1/09
Employer's Liability	1,000,000	11/1/09
First Party Property - All Risk	250,000,000	11/1/09
Flood Zone A	3,500,000	11/1/09
Boiler/Machinery	50,000,000	11/1/09
Crime		
Employee Theft/Dishonesty	5,000,000	11/1/09
Forgery, Alteration & Counterfeit Currency	5,000,000	11/1/09
Credit Card Forgery	5,000,000	11/1/09
Computer Fraud	5,000,000	11/1/09
Inside Theft, Robbery & Safe Burglary	2,500,000	11/1/09
Non-Faithful Performance	2,500,000	11/1/09
Public Officials Bonds	Statutory	11/1/09



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation TIF Alternate Revenue Bonds of 2002 April 30, 2009

Date of Issue	December 30, 2002
Date of Maturity	December 15, 2021
Authorized Issue	\$3,970,000
Denomination of Bonds	\$5,000
Interest Rates	5.00% to 6.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ -	151,238	151,238	2009	75,619	2009	75,619
2011	-	151,238	151,238	2010	75,619	2010	75,619
2012	-	151,238	151,238	2011	75,619	2011	75,619
2013	-	151,238	151,238	2012	75,619	2012	75,619
2014	230,000	151,238	381,238	2013	75,619	2013	75,619
2015	245,000	139,278	384,278	2014	69,639	2014	69,639
2016	260,000	126,292	386,292	2015	63,146	2015	63,146
2017	275,000	112,318	387,318	2016	56,159	2016	56,159
2018	295,000	97,468	392,468	2017	48,734	2017	48,734
2019	315,000	81,242	396,242	2018	40,621	2018	40,621
2020	335,000	63,602	398,602	2019	31,801	2019	31,801
2021	360,000	44,340	404,340	2020	22,170	2020	22,170
2022	385,000	23,100	408,100	2021	11,550	2021	11,550
	<u>2,700,000</u>	<u>1,443,830</u>	<u>4,143,830</u>		<u>721,915</u>		<u>721,915</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation TIF Alternate Revenue Bonds 2002A

April 30, 2009

Date of Issue	December 30, 2002
Date of Maturity	December 15, 2021
Authorized Issue	\$1,830,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 4.70%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ -	-	-	2009	-	2009	-
2011	-	-	-	2010	-	2010	-
2012	-	-	-	2011	-	2011	-
2013	-	-	-	2012	-	2012	-
2014	110,000	51,916	161,916	2013	25,958	2013	25,958
2015	115,000	47,514	162,514	2014	23,757	2014	23,757
2016	120,000	42,914	162,914	2015	21,457	2015	21,457
2017	125,000	37,874	162,874	2016	18,937	2016	18,937
2018	130,000	32,500	162,500	2017	16,250	2017	16,250
2019	135,000	26,650	161,650	2018	13,325	2018	13,325
2020	140,000	20,574	160,574	2019	10,287	2019	10,287
2021	145,000	14,100	159,100	2020	7,050	2020	7,050
2022	155,000	7,286	162,286	2021	3,643	2021	3,643
	<u>1,175,000</u>	<u>281,328</u>	<u>1,456,328</u>		<u>140,664</u>		<u>140,664</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation TIF Alternate Revenue Bonds of 2003A April 30, 2009

Date of Issue	March 17, 2003
Date of Maturity	December 15, 2021
Authorized Issue	\$4,200,000
Denomination of Bonds	\$5,000
Interest Rates	3.625% to 3.750%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ -	-	-	2009	-	2009	-
2011	-	-	-	2010	-	2010	-
2012	-	-	-	2011	-	2011	-
2013	-	-	-	2012	-	2012	-
2014	250,000	97,146	347,146	2013	48,573	2013	48,573
2015	260,000	88,084	348,084	2014	44,042	2014	44,042
2016	270,000	78,658	348,658	2015	39,329	2015	39,329
2017	280,000	68,872	348,872	2016	34,436	2016	34,436
2018	290,000	58,722	348,722	2017	29,361	2017	29,361
2019	305,000	48,208	353,208	2018	24,104	2018	24,104
2020	320,000	37,152	357,152	2019	18,576	2019	18,576
2021	330,000	25,312	355,312	2020	12,656	2020	12,656
2022	345,000	12,938	357,938	2021	6,469	2021	6,469
	<u>2,650,000</u>	<u>515,092</u>	<u>3,165,092</u>		<u>257,546</u>		<u>257,546</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation TIF Alternate Revenue Bonds of 2009A April 30, 2009

Date of Issue	April 1, 2009
Date of Maturity	February 1, 2029
Authorized Issue	\$7,830,000
Denomination of Bonds	\$5,000
Interest Rates	3.30% to 6.15%
Interest Dates	February 1 and August 1
Principal Maturity Date	February 1

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy		Totals	Interest Due on			
	Principal	Interest		Aug. 1	Amount	Feb. 1	Amount
2010	\$ -	344,044	344,044	2009	127,512	2010	216,532
2011	-	433,064	433,064	2010	216,532	2011	216,532
2012	30,000	433,062	463,062	2011	216,531	2012	216,531
2013	65,000	432,074	497,074	2012	216,037	2013	216,037
2014	100,000	429,764	529,764	2013	214,882	2014	214,882
2015	150,000	426,116	576,116	2014	213,058	2015	213,058
2016	200,000	420,266	620,266	2015	210,133	2016	210,133
2017	240,000	411,964	651,964	2016	205,982	2017	205,982
2018	300,000	401,404	701,404	2017	200,702	2018	200,702
2019	350,000	387,456	737,456	2018	193,728	2019	193,728
2020	405,000	370,306	775,306	2019	185,153	2020	185,153
2021	515,000	349,852	864,852	2020	174,926	2021	174,926
2022	550,000	322,816	872,816	2021	161,408	2022	161,408
2023	590,000	292,564	882,564	2022	146,282	2023	146,282
2024	625,000	259,230	884,230	2023	129,615	2024	129,615
2025	660,000	223,292	883,292	2024	111,646	2025	111,646
2026	695,000	184,682	879,682	2025	92,341	2026	92,341
2027	740,000	143,330	883,330	2026	71,665	2027	71,665
2028	785,000	98,930	883,930	2027	49,465	2028	49,465
2029	830,000	51,043	881,043	2028	25,522	2029	25,521
	<u>7,830,000</u>	<u>6,415,259</u>	<u>14,245,259</u>		<u>3,163,120</u>		<u>3,252,139</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation TIF Alternate Revenue Refunding Bonds of 2009B April 30, 2009

Date of Issue	April 17, 2009
Date of Maturity	December 15, 2020
Authorized Issue	\$1,525,000
Denomination of Bonds	\$5,000
Interest Rates	4.10% to 5.10%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ -	44,891	44,891	2009	-	2009	44,891
2011	-	71,825	71,825	2010	35,913	2010	35,913
2012	-	71,825	71,825	2011	35,913	2011	35,913
2013	-	71,825	71,825	2012	35,913	2012	35,913
2014	-	71,825	71,825	2013	35,913	2013	35,913
2015	-	71,825	71,825	2014	35,913	2014	35,913
2016	-	71,825	71,825	2015	35,913	2015	35,913
2017	125,000	71,825	196,825	2016	35,913	2016	35,913
2018	225,000	66,700	291,700	2017	33,350	2017	33,350
2019	325,000	57,026	382,026	2018	28,513	2018	28,513
2020	425,000	42,076	467,076	2019	21,038	2019	21,038
2021	425,000	21,673	446,673	2020	10,836	2020	10,837
	<u>1,525,000</u>	<u>735,141</u>	<u>2,260,141</u>		<u>345,125</u>		<u>390,017</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation TIF Alternate Revenue Refunding Bonds of 2009C April 30, 2009

