

VILLAGE OF LAKE BARRINGTON

FY2014 FINANCIAL PLAN

2014 Fiscal Year: May 1, 2013 - April 30, 2014
Financial Plan and Appropriation Ordinance
Approved : June 5, 2013



New Village Gateway Sign 2013

Village President - Kevin C. Richardson

Village Board of Trustees -

Andrew F. Burke

Karen Daulton Lange

Chris Mitchell

David B. Raclaw

John M. Schaller

Connie Schofield

Interim Treasurer - David B. Raclaw

Village Administrator - Christopher A. Martin

Village Accountant - Deborah E. Vernon

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TRANSMITTAL

To: The Honorable President and Board of Trustees
Date: **May 1, 2013**

On behalf of the Village staff, I am pleased to present the Village's fiscal year 2014 Financial Plan and FY2014 Appropriation Ordinance (May 1, 2013 – April 30, 2014).

The total operating expenditures in this Financial Plan have been thoroughly scrutinized and prepared consistent with the Village's fiscal policies and legislative requirements. This Financial Plan includes the following:

- ✓ **Financial Plans**: organized by fund (General Fund, Motor Fuel Tax Fund, Water and Sewer Fund) along with Capital Improvement and Equipment programs and the Appropriations Ordinance and statement of revenues.
- ✓ **Financial Analysis**: narrative highlights, notable changes, and charts depicting major trends and other information.
- ✓ **Fiscal Policies**: policies that guide the financial planning process and fiscal management throughout the year.
- ✓ **Glossary**: definitions of frequently used terms.

I would like to recognize the efforts of the Village President and Board of Trustees, the Finance Committee, Accountant Debbie Vernon, and Interim Treasurer David Raclaw in working to craft this document.

Respectfully submitted,
Christopher A. Martin, Village Administrator

FY2014 FINANCIAL PLAN

The Village's FY2014 Financial Plan is presented along with seven year programs for capital improvements and equipment purchases. The Financial Plan includes FY11-12 actuals and current year (FY13) projections.

The FY2014 Financial Plan is balanced through the use of a transfer from General Fund reserves. The Village has adjusted operating expenditures to meet continued and significant revenue shortfalls in building permits and interest income and others over the past three years. The Village will examine revenue options this summer to provide for a sustainable capital improvement budget.

The seven year capital improvement programs for both the Motor Fuel Tax (MFT) Fund and Water and Sewer Fund were developed following analysis and study of the Village's roadways system and its water and sewer facilities respectively. A comprehensive catalog of the Village's financial documents is included.

Attached to this Section:

1. Financial Plans - General, MFT, and Water and Sewer Funds
2. Capital Improvement Program - General, MFT, Open Space, and Water and Sewer Funds
3. FY2014 Appropriation Ordinance
4. Certified Estimate of Revenues By Source

VILLAGE OF LAKE BARRINGTON
General Fund
FY2014 Financial Plan

	Actual FY 2011	Actual FY 2012	Budget FY2013	Est Actual FY2013	Change \$	BUDGET FY2014	%Change Bud/Bud
REVENUE							
Tax Revenues							
Income Tax	\$ 368,130	\$ 421,343	\$ 410,000	\$ 425,112	\$ 15,112	\$ 435,000	6%
Local Use Tax (State)	\$ 67,937	\$ 72,530	\$ 69,000	\$ 78,291	\$ 9,292	\$ 82,000	19%
Property Tax	\$ 384,294	\$ 402,980	\$ 422,000	\$ 421,636	\$ (364)	\$ 443,000	5%
Personal Property Replacement Tax	\$ 924	\$ 872	\$ 900	\$ 633	\$ (267)	\$ 600	-33%
Road & Bridge Tax (Township)	\$ 39,886	\$ 40,977	\$ 41,000	\$ 42,436	\$ 1,437	\$ 43,500	6%
Sales Tax	\$ 237,598	\$ 373,316	\$ 400,000	\$ 412,584	\$ 12,584	\$ 430,000	8%
Telecommunications Tax	\$ 125,550	\$ 121,781	\$ 126,000	\$ 126,426	\$ 426	\$ 126,000	0%
Utility Tax	\$ 69,151	\$ 64,642	\$ 70,000	\$ 61,000	\$ (9,000)	\$ 65,000	-7%
Total Tax Revenues	\$ 1,293,469	\$ 1,498,439	\$ 1,538,900	\$ 1,568,119	\$ 29,219	\$ 1,625,100	6%
Permit & License Rev.							
Building Permits	\$ 56,198	\$ 61,226	\$ 70,000	\$ 93,808	\$ 23,808	\$ 110,000	57%
Business Licenses	\$ 21,975	\$ 22,375	\$ 21,000	\$ 22,705	\$ 1,705	\$ 22,000	5%
Contractor Registration	\$ 15,000	\$ 15,100	\$ 12,000	\$ 14,600	\$ 2,600	\$ 15,000	25%
Food & Liquor Licenses	\$ 18,175	\$ 18,638	\$ 16,600	\$ 19,700	\$ 3,100	\$ 20,750	25%
Amuse/Massage License	\$ 2,200	\$ 1,600	\$ 1,600	\$ 800	\$ (800)	\$ 1,000	-38%
Vehicle Stickers	\$ 265	\$ 595	\$ 500	\$ 250	\$ (250)	\$ 500	0%
Total Permit & License	\$ 113,813	\$ 119,534	\$ 121,700	\$ 151,863	\$ 30,163	\$ 169,250	39%
Fee Revenues							
Cable Franchise Fees	\$ 87,576	\$ 92,418	\$ 93,000	\$ 92,647	\$ (353)	\$ 93,000	0%
Total Fees	\$ 87,576	\$ 92,418	\$ 93,000	\$ 92,647	\$ (353)	\$ 93,000	0%
Fine Revenues							
False Alarms	\$ 5,100	\$ 2,200	\$ 2,000	\$ 2,300	\$ 300	\$ 2,000	0%
Traffic Violations	\$ 16,915	\$ 15,163	\$ 13,000	\$ 18,619	\$ 5,619	\$ 18,000	38%
Total Fine Revenues	\$ 22,015	\$ 17,363	\$ 15,000	\$ 20,919	\$ 5,919	\$ 20,000	33%
Other Revenues							
Compost Stickers and Recycle Bins	\$ 5,290	\$ 5,990	\$ 5,000	\$ 4,466	\$ (535)	\$ 5,000	0%
Interest Income	\$ 3,182	\$ 1,856	\$ 2,000	\$ 2,062	\$ 62	\$ 2,500	25%
Miscellaneous Income	\$ 709,172	\$ 254,445	\$ 150,000	\$ 1,926	\$ (148,074)	\$ 2,000	-99%
Farmhouse Rent	\$ 19,200	\$ 19,250	\$ 19,500	\$ 19,500	\$ -	\$ 19,500	0%
Wienecke Trust	\$ 26,000	\$ 26,000	\$ 50,000	\$ 142,775	\$ 92,775	\$ 26,000	-48%
Total Other Revenues	\$ 762,845	\$ 307,542	\$ 226,500	\$ 170,729	\$ (55,771)	\$ 55,000	-76%
TOTAL REVENUE	\$ 2,279,718	\$ 2,035,296	\$ 1,995,100	\$ 2,004,276	\$ 9,176	\$ 1,962,350	-2%