Date of Issue	April 1, 2009
Date of Maturity	December 15, 2024
Authorized Issue	\$4,255,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% to 4.20%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ -	116,020	116,020	2009	-	2009	116,020
2011	-	174,030	174,030	2010	87,015	2010	87,015
2012	-	174,030	174,030	2011	87,015	2011	87,015
2013	-	174,030	174,030	2012	87,015	2012	87,015
2014	-	174,030	174,030	2013	87,015	2013	87,015
2015	-	174,030	174,030	2014	87,015	2014	87,015
2016	-	174,030	174,030	2015	87,015	2015	87,015
2017	-	174,030	174,030	2016	87,015	2016	87,015
2018	-	174,030	174,030	2017	87,015	2017	87,015
2019	-	174,030	174,030	2018	87,015	2018	87,015
2020	-	174,030	174,030	2019	87,015	2019	87,015
2021	125,000	174,030	299,030	2020	87,015	2020	87,015
2022	650,000	169,030	819,030	2021	84,515	2021	84,515
2023	1,000,000	143,030	1,143,030	2022	71,515	2022	71,515
2024	1,130,000	103,030	1,233,030	2023	51,515	2023	51,515
2025	1,350,000	56,700	1,406,700	2024	28,350	2024	28,350
	<u>4,255,000</u>	<u>2,502,140</u>	<u>6,757,140</u>		<u>1,193,060</u>		<u>1,309,080</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation Bonds of 2003C

April 30, 2009

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Date of Issue	March 17, 2003
Date of Maturity	May 1, 2009
Authorized Issue	\$1,390,000
Denomination of Bonds	\$5,000
Interest Rates	2.0% to 3.0%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2008	<u>\$ 40,000</u>	<u>600</u>	<u>40,600</u>	2009	<u>600</u>		<u>-</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation Bonds of 2008A

April 30, 2009

Date of Issue	August 1, 2008
Date of Maturity	January 1, 2020
Authorized Issue	\$4,265,000
Denomination of Bonds	\$5,000
Interest Rates	3.50% to 5.00%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2008	\$ 105,000	89,156	194,156	2009	-	2010	89,156
2009	345,000	174,638	519,638	2010	87,319	2011	87,319
2010	360,000	162,562	522,562	2011	81,281	2012	81,281
2011	370,000	149,962	519,962	2012	74,981	2013	74,981
2012	385,000	136,550	521,550	2013	68,275	2014	68,275
2013	395,000	121,150	516,150	2014	60,575	2015	60,575
2014	420,000	105,350	525,350	2015	52,675	2016	52,675
2015	435,000	84,350	519,350	2016	42,175	2017	42,175
2016	460,000	62,600	522,600	2017	31,300	2018	31,300
2017	485,000	39,600	524,600	2018	19,800	2019	19,800
2018	505,000	20,200	525,200	2019	10,100	2020	10,100
	<u>4,265,000</u>	<u>1,146,118</u>	<u>5,411,118</u>		<u>528,481</u>		<u>617,637</u>



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation Limited Tax Bonds of 2008B

April 30, 2009

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Date of Issue	August 8, 2008
Date of Maturity	January 1, 2020
Authorized Issue	\$270,000
Denomination of Bonds	\$5,000
Interest Rates	3.50%
Interest Dates	July 1 and January 1
Principal Maturity Date	January 1

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	July 1	Amount	Jan. 1	Amount
2008	<u>\$ 270,000</u>	<u>13,388</u>	<u>283,388</u>	2009	<u>8,663</u>	2010	<u>4,725</u>

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Long-Term Debt Requirements**

### **General Obligation Waterworks and Sewerage Alternate Revenue Bonds of 2002 April 30, 2009**

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Date of Issue	March 18, 2002
Date of Maturity	December 15, 2012
Authorized Issue	\$2,000,000
Denomination of Bonds	\$5,000
Interest Rates	4.00% - 4.25%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

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### **CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2008	\$ 210,000	37,776	247,776	2009	18,888	2009	18,888
2009	220,000	29,112	249,112	2010	14,556	2010	14,556
2010	225,000	19,762	244,762	2011	9,881	2011	9,881
2011	240,000	10,194	250,194	2012	5,100	2012	5,094
	<u>895,000</u>	<u>96,844</u>	<u>991,844</u>		<u>48,425</u>		<u>48,419</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### General Obligation Waterworks and Sewerage Alternate Revenue Bonds of 2003B April 30, 2009

Date of Issue	March 17, 2003
Date of Maturity	May 1, 2011
Authorized Issue	\$1,960,000
Denomination of Bonds	\$5,000
Interest Rates	2.500% to 2.625%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2008	\$ 255,000	17,391	272,391	2009	10,369	2009	7,022
2009	260,000	10,631	270,631	2010	7,022	2010	3,609
2010	275,000	3,609	278,609	2011	3,609		
	<u>790,000</u>	<u>31,631</u>	<u>821,631</u>		<u>21,000</u>		<u>10,631</u>

April 30, 2008

**Long-Term Debt Requirements**

**Taxable General Obligation Waterworks and Sewerage Alternate Revenue Bonds of 2003D**  
**April 30, 2009**

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Date of Issue	March 17, 2003
Date of Maturity	May 1, 2011
Authorized Issue	\$700,000
Denomination of Bonds	\$5,000
Interest Rates	3.350% to 4.750%
Interest Dates	May 1 and November 1
Principal Maturity Date	May 1

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	May 1	Amount	Nov. 1	Amount
2008	\$ 90,000	11,162	101,162	2009	6,537	2009	4,625
2009	100,000	7,000	107,000	2010	4,625	2010	2,375
2010	100,000	2,375	102,375	2011	2,375		
	290,000	20,537	310,537		13,537		7,000

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Long-Term Debt Requirements**

### **General Obligation Waterworks and Sewerage Bonds of 2006 April 30, 2009**

Date of Issue	May 1, 2006
Date of Maturity	December 15, 2014
Authorized Issue	\$2,050,000
Denomination of Bonds	\$5,000
Interest Rates	4.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

### **CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Tax Levy Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	Jun. 15	Amount	Dec. 15	Amount
2008	\$ 50,000	78,000	128,000	2009	39,000	2009	39,000
2009	50,000	76,000	126,000	2010	38,000	2010	38,000
2010	425,000	74,000	499,000	2011	37,000	2011	37,000
2011	450,000	57,000	507,000	2012	28,500	2012	28,500
2012	700,000	39,000	739,000	2013	19,500	2013	19,500
2013	275,000	11,000	286,000	2014	5,500	2014	5,500
	<u>1,950,000</u>	<u>335,000</u>	<u>2,285,000</u>		<u>167,500</u>		<u>167,500</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### IEPA Loan of 2006

April 30, 2009

Date of Loan	October 15, 2005
Date of Maturity	June 15, 2026
Amount of Loan	\$2,000,000
Interest Rates	2.50%
Interest Dates	June 16 and December 16
Principal Maturity Date	June 16 and December 16
Payable at	Illinois Environmental Protection Agency

## CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30	Requirements			Interest Due on			
	Principal	Interest	Totals	June 16	Amount	Dec. 16	Amount
2010	\$ 83,995	46,220	130,215	2009	23,371	2009	22,849
2011	86,108	44,107	130,215	2010	22,321	2010	21,786
2012	88,274	41,941	130,215	2011	21,245	2011	20,696
2013	90,494	39,720	130,214	2012	20,141	2012	19,579
2014	92,771	37,444	130,215	2013	19,010	2013	18,434
2015	95,105	35,110	130,215	2014	17,850	2014	17,260
2016	97,497	32,717	130,214	2015	16,661	2015	16,056
2017	99,950	30,265	130,215	2016	15,443	2016	14,822
2018	102,464	27,750	130,214	2017	14,193	2017	13,557
2019	105,042	25,173	130,215	2018	12,913	2018	12,260
2020	107,684	22,531	130,215	2019	11,600	2019	10,931
2021	110,393	19,822	130,215	2020	10,254	2020	9,568
2022	113,170	17,045	130,215	2021	8,874	2021	8,171
2023	116,017	14,197	130,214	2022	7,459	2022	6,738
2024	118,935	11,279	130,214	2023	6,009	2023	5,270
2025	121,927	8,287	130,214	2024	4,522	2024	3,765
2026	124,994	5,220	130,214	2025	2,998	2025	2,222
2027	114,852	2,076	116,928	2026	1,436	2026	640
	<u>1,869,672</u>	<u>460,904</u>	<u>2,330,576</u>		<u>236,300</u>		<u>224,604</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

**IEPA Loan of 2008**  
**April 30, 2009**

Date of Loan	September 27, 2007
Date of Maturity	August 11, 2028
Amount of Loan	\$1,673,182
Interest Rates	1.25%
Interest Dates	February 11 and August 11
Principal Maturity Date	February 11 and August 11
Payable at	Illinois Environmental Protection Agency

## CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Requirements			Interest Due on			
	Principal	Interest	Totals	Aug. 11	Amount	Feb. 11	Amount
2010	\$ 67,526	41,410	108,936	2009	20,915	2010	20,495
2011	69,225	39,712	108,937	2010	20,071	2011	19,641
2012	70,966	37,970	108,936	2011	19,205	2012	18,765
2013	72,752	36,184	108,936	2012	18,318	2013	17,866
2014	74,582	34,355	108,937	2013	17,409	2014	16,946
2015	76,458	32,479	108,937	2014	16,477	2015	16,002
2016	78,381	30,555	108,936	2015	15,521	2016	15,034
2017	80,353	28,583	108,936	2016	14,541	2017	14,042
2018	82,375	26,562	108,937	2017	13,537	2018	13,025
2019	84,447	24,490	108,937	2018	12,507	2019	11,983
2020	86,571	22,364	108,935	2019	11,451	2020	10,913
2021	88,749	20,187	108,936	2020	10,369	2021	9,818
2022	90,981	17,955	108,936	2021	9,260	2022	8,695
2023	93,270	15,666	108,936	2022	8,123	2023	7,543
2024	95,617	13,320	108,937	2023	6,957	2024	6,363
2025	98,022	10,915	108,937	2024	5,762	2025	5,153
2026	100,488	8,448	108,936	2025	4,536	2026	3,912
2027	103,016	5,920	108,936	2026	3,280	2027	2,640
2028	105,607	3,330	108,937	2027	1,993	2028	1,337
2029	53,796	672	54,468	2028	672	2029	
	<u>1,673,182</u>	<u>451,077</u>	<u>2,124,259</u>		<u>230,904</u>		<u>220,173</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### TIF Revenue Bonds of 2005A

April 30, 2009

Date of Issue	July 18, 2005
Date of Maturity	December 15, 2024
Authorized Issue	\$8,500,000
Denomination of Bonds	\$5,000
Interest Rates	3.75% to 4.00%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

## CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ -	-	-	2009	-	2009	-
2011	-	-	-	2010	-	2010	-
2012	-	-	-	2011	-	2011	-
2013	-	-	-	2012	-	2012	-
2014	375,000	297,188	672,188	2013	148,594	2013	148,594
2015	425,000	283,126	708,126	2014	141,563	2014	141,563
2016	550,000	267,188	817,188	2015	133,594	2015	133,594
2017	575,000	246,562	821,562	2016	123,281	2016	123,281
2018	600,000	225,000	825,000	2017	112,500	2017	112,500
2019	625,000	201,000	826,000	2018	100,500	2018	100,500
2020	650,000	176,000	826,000	2019	88,000	2019	88,000
2021	675,000	150,000	825,000	2020	75,000	2020	75,000
2022	725,000	123,000	848,000	2021	61,500	2021	61,500
2023	750,000	94,000	844,000	2022	47,000	2022	47,000
2024	775,000	64,000	839,000	2023	32,000	2023	32,000
2025	825,000	33,000	858,000	2024	16,500	2024	16,500
	<u>7,550,000</u>	<u>2,160,064</u>	<u>9,710,064</u>		<u>1,080,032</u>		<u>1,080,032</u>



# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Long-Term Debt Requirements**

### **TIF Revenue Bonds of 2005B**

**April 30, 2009**

Date of Issue	July 18, 2005
Date of Maturity	December 15, 2014
Authorized Issue	\$1,500,000
Denomination of Bonds	\$5,000
Interest Rates	4.30% to 4.80%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

## **CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year	Tax Levy			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ 105,000	32,872	137,872	2009	16,436	2009	16,436
2011	120,000	28,306	148,306	2010	14,153	2010	14,153
2012	130,000	22,966	152,966	2011	11,483	2011	11,483
2013	140,000	18,726	158,726	2012	9,363	2012	9,363
2014	125,000	10,676	135,676	2013	5,338	2013	5,338
2015	100,000	4,800	104,800	2014	2,400	2014	2,400
	<u>720,000</u>	<u>118,346</u>	<u>838,346</u>		<u>59,173</u>		<u>59,173</u>

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Long-Term Debt Requirements

### Equipment Purchase and Construction Installment Contract of 2004 April 30, 2009

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Date of Contract	June 21, 2004
Date of Maturity	December 15, 2009
Amount of Contract	\$1,210,000
Interest Rates	3.25%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15

### CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending April 30	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2010	\$ 255,000	8,288	263,288	2009	4,144	2009	4,144

## **STATISTICAL SECTION**

### **(Unaudited)**

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

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

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

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

#### **Operating Information**

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

# VILLAGE OF LAKE ZURICH, ILLINOIS

Net Assets by Component - Last Six Fiscal Years  
April 30, 2009 (Unaudited)

	2004	2005	2006	2007	2008	2009
<b>Governmental Activities</b>						
Invested in Capital Assets, Net of Related Debt	\$ 63,594,963	67,029,970	63,037,308	62,882,689	65,075,365	52,814,210
Restricted	2,687,699	1,654,521	3,531,949	2,851,206	1,852,808	1,952,723
Unrestricted	233,709	2,910,750	2,962,069	1,954,077	(1,115,178)	9,536,742
Total Governmental Activities Net Assets	66,516,371	71,595,241	69,531,326	67,687,972	65,812,995	64,303,675
<b>Business-Type Activities</b>						
Invested in Capital Assets, Net of Related Debt	40,022,303	42,723,063	43,445,971	44,411,651	43,220,026	42,163,703
Restricted	-	-	-	-	-	-
Unrestricted	6,255,492	5,022,235	4,796,240	2,785,925	3,311,111	2,589,565
Total Business-Type Activities Net Assets	46,277,795	47,745,298	48,242,211	47,197,576	46,531,137	44,753,268
<b>Primary Government</b>						
Invested in Capital Assets, Net of Related Debt	103,617,266	109,753,033	106,483,279	107,294,340	108,295,391	94,977,913
Restricted	2,687,699	1,654,521	3,531,949	2,851,206	1,852,808	1,952,723
Unrestricted	6,489,201	7,932,985	7,758,309	4,740,002	2,195,933	12,126,307
Total Primary Government Net Assets	112,794,166	119,340,539	117,773,537	114,885,548	112,344,132	109,056,943

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2004.