VILLAGE OF LAKE BARRINGTON
General Fund
FY2014 Financial Plan

	Actual FY 2011	Actual FY 2012	Budget FY2013	Est Actual FY2013	Change \$	BUDGET FY2014	%Change Bud/Bud
EXPENSES							
Legal Services							
Board Directed	\$ 825	\$ -	\$ 2,500	\$ -	\$ (2,500)	\$ 2,500	0%
General	\$ 46,285	\$ 34,560	\$ 45,000	\$ 35,309	\$ (9,691)	\$ 42,500	-6%
Litigation	\$ 3,664	\$ 3,659	\$ 5,000	\$ 3,262	\$ (1,738)	\$ 4,000	-20%
Meetings	\$ 5,231	\$ 5,781	\$ 7,500	\$ 5,531	\$ (1,969)	\$ 6,000	-20%
Total Legal Services	\$ 56,005	\$ 44,000	\$ 60,000	\$ 44,103	\$ (15,897)	\$ 55,000	-8%
Building Review Services							
Plan Review and Inspections	\$ 32,882	\$ 47,112	\$ 45,500	\$ 47,303	\$ 1,803	\$ 55,000	21%
Drainage and Engineering	\$ 4,038	\$ 4,858	\$ 5,000	\$ 4,896	\$ (104)	\$ 5,000	0%
Total Building Review Services	\$ 36,920	\$ 51,970	\$ 50,500	\$ 52,199	\$ 1,699	\$ 60,000	19%
Outside Services							
Audit Services	\$ 7,840	\$ 8,000	\$ 8,400	\$ 8,120	\$ (280)	\$ 8,400	0%
Computer Services	\$ 175	\$ -	\$ 1,000	\$ -	\$ (1,000)	\$ 500	-50%
Engineering Services	\$ 91,921	\$ 62,315	\$ 60,000	\$ 48,944	\$ (11,056)	\$ 40,000	-33%
Environmental Consultants (o.s., wells, Idscp)	\$ 1,500	\$ 6,200	\$ 5,000	\$ 5,884	\$ 884	\$ 5,000	0%
Mosquito Abatement	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ 25,000	0%
Planning Consultant	\$ -	\$ -	\$ 5,000	\$ -	\$ (5,000)	\$ -	-100%
Police Services	\$ 386,134	\$ 401,493	\$ 418,000	\$ 414,249	\$ (3,751)	\$ 434,000	4%
Road and Ditch Maintenance (Contract)	\$ 87,833	\$ 89,190	\$ 92,800	\$ 90,555	\$ (2,245)	\$ 94,177	1%
Road and Ditch Maintenance (Projects)	\$ 697,584	\$ 524,662	\$ 410,000	\$ 412,419	\$ 2,419	\$ 50,000	-88%
Road Maintenance (Salt)	\$ 20,607	\$ 10,956	\$ 35,000	\$ 7,280	\$ (27,720)	\$ 35,000	0%
Beautification Initiative	\$ 1,025	\$ -	\$ 30,000	\$ -	\$ (30,000)	\$ 15,000	-50%
Intergovernmental Consultant (lobbying)	\$ 28,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ -	\$ 36,000	0%
Waste Disposal	\$ 322,749	\$ 328,677	\$ 352,000	\$ 351,714	\$ (286)	\$ 386,000	10%
Total Outside Services	\$ 1,675,523	\$ 1,492,494	\$ 1,478,200	\$ 1,400,164	\$ (78,036)	\$ 1,129,077	-24%
Payroll							
Staff Wages	\$ 274,002	\$ 281,599	\$ 280,852	\$ 289,113	\$ 8,261	\$ 301,000	7%
Treasurer Salary	\$ 9,123	\$ 9,123	\$ 9,579	\$ 760	\$ (8,819)	\$ 4,250	-56%
President Salary	\$ 5,500	\$ 6,500	\$ 6,000	\$ 6,000	\$ -	\$ 6,000	0%
Trustee Wages	\$ 9,400	\$ 14,000	\$ 14,000	\$ 15,400	\$ 1,400	\$ 14,000	0%
Employee Insurance	\$ 56,085	\$ 59,793	\$ 65,000	\$ 64,520	\$ (480)	\$ 70,525	9%
FICA/Medicare Taxes	\$ 22,080	\$ 24,090	\$ 23,000	\$ 23,117	\$ 117	\$ 24,500	7%
IMRF Contribution	\$ 30,800	\$ 37,788	\$ 37,000	\$ 38,129	\$ 1,129	\$ 39,500	7%
Unemployment Taxes	\$ 418	\$ 370	\$ 500	\$ 405	\$ (95)	\$ 500	0%
Payroll Exp - Other	\$ 18,316	\$ 27,500	\$ 10,000	\$ 25,000	\$ 15,000	\$ 25,000	150%
Total Payroll	\$ 425,724	\$ 460,761	\$ 445,931	\$ 462,444	\$ 16,513	\$ 485,275	9%