# VILLAGE OF LAKE ZURICH, ILLINOIS

Changes in Net Assets - Last Six Fiscal Years  
April 30, 2009 (Unaudited)

	2004	2005	2006	2007	2008	2009
<b>Expenses</b>						
Governmental Activities						
General Government	\$ 2,413,846	2,442,432	2,416,410	2,675,926	3,156,278	3,529,170
Public Safety	11,303,728	12,496,702	14,598,186	15,419,714	16,081,083	16,767,143
Highways and Streets	4,054,985	3,486,514	3,296,350	3,311,564	3,722,055	3,972,096
Culture and Recreation	1,631,428	1,770,940	1,862,749	1,868,893	2,034,648	2,242,138
Economic Development	2,939,519	708,700	3,956,489	2,385,479	425,359	913,927
Interest on Long-Term Debt	915,673	1,087,578	1,449,772	1,528,564	2,045,277	1,695,254
Total Governmental Activities Expenses	23,259,179	21,992,866	27,579,956	27,190,140	27,464,700	29,119,728
Business-Type Activities						
Waterworks and Sewerage	4,005,428	4,020,070	4,634,314	5,412,249	5,148,885	5,170,570
Total Business-Type Activities Net Assets	4,005,428	4,020,070	4,634,314	5,412,249	5,148,885	5,170,570
Total Primary Government Expenses	27,264,607	26,012,936	32,214,270	32,602,389	32,613,585	34,290,298
<b>Program Revenues</b>						
Governmental Activities						
Charges for Services						
General Government	1,988,492	2,817,894	3,107,316	2,622,108	2,603,229	2,136,166
Public Safety	5,206,007	3,767,347	5,581,866	4,434,714	4,488,006	4,560,817
Culture and Recreation	578,319	603,016	585,138	641,046	619,381	629,882
Capital Grants/Operations	1,959,365	3,678,879	796,765	838,607	633,667	677,672
Total Governmental Activities Program Revenues	9,732,183	10,867,136	10,071,085	8,536,475	8,344,283	8,004,537
Business-Type Activities						
Charges for Services						
Waterworks and Sewerage	3,737,934	4,507,218	4,970,094	4,091,890	4,290,807	3,846,907
Capital Grants/Operations	-	2,300,184	-	-	-	-
Total Business-Type Activities Program Revenues	3,737,934	6,807,402	4,970,094	4,091,890	4,290,807	3,846,907
Total Primary Government Program Revenues	13,470,117	17,674,538	15,041,179	12,628,365	12,635,090	11,851,444

	2004	2005	2006	2007	2008	2009
<b>Net (Expense) Revenue</b>						
Governmental Activities	\$ (13,526,996)	(11,125,730)	(17,508,871)	(18,653,665)	(19,120,417)	(21,115,191)
Business-Type Activities	(267,494)	2,787,332	335,780	(1,320,359)	(858,078)	(1,323,663)
<b>Total Primary Government Net Revenue (Expense)</b>	<b>(13,794,490)</b>	<b>(8,338,398)</b>	<b>(17,173,091)</b>	<b>(19,974,024)</b>	<b>(19,978,495)</b>	<b>(22,438,854)</b>
<b>General Revenues and Other Changes in Net Assets</b>						
Governmental Activities						
Taxes						
Property	6,168,186	6,601,029	6,747,900	7,685,714	8,091,060	8,248,091
Municipal Sales	4,589,414	4,976,532	4,972,070	5,296,357	5,458,214	5,592,133
Intergovernmental						
Illinois State Income	1,117,985	1,322,612	1,468,210	1,637,119	1,788,320	1,683,021
Other	434,417	857,267	1,336,548	958,527	815,847	825,019
Interest Income	106,830	139,474	332,962	541,148	407,397	107,426
Miscellaneous	426,968	896,479	587,266	691,446	684,602	2,650,181
Transfers - Internal Activity	421,506	1,411,207	-	-	-	500,000
<b>Total Governmental Activities</b>	<b>13,265,306</b>	<b>16,204,600</b>	<b>15,444,956</b>	<b>16,810,311</b>	<b>17,245,440</b>	<b>19,605,871</b>
Business-Type Activities						
Property	11,723	11,723	11,728	11,733	11,732	11,724
Interest Income	55,994	79,655	149,405	263,991	179,907	34,070
Miscellaneous	-	-	-	-	-	-
Transfers - Internal Activity	(421,506)	(1,411,207)	-	-	-	(500,000)
<b>Total Business-Type Activities</b>	<b>(353,789)</b>	<b>(1,319,829)</b>	<b>161,133</b>	<b>275,724</b>	<b>191,639</b>	<b>(454,206)</b>
<b>Total Primary Government</b>	<b>12,911,517</b>	<b>14,884,771</b>	<b>15,606,089</b>	<b>17,086,035</b>	<b>17,437,079</b>	<b>19,151,665</b>
<b>Changes in Net Assets</b>						
Governmental Activities	(261,690)	5,078,870	(2,063,915)	(1,843,354)	(1,874,977)	(1,509,320)
Business-Type Activities	(621,283)	1,467,503	496,913	(1,044,635)	(666,439)	(1,777,869)
<b>Total Primary Government</b>	<b>(882,973)</b>	<b>6,546,373</b>	<b>(1,567,002)</b>	<b>(2,887,989)</b>	<b>(2,541,416)</b>	<b>(3,287,189)</b>

Data Source: Village Records  
The Village implemented GASB 34 in Fiscal Year 2004.

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Fund Balances of Governmental Funds - Last Ten Fiscal Years April 30, 2009 (Unaudited)

	2000	2001	2002	2003
General Fund				
Reserved	\$ 168,825	178,890	710,101	2,666,951
Unreserved	2,644,056	2,946,900	894,227	225,278
Total General Fund	2,812,881	3,125,790	1,604,328	2,892,229
All Other Governmental Funds				
Reserved	260,294	115,084	247,512	8,780,692
Unreserved, Reported in:				
Special Revenues Funds	218,668	218,492	83,274	-
Capital Projects Funds	197,921	3,695,408	426,782	614,468
Total All Other Governmental Funds	676,883	4,028,984	757,568	9,395,160

Data Source: Village Records

2004	2005	2006	2007	2008	2009
798,926	796,981	791,673	815,783	835,582	1,029,890
616,104	3,445,055	3,607,077	3,290,597	2,323,035	2,167,788
1,415,030	4,242,036	4,398,750	4,106,380	3,158,617	3,197,678
5,841,511	11,593,828	15,297,012	14,804,655	13,847,115	14,010,393
-	-	-	-	31,762	59,940
1,485,423	1,681,280	2,201,914	2,191,034	670,718	587,586
7,326,934	13,275,108	17,498,926	16,995,689	14,549,595	14,657,919



## VILLAGE OF LAKE ZURICH, ILLINOIS

### General Governmental Revenues By Source - Last Ten Fiscal Years April 30, 2009 (Unaudited)

Source	2000	2001	2002	2003
Taxes	\$ 7,830,914	8,236,547	9,709,824	10,294,390
Licenses and Permits	1,430,653	1,432,837	1,339,076	1,441,802
Intergovernmental	2,469,679	2,799,797	2,705,848	5,057,565
Charges for Services	2,862,165	2,820,309	3,494,639	4,484,078
Fines and Forfeits	523,886	655,631	558,704	577,039
Interest Income	188,628	625,135	251,086	159,260
Miscellaneous	789,435	742,405	363,141	1,134,743
Total	16,095,360	17,312,661	18,422,318	23,148,877

Note: Includes all Governmental Funds

Data Source: Village Records

2004	2005	2006	2007	2008	2009
10,757,600	11,577,561	11,719,970	12,982,071	13,549,274	13,840,224
1,561,404	2,478,365	2,610,400	2,192,802	2,223,784	1,912,348
2,897,367	2,864,902	3,601,523	3,434,253	3,237,834	3,185,712
5,674,514	4,259,682	6,175,199	5,030,420	5,005,354	5,005,802
536,900	450,210	488,721	474,646	481,478	408,715
106,830	139,474	332,962	541,148	407,397	107,426
426,968	896,479	587,266	691,446	684,602	2,650,181
21,961,583	22,666,673	25,516,041	25,346,786	25,589,723	27,110,408

## VILLAGE OF LAKE ZURICH, ILLINOIS

### General Governmental Expenditures By Function - Last Ten Fiscal Years April 30, 2009 (Unaudited)

Function	2000	2001	2002	2003
General Government	\$ 2,451,851	1,766,668	2,417,006	3,442,196
Public Safety	7,749,472	9,397,966	10,741,008	11,700,045
Highways and Streets	2,500,506	3,024,920	3,937,218	4,713,035
Culture and Recreation	1,945,616	1,583,560	1,566,916	1,695,000
Economic Development	-	-	-	1,648,969
Capital Outlay	82,226	3,229,479	4,532,339	746,520
Debt Service				
Principal	973,573	1,230,850	1,098,573	1,398,573
Interest and Fiscal Charges	510,284	436,158	709,702	700,829
Total	16,213,528	20,669,601	25,002,762	26,045,167

Note: Includes all Governmental Funds

Data Source: Village Records

2004	2005	2006	2007	2008	2009
2,291,206	2,251,949	2,357,302	2,508,671	2,849,795	3,083,437
11,659,477	11,836,203	13,648,751	14,389,260	15,024,150	14,471,695
2,854,762	3,186,134	2,814,329	3,079,508	2,962,734	2,809,433
1,527,115	1,662,954	1,746,509	1,782,675	1,943,021	2,004,690
2,939,519	708,700	3,956,489	2,385,479	425,359	913,927
1,105,306	699,772	533,572	735,561	2,044,233	2,771,192
2,668,573	1,663,573	6,598,573	2,023,573	1,665,000	1,900,000
882,556	989,379	1,323,726	1,554,811	2,069,288	1,933,501
25,928,514	22,998,664	32,979,251	28,459,538	28,983,580	29,887,875

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years April 30, 2009 (Unaudited)

	2000	2001	2002	2003
<b>Revenues</b>				
Taxes	\$ 7,830,914	8,236,547	9,709,824	10,294,390
Licenses and Permits	1,430,653	1,432,837	1,339,076	1,441,802
Intergovernmental	2,469,679	2,799,797	2,705,848	5,057,565
Charges for Services and Fees	2,862,165	2,820,309	3,494,639	4,484,078
Fines and Forfeits	523,886	655,631	558,704	577,039
Investment Income	188,628	625,135	251,086	159,260
Miscellaneous	789,435	742,405	363,141	1,134,743
<b>Total Revenues</b>	<b>16,095,360</b>	<b>17,312,661</b>	<b>18,422,318</b>	<b>23,148,877</b>
<b>Expenditures</b>				
General Government	2,451,851	1,766,668	2,417,006	3,442,196
Public Safety	7,749,472	9,397,966	10,741,008	11,700,045
Highways and Streets	2,500,506	3,024,920	3,937,218	4,713,035
Culture and Recreation	1,945,616	1,583,560	1,566,916	1,695,000
Economic Development	-	-	-	1,648,969
Capital Outlay	82,226	3,229,479	4,532,339	746,520
Debt Service				
Principal	973,573	1,230,850	1,098,573	1,398,573
Interest and Fiscal Charges	510,284	436,158	709,702	700,829
<b>Total Expenditures</b>	<b>16,213,528</b>	<b>20,669,601</b>	<b>25,002,762</b>	<b>26,045,167</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(118,168)</b>	<b>(3,356,940)</b>	<b>(6,580,444)</b>	<b>(2,896,290)</b>
<b>Other Financing Sources (Uses)</b>				
Debt Issuance	-	6,000,000	4,645,000	12,390,000
Premium on Debt Issuance	-	-	-	-
Payment to Escrow Agent	-	-	(4,585,733)	-
Transfer In	346,044	964,482	996,950	116,357
Transfer Out	-	-	(55,000)	-
Sale of Property	100,460	57,468	-	-
	<b>446,504</b>	<b>7,021,950</b>	<b>1,001,217</b>	<b>12,506,357</b>
<b>Net Change in Fund Balances</b>	<b>328,336</b>	<b>3,665,010</b>	<b>(5,579,227)</b>	<b>9,610,067</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>9.20%</b>	<b>9.56%</b>	<b>8.83%</b>	<b>8.30%</b>

Data Source: Village Records

2004	2005	2006	2007	2008	2009
10,757,600	11,577,561	11,719,970	12,982,071	13,549,274	13,840,224
1,561,404	2,478,365	2,610,400	2,192,802	2,223,784	1,912,348
2,897,367	2,864,902	3,601,523	3,434,253	3,237,834	3,185,712
5,674,514	4,259,682	6,175,199	5,030,420	5,005,354	5,005,802
536,900	450,210	488,721	474,646	481,478	408,715
106,830	139,474	332,962	541,148	407,397	107,426
426,968	896,479	587,266	691,446	684,602	2,650,181
21,961,583	22,666,673	25,516,041	25,346,786	25,589,723	27,110,408
2,291,206	2,251,949	2,357,302	2,508,671	2,849,795	3,083,437
11,659,477	11,836,203	13,648,751	14,389,260	15,024,150	14,471,695
2,854,762	3,186,134	2,814,329	3,079,508	2,962,734	2,809,433
1,527,115	1,662,954	1,746,509	1,782,675	1,943,021	2,004,690
2,939,519	708,700	3,956,489	2,385,479	425,359	913,927
1,105,306	699,772	533,572	735,561	2,044,233	2,771,192
2,668,573	1,663,573	6,598,573	2,023,573	1,665,000	1,900,000
882,556	989,379	1,323,726	1,554,811	2,069,288	1,933,501
25,928,514	22,998,664	32,979,251	28,459,538	28,983,580	29,887,875
(3,966,931)	(331,991)	(7,463,210)	(3,112,752)	(3,393,857)	(2,777,467)
-	7,695,964	11,843,742	2,317,145	-	18,145,000
-	-	-	-	-	170,367
-	-	-	-	-	(15,890,515)
421,506	1,598,207	6,507,635	-	-	8,747,910
-	(187,000)	(6,507,635)	-	-	(8,247,910)
-	-	-	-	-	-
421,506	9,107,171	11,843,742	2,317,145	-	2,924,852
(3,545,425)	8,775,180	4,380,532	(795,607)	(3,393,857)	147,385
14.31%	11.90%	24.42%	12.91%	14.16%	14.27%