VILLAGE OF LAKE BARRINGTON

General Fund
FY2014 Financial Plan

	Actual FY 2011	Actual FY 2012	Budget FY2013	Est Actual FY2013	Change \$	BUDGET FY2014	%Change Bud/Bud
Capitalized Assets							
Building Repairs (Incl. ADA,roof)		\$ -	\$ 3,000	\$ 116,775	\$ 113,775	\$ 5,000	67%
Dump Truck -Cuba Township		\$ -	\$ 129,000	\$ 129,312	\$ 312	\$ -	-100%
Gateway Signage		\$ -	\$ 10,000	\$ -	\$ (10,000)	\$ 2,500	-75%
Office Equipment- Copier	\$ -	\$ -	\$ 22,500	\$ -	\$ (22,500)	\$ 10,000	-56%
Total Capitalized Assets	\$ -	\$ -	\$ 164,500	\$ 246,087	\$ 81,587	\$ 17,500	-89%
Other Expenses							
Bad Debt Expense	\$ -	\$ 1,808	\$ 500	\$ -	\$ (500)	\$ 500	0%
Conferences/Education	\$ 4,829	\$ 4,680	\$ 6,000	\$ 7,382	\$ 1,382	\$ 7,500	25%
Donations	\$ 4,964	\$ 10,234	\$ 8,500	\$ 15,585	\$ 7,085	\$ 15,000	76%
Dues-BACOG	\$ 31,646	\$ 32,030	\$ 25,000	\$ 24,064	\$ (936)	\$ 25,000	0%
Other Dues & Subscriptions	\$ 6,316	\$ 6,477	\$ 7,000	\$ 6,560	\$ (440)	\$ 7,000	0%
Electric Service	\$ 2,670	\$ 2,320	\$ 3,000	\$ 2,241	\$ (759)	\$ 3,000	0%
Insurance (Liability, W/C, Property)	\$ 16,508	\$ 17,388	\$ 18,500	\$ 26,236	\$ 7,736	\$ 26,000	41%
IT/Communications Equipment/Services	\$ 5,246	\$ 5,462	\$ 3,000	\$ 3,203	\$ 203	\$ 2,500	-17%
Mileage & Expenses	\$ 4,955	\$ 5,041	\$ 5,000	\$ 4,484	\$ (516)	\$ 5,000	0%
Miscellaneous Expenses	\$ 14,356	\$ 15,303	\$ 15,000	\$ 17,336	\$ 2,336	\$ 15,000	0%
Newsletters & Website	\$ 6,423	\$ 6,841	\$ 6,000	\$ 8,721	\$ 2,721	\$ 7,500	25%
Office Equipment	\$ -	\$ -	\$ 2,500	\$ -	\$ (2,500)	\$ -	-100%
Office Supplies	\$ 5,507	\$ 4,254	\$ 6,500	\$ 4,830	\$ (1,670)	\$ 6,500	0%
Operations Expenses	\$ 11,501	\$ 16,566	\$ 11,000	\$ 16,940	\$ 5,940	\$ 16,000	45%
Postage	\$ 5,536	\$ 4,027	\$ 5,000	\$ 4,065	\$ (935)	\$ 5,000	0%
Property Maintenance-Exterior	\$ 10,753	\$ 10,720	\$ 13,000	\$ 10,559	\$ (2,441)	\$ 13,000	0%
Property Maintenance-Interior	\$ 12,547	\$ 14,328	\$ 13,000	\$ 12,931	\$ (69)	\$ 13,000	0%
Sales Tax Rebates	\$ -	\$ 41,104	\$ 60,000	\$ 60,000	\$ -	\$ 60,000	0%
Telephone Service	\$ 3,830	\$ 4,344	\$ 5,000	\$ 4,422	\$ (578)	\$ 5,000	0%
Tree City USA	\$ 978	\$ 3,618	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	0%
Yardwaste Stickers/Recycle Bins	\$ 5,330	\$ 7,460	\$ 5,000	\$ 5,420	\$ 420	\$ 2,500	-50%
Total Other Expenses	\$ 153,894	\$ 214,004	\$ 223,500	\$ 239,979	\$ 16,479	\$ 240,000	7%
TOTAL EXPENSES	\$ 2,348,065	\$ 2,263,229	\$ 2,422,631	\$ 2,444,976	\$ 22,345	\$ 1,986,852	-18%
TOTAL REVENUES	\$ 2,279,718	\$ 2,035,296	\$ 1,995,100	\$ 2,004,276	\$ 9,176	\$ 1,962,350	-2%
NET	\$ (68,348)	\$ (227,933)	\$ (427,531)	\$ (440,701)		\$ (24,502)	