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years April 30, 2009 (Unaudited)

Tax Levy Year	Residential Property	Commercial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
2000	\$ 360,326,154	\$ 90,572,962	\$ 450,899,116	\$ -	\$ 450,899,116	1.176
2001	374,214,989	104,430,873	478,645,862	-	478,645,862	1.148
2002	392,553,055	124,177,583	516,730,638	-	516,730,638	1.083
2003	430,136,293	134,714,931	564,851,224	21,060	564,872,284	1.025
2004	494,201,355	139,929,161	634,130,516	32,647	634,163,163	1.003
2005	528,188,250	142,547,903	670,736,153	33,510	670,769,663	0.907
2006	567,359,961	153,118,205	720,478,166	30,833	720,508,999	0.866
2007	600,225,289	169,303,669	769,528,958	33,174	769,562,132	0.813
2008	660,488,632	188,391,102	848,879,734	45,081	848,924,815	0.825
2009	684,983,790	200,512,583	885,496,373	61,540	885,557,913	N/A

N/A - Currently Not Available

Data Source: Office of the County Clerk

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years  
April 30, 2009 (Unaudited)**

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**See Following Page**



# VILLAGE OF LAKE ZURICH, ILLINOIS

## Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years April 30, 2009 (Unaudited)

Last Ten Tax Levy Years	1999	2000	2001	2002
<b>Village of Lake Zurich</b>				
Corporate	0.215	0.218	0.213	0.195
Police Protection	0.149	0.147	0.140	0.131
Fire Protection	0.133	0.131	0.127	0.119
Ambulance	0.127	0.126	0.131	0.111
Illinois Municipal Retirement	0.045	0.035	0.028	0.022
Federal Social Security	0.108	0.111	0.106	0.111
Insurance	0.033	0.036	0.042	0.056
Debt Service	0.247	0.322	0.311	0.288
Special Recreation	0.000	0.000	0.000	0.000
Police Pension	0.025	0.025	0.025	0.025
Firefighters' Pension	0.025	0.025	0.025	0.025
<b>Total Direct Tax Rate</b>	<b>1.107</b>	<b>1.176</b>	<b>1.148</b>	<b>1.083</b>
<b>Overlapping Rates</b>				
Village of Lake Zurich SSA #7	0.002	-	-	-
Lake County	0.521	0.521	0.516	0.502
Lake County Forest Preserve District	0.187	0.231	0.221	0.232
Ela Area Library District	0.408	0.396	0.387	0.371
School District #95	3.925	4.022	4.484	4.366
School District #96	3.052	3.060	2.951	3.013
Consolidated H.S. District #125	1.835	1.904	1.864	1.890
Community College #532	0.213	0.235	0.211	0.208
Ela Township - Corp. & GA	0.100	0.094	0.096	0.093
Ela Township - R & B	0.011	0.011	0.012	0.013
Ela Township - Gravel or R.I.	0.030	0.030	0.030	0.030
Lake County Public				
Building Commission	0.064	0.061	0.057	0.054
Barrington Public Library District	0.212	0.178	0.192	0.182
<b>Total Direct and Overlapping Tax Rate</b>	<b>11.667</b>	<b>11.919</b>	<b>12.169</b>	<b>12.037</b>

Data Source: Office of the County Clerk

2003	2004	2005	2006	2007	2008
0.187	0.173	0.170	0.154	0.145	0.008
0.120	0.118	0.116	0.117	0.111	0.111
0.109	0.108	0.106	0.107	0.101	0.101
0.102	0.101	0.099	0.100	0.095	0.096
0.027	0.027	0.027	0.028	0.027	0.027
0.108	0.107	0.105	0.106	0.100	0.096
0.042	0.042	0.042	0.043	0.041	0.076
0.275	0.269	0.176	0.140	0.125	0.126
0.013	0.012	0.020	0.023	0.022	0.021
0.021	0.023	0.023	0.024	0.023	0.079
0.021	0.023	0.023	0.024	0.023	0.084
1.025	1.003	0.907	0.866	0.813	0.825
-	-	-	-	-	-
0.490	0.465	0.454	0.450	0.444	0.453
0.225	0.219	0.210	0.204	0.201	0.199
0.343	0.334	0.323	0.317	0.306	0.308
4.092	4.082	4.040	3.992	3.830	3.899
2.940	3.038	3.000	2.989	2.772	2.869
1.940	2.062	2.112	2.134	2.114	2.139
0.201	0.200	0.197	0.195	0.192	0.196
0.086	0.085	0.085	0.086	0.082	0.084
0.011	0.011	0.010	0.010	0.010	0.005
0.029	0.030	0.030	0.032	0.032	0.038
0.051	-	-	-	-	-
0.177	0.193	0.155	0.169	0.152	0.150
11.610	11.722	11.523	11.444	10.948	11.165

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Principal Property Tax Payers - Current Year and Nine Years Ago April 30, 2009 (Unaudited)

Taxpayer	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
Village Square Retail Center LLC	\$ 7,154,907	1	0.8%	\$		
Landings Acquisition Company	6,219,109	2	0.7%			
Individual Taxpayer	5,669,103	3	0.6%			
Deerpath Commons Retail Center	5,599,440	4	0.6%	2,921,132	3	0.6%
Echo Incorporated	4,869,817	5	0.5%			
Deerpath Court Retail Center LLC	4,406,687	6	0.5%			
Costco	3,813,546	7	0.4%			
Liberty Realty Lake Zurich LLC	3,474,034	8	0.4%			
HD Development of Maryland LLC	2,996,648	9	0.3%			
Target Corporation	2,857,330	10	0.3%			
Fidelity Group LP				11,613,649	1	2.4%
Individual Taxpayer				4,167,144	2	0.9%
Tredegar Film Products				2,553,163	4	0.5%
The Jung Partnership				2,483,831	5	0.5%
Bergen Brunswig Medical Group				2,176,815	6	0.5%
Wal-Mart Properties, Inc.				2,161,836	7	0.5%
Dayton Hudson Corporation				2,124,000	8	0.4%
Lexington Health Care				1,696,294	9	0.4%
LZ Venture				1,683,877	10	0.3%
	<u>47,060,621</u>		<u>5.10%</u>	<u>33,581,741</u>		<u>7.00%</u>

Data Source: Office of the County Clerk and Ela Township Assessor

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Property Tax Levies and Collections - Last Ten Fiscal Years April 30, 2009 (Unaudited)**

Fiscal Year Ended April 30	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2000	1999	\$ 4,991,455	\$ 4,980,270	99.78%	N/A	\$ 4,980,270	99.78%
2001	2000	5,628,875	5,632,691	100.07%	N/A	5,632,691	100.07%
2002	2001	5,932,068	5,921,992	99.83%	N/A	5,921,992	99.83%
2003	2002	6,117,566	6,117,622	100.00%	N/A	6,117,622	100.00%
2004	2003	6,500,172	6,454,060	99.29%	N/A	6,454,060	99.29%
2005	2004	6,728,155	6,721,078	99.89%	N/A	6,721,078	99.89%
2006	2005	6,535,016	6,534,252	99.99%	N/A	6,534,252	99.99%
2007	2006	6,664,408	6,671,241	100.10%	N/A	6,671,241	100.10%
2008	2007	6,901,759	6,885,811	99.77%	N/A	6,885,811	99.77%
2009	2008	7,305,853	* N/A	* N/A	* N/A	* N/A	* N/A

N/A - Currently Not Available

\*To be collected in the subsequent fiscal year in accordance with Illinois Law.

Data Source: Office of the County Clerk

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Ratios of Outstanding Debt By Type - Last Ten Fiscal Years April 30, 2009 (Unaudited)**

Fiscal Year Ended April 30	Governmental Activities					Notes Payable
	General Obligation Bonds	GO TIF Alternate Revenue Bonds	TIF Alternate Revenue Bonds	Installment Contracts		
2000	\$ 6,595,000	\$ -	\$ -	\$ 2,040,011	\$ -	
2001	11,840,000	-	-	1,756,438	-	
2002	11,100,000	-	-	1,682,865	-	
2003	11,395,000	10,000,000	-	2,389,292	-	
2004	10,005,000	10,000,000	-	880,719	-	
2005	8,560,000	10,000,000	-	1,872,146	6,485,964	
2006	6,970,000	10,000,000	10,000,000	1,418,573	3,774,706	
2007	5,855,000	9,555,000	10,000,000	955,000	6,091,851	
2008	5,095,000	9,100,000	10,000,000	505,000	6,091,851	
2009	4,575,000	20,135,000	8,270,000	255,000	-	

Data Source: Village's Records

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

- (1) See the Schedule of Demographic and Economic Statistics for per capita personal income.  
Per capita personal income/total primary government.
- (2) See the Schedule of Demographic and Economic Statistics for population data.  
Total primary government/population.

Business-Type Activities		Total Primary Government	Total Equalized Assessed Value (EAV)	Percentage of EAV	Percentage of Per Capita Personal Income (1)		Per Capita (2)
Waterworks and Sewerage Revenue Bonds	IEPA Loan						
\$ 3,555,000	\$ -	\$ 12,190,011	450,899,116	2.70%	0.33%		\$ 673.33
3,335,000	-	16,931,438	478,645,862	3.54%	0.27%		929.79
5,110,000	-	17,892,865	516,730,638	3.46%	0.26%		918.34
7,530,000	-	31,314,292	564,872,284	5.54%	0.13%		1,647.69
4,490,000	-	25,375,719	634,163,163	4.00%	0.18%		1,335.21
4,010,000	-	30,928,110	670,769,663	4.61%	0.15%		1,628.48
3,520,000	355,509	36,038,788	720,508,999	5.00%	0.11%		1,897.58
5,075,000	1,941,834	39,473,685	769,562,132	5.13%	0.11%		2,078.44
4,510,000	2,489,808	37,791,659	848,924,815	4.45%	0.12%		1,989.87
3,925,000	3,542,854	40,702,854	885,557,913	4.60%	0.09%		2,042.09

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Ratios of General Bonded Debt Outstanding - Last Ten Fiscal Years April 30, 2009 (Unaudited)**

<b>Fiscal Year Ended April 30</b>	<b>Gross General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Equalized Assessed Value (1)</b>	<b>Per Capita (2)</b>
2000	\$ 6,595,000	\$ 260,294	\$ 6,334,706	1.40%	\$ 349.91
2001	11,840,000	115,084	11,724,916	2.45%	643.87
2002	13,100,000	247,512	12,852,488	2.49%	659.64
2003	11,395,000	586,227	10,808,773	1.91%	568.73
2004	10,005,000	377,989	9,627,011	1.52%	506.55
2005	8,560,000	450,950	8,109,050	1.21%	426.97
2006	6,970,000	309,524	6,660,476	0.92%	350.70
2007	5,855,000	155,410	5,699,590	0.74%	300.10
2008	5,095,000	196,268	4,898,732	0.58%	257.94
2009	4,575,000	259,631	4,315,369	0.49%	216.50

Data Source: Village Records

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

(1) See Schedule of Assessed Value and Actual Value of Taxable Property for property value data.

(2) See the Schedule of Demographic and Economic Statistics for population data.

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Schedule of Direct and Overlapping Bonded Debt April 30, 2009 (Unaudited)**

<b>Governmental Unit</b>	<b>Gross Debt</b>	<b>Percentage to Debt Applicable to Village (1)</b>	<b>Village's Share of Debt</b>
Village of Lake Zurich	\$ 4,575,000 (2)	100.00%	\$ 4,575,000
Lake County, Forest Preserve District	154,770,000	2.89%	4,473,836
Ela Area Library District	11,255,000	42.30%	4,760,817
School District #95	47,998,612	49.09%	23,561,355
School District #96	7,625,000	1.66%	126,260
Consolidated High School District #125	32,160,000	0.62%	200,877
Community College #532	8,351,229	3.04%	253,893
<b>Totals</b>	<b>262,159,841</b>		<b>33,377,038</b>

(1) Determined by the ratio of assessed value of property in the Village of Lake Zurich subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

(2) Consists of GO Bonds of 2003C, 2008A, and 2008B

Data Source: Lake County Tax Extension Department



## VILLAGE OF LAKE ZURICH, ILLINOIS

### Schedule of Legal Debt Margin April 30, 2009 (Unaudited)

Assessed Valuation - 2008	<u>\$ 885,557,913</u>
Legal Debt Limit - 8.625% of Assessed Valuation	76,379,370
Amount of Debt Applicable to Debt Limit	
General Obligation Debt Payable	
General Obligation Bonds	4,575,000
Installment Contracts	<u>255,000</u>
Legal Debt Margin	<u>71,549,370</u>

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 300,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Pledged-Revenue Coverage - Last Ten Fiscal Years April 30, 2009 (Unaudited)

Fiscal Year Ended April 30	Revenues*	Principal	Interest	Coverage
2000	\$ 4,144,902	\$ 210,000	\$ 174,258	10.79
2001	3,635,790	220,000	164,173	9.46
2002	3,631,085	225,000	187,495	8.80
2003	3,620,412	255,000	141,390	9.13
2004	-	-	-	-
2005	-	-	-	-
2006	-	-	-	-
2007	-	-	-	-
2008	-	-	-	-
2009	-	-	-	-

Revenue Bonds were retired during fiscal year 2003.

\*As defined in applicable bond indentures and governing laws.

Data Source: Village Records

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2009 (Unaudited)**

<b>Fiscal Year Ended April 30</b>	<b>(1) Population</b>	<b>(2) Personal Income (in Thousands)</b>	<b>(2) Per Capita Personal Income</b>	<b>(2) Median Age</b>	<b>(3) School Enrollment</b>	<b>(4) Unemployment Rate</b>
2000	18,104	\$ 723,870	\$ 39,984	36.7	6,104	2.1
2001	18,210	844,980	46,402	34.7	6,280	2.9
2002	19,484	903,999	46,397	37.6	6,429	3.7
2003	19,005	796,252	41,897	36.9	6,529	3.9
2004	19,005	849,847	44,717	37.2	6,570	2.1
2005	18,992	860,490	45,308	36.8	6,512	2.1
2006	18,992	773,810	40,744	35.8	6,614	1.7
2007	18,992	846,827	44,589	35.7	6,477	1.8
2008	18,992	884,640	46,580	35.8	6,366	2.2
2009	19,932	718,927	36,069	34.7	6,188	6.7

### **Data Sources:**

- (1) Based on U.S. Census Bureau
- (2) Based on U.S. Census Bureau (Reported by Zip Code)
- (3) Annual School Census by Community Unit School District #95
- (4) Illinois Department of Employment Security

# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago April 30, 2009 (Unaudited)**

Employer	2009			2000		
	Employees	Rank	Percentage of Total Village Employment	Employees	Rank	Percentage of Total Village Employment
Lake Zurich Comm. Unit S.D. #95	763	1	8.06%	N/A	N/A	N/A
Echo Inc.	690	2	7.29%	N/A	N/A	N/A
B&B Maintenance, Inc.	500	3	5.28%	N/A	N/A	N/A
Dovenmuehle Mortgage Inc.	500	4	5.28%	N/A	N/A	N/A
CM Products Inc.	200	5	2.11%	N/A	N/A	N/A
Food Equipment Tech, Co.	197	6	2.08%	N/A	N/A	N/A
Village of Lake Zurich	182	7	1.92%	N/A	N/A	N/A
Lexington Lake Zurich	182	8	1.92%	N/A	N/A	N/A
Pinnacle Food Products, Inc.	160	9	1.69%	N/A	N/A	N/A
Parkview Metal Products, Inc.	150	10	1.59%	N/A	N/A	N/A
	<u>3,524</u>		<u>37.24%</u>	<u>N/A</u>		<u>N/A</u>

N/A - Currently Not Available

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

## VILLAGE OF LAKE ZURICH, ILLINOIS

### Full-Time Equivalent Village Government Employees by Function - Last Five Fiscal Years April 30, 2009 (Unaudited)

Function	2005	2006	2007	2008	2009
General Government					
Administration	2	2	2	2	4
Finance	8	9	9	8	7
Public Works	18	17	16	19	19
Police	52	55	55	58	55
Fire	56	61	61	62	62
Community Development	8	8	9	10	10
Water and Sewer	11	13	13	13	12
Engineering	4	4	4	4	3
Recreation	10	10	9	11	10
Total	169	179	178	187	182

Data Source: Village Records

**VILLAGE OF LAKE ZURICH, ILLINOIS**

**Operating Indicators by Function/Program - Last Ten Fiscal Years  
April 30, 2009 (Unaudited)**

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**See Following Page**

# VILLAGE OF LAKE ZURICH, ILLINOIS

## Operating Indicators by Function/Program - Last Ten Fiscal Years April 30, 2009 (Unaudited)

Function/Program	2000	2001	2002
<b>Public Works</b>			
Forestry			
Number of Parkway Trees Planted	67	49	40
Number of Parkway Trees Trimmed	1,300	1,000	1,150
Fleet Services			
Number of Vehicles Maintained	80	81	88
Preventative Maintenance Services	643	672	664
<b>Public Safety</b>			
Fire			
Number of Fire Calls	1,618	1,619	1,589
Number of EMS Calls	1,678	1,627	1,671
Number of Training Hours	9,471	10,741	12,243
Police			
Part I Crime	N/A	N/A	N/A
Part II Crime	N/A	N/A	N/A
Calls for Service	11,852	11,697	12,207
State Tickets Issued	3,926	3,487	3,701
Compliance Tickets Issued	N/A	N/A	N/A
Parking Tickets Issued	1,944	2,123	3,655
<b>Community Development</b>			
Number of Building Permits Issued	2,804	1,481	963
Number of Building Inspections	5,397	7,513	6,509
Number of Food Service Inspections	N/A	N/A	N/A
<b>Highways and Streets</b>			
Sidewalk Replaced (sq. ft.)	4,200	4,250	4,800
Annual Resurfacing Program (\$)	N/A	N/A	N/A
Crack Sealing (lbs. installed)	18,000	17,550	12,700
<b>Water and Sewer</b>			
Water Main Breaks	29	20	36
Hydrants Flushed	3,000	3,100	3,120
Water Meters Read	74,700	75,000	75,300
Water Meter Service Requests	N/A	N/A	667
Total Distribution Pumpage (1,000 Gallons)	697MG	702MG	757MG
Average Daily Pumpage (1,000 Gallons)	1.9MG	1.92MG	2.07MG
Sanitary Sewer Televising (Feet)	10,000	12,000	15,000
Sanitary Sewer Repairs	2	12	7

N/A - Currently Not Available

Data Source: Village Records  
Information on Calendar Year-End

2003	2004	2005	2006	2007	2008	2009
55	53	57	61	74	42	N/A
1,200	1,230	1,235	1,268	692	737	N/A
90	91	89	93	93	95	N/A
694	706	751	713	690	736	N/A
1,585	1,551	1,617	1,582	1,745	1,793	N/A
1,646	1,746	1,784	1,664	1,694	1,665	N/A
12,243	12,243	12,474	11,750	9,279	11,817	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
12,101	11,647	10,982	10,423	10,101	9,860	N/A
4,843	4,750	5,077	5,563	5,116	4,672	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
2,286	1,718	1,998	1,905	1,866	1,983	N/A
1,046	1,373	1,040	1,100	1,341	1,135	N/A
6,295	8,237	5,821	5,409	4,808	5,142	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A
4,600	4,300	4,400	7,680	10,093	3,140	N/A
793,620	932,150	877,342	684,866	925,000	100,000	N/A
12,500	12,752	13,020	12,060	13,000	13,000	
39	27	41	32	18	35	N/A
3,140	3,160	3,180	3,200	1,610	3,520	N/A
75,600	76,200	76,500	76,884	25,628	79,878	N/A
437	967	N/A	988	551	819	N/A
747MG	732MG	811MG	731MG	218MG	687MG	N/A
2.04MG	2.0MG	2.22MG	2.0MG	1.8MG	1.88MG	N/A
15,000	10,000	20,000	12,000	4,000	3,000	N/A
24	6	14	12	2	1	N/A



# **VILLAGE OF LAKE ZURICH, ILLINOIS**

## **Capital Asset Statistics by Function/Program April 30, 2009 (Unaudited)**

Function/Program	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	19	21	21	21	20	20	20	22	21
<b>Fire Stations</b>	3	4	4	4	4	4	4	4	4	4
<b>Public Works</b>										
Streets (Miles)	135	200	240	152.5	152.5	158.2	158.2	158.2	159.0	159.0
Sidewalks (Miles)	N/A	N/A	N/A	84	88	89	90	90	91	91
Streetlights	N/A	N/A	N/A	N/A	N/A	N/A	N/A	170	175	175
<b>Water and Sewer</b>										
Water Mains (Miles)	92	97	93	96	99	104	107	107	108	108
Fire Hydrants	1550	1550	1600	1620	1647	1731	1739	1739	1760	1760
Sanitary Sewers (Miles)	145	83	97	97	99	103	106	106	107	107
Manholes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Currently Not Available

Data Source: Village Records