Village of Lake Barrington - Capital Improvements Program

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	TOTAL FY14-FY19
General Fund (and other fund) Improvements								
Village Hall - Building and Grounds								
Building								
Contingency/Maintenance	\$5,000	\$5,000	\$5,000	\$5,000				\$15,000
Interior Painting		\$2,500	\$5,000					\$7,500
Floor Tile Repair - Hallway								\$0
Kitchen Remodeling				\$15,000				\$15,000
HVAC Upgrades/Repairs/Replacement			\$20,000					\$20,000
Exterior Tuck Point								\$0
Carpet Replacement			\$5,000					\$5,000
Roof Repairs and Replacement (Weincke Trust)	\$125,000							\$0
Fireplace Mantel								\$0
Grounds								\$0
Parking Lot Resurface and Curbing (Weincke Trust)				\$30,000				\$30,000
Entryway Signs (OS fund)	\$30,000							\$0
Landscaping Upgrades - Plantings								\$0
Parking Lot Lighting Replacement			\$20,000					\$20,000
Village Hall Buildings and Grounds Total	\$160,000	\$7,500	\$55,000	\$50,000	\$0	\$0	\$0	\$112,500
Neighborhood Beautification								
Tree City Program (minimum required budget \$10,500)	\$5,000	\$5,000	\$5,000	\$5,000	\$10,000	\$10,000	\$10,000	\$45,000
Tree Trimming, Replacement, 50/50 Program								\$0
Shoulder, Paths, Lighting, Drainage, Signage, Etc.	\$0	\$10,000	\$15,000	\$20,000	\$20,000	\$25,000	\$25,000	\$115,000
Trees and Community Landscaping Total	\$5,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$35,000	\$160,000
Streets, Ditches, Culverts, Non-MFT - OS (see PMR)								
Major Rehabilitations (See PMR)	\$355,000							\$0
Farm Trails (radius curb and drainage)								\$0
Chesapeake	\$280,000							\$0
Harbor Road South of Route 22	\$75,000							\$0
Savannah					\$350,000			\$350,000
Estates of Lake Barrington			\$650,000					\$650,000
Major Repairs - CTHD	\$98,000	\$50,000	\$50,000	\$50,000				\$150,000
Golfview	\$98,000							\$0
Crestview		\$25,000						\$25,000
Twin Pond Farms		\$25,000						\$25,000
Streets, Ditches, Culverts Non-MFT Total	\$453,000	\$100,000	\$700,000	\$50,000	\$350,000	\$0	\$0	\$1,200,000
TOTAL GENERAL FUND IMPROVEMENTS	\$618,000	\$122,500	\$775,000	\$125,000	\$380,000	\$35,000	\$35,000	\$2,400,000

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	TOTAL FY14-FY19
Motor Fuel Tax Capital Improvements - Revised								
Major Resurface Program MFT								
Woodland Bridge	\$0	\$111,000						\$111,000
TangleWood - River's Bend		\$400,000						\$400,000
Tioga Trail/White Pine/Chippewa		\$100,000						\$100,000
Dublin Way/Casey Court				\$250,000				\$250,000
Major Resurface Total	\$0	\$611,000	\$0	\$250,000	\$0	\$0	\$0	\$611,000
TOTAL MFT	\$0	\$611,000	\$0	\$250,000	\$0	\$0	\$0	\$611,000
Motor Fuel Tax Revenues	\$140,000	\$138,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$125,000
Motor Fuel Tax Reserves	\$432,000	\$572,000	\$99,000	\$234,000	\$119,000	\$119,000	\$254,000	\$389,000
Motor Fuel Tax Expenses	\$0	\$611,000	\$0	\$250,000	\$0	\$0	\$0	\$0
Motor Fuel Tax Carry Over	\$572,000	\$99,000	\$234,000	\$119,000	\$254,000	\$254,000	\$389,000	\$514,000
Water and Sewer Fund Improvements								
Water System								
Well #1 Rehabilitation			\$35,000					\$35,000
Well #2 Rehabilitation				\$35,000				\$35,000
Fence Water Plant (impact fees)	\$29,000							\$29,000
Roof Repairs		\$10,000						\$10,000
Meter replacmnt (\$200 x 115)						\$23,000		\$23,000
Storage tank cleaning(inside only)			\$6,000					\$6,000
Crushed stone drivew Water Plant (impact fees)		\$20,000						\$20,000
Iron Filters (2)								\$120,000
Elevated Storage Tank Cleaning(outside)								\$120,000
Elevated Storage Tank Painting					\$150,000			\$150,000
Chemical Feed Systems								\$20,000
High Service Pumps (3)								\$30,000
Emergency Generator								\$60,000
Dehumidifier								\$5,000
Commercial Avenue Lift Station Rehabilitation								\$50,000
Electrical & Instrumentation @12%								\$43,000
Cuba Township - Dump Truck Water Fund Portion __%	\$21,000							\$43,000
Water System Total	\$50,000	\$30,000	\$41,000	\$35,000	\$150,000	\$23,000	\$0	\$799,000
Sanitary Sewer System								
Hillview Lift Station Rehabilitation								\$50,000
Wastewater Sampler								\$5,000
Metering Station Chart Recorder								\$4,000
Metering Station Fiberglass Shed								\$7,000
Electrical & Instrumentation @12%								\$8,000
Sanitary Sewer Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$74,000
TOTAL WATER FUND	\$50,000	\$30,000	\$41,000	\$35,000	\$150,000	\$23,000	\$0	\$873,000

Village of Lake Barrington - Property Maintenance Detail

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	TOTAL FY14-FY19
Freier Farm								
Freier Farm - Structures and Grounds Annual								
Structures - Barn, House, Shed, Fencing, Others								
Maintenance and Contingency	\$5,000	\$15,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$40,000
<i>HVAC, Roof, Plumbing, Structures, Appliances, Etc.</i>								\$0
Building Improvements								\$0
<i>Barn - Structural Repairs</i>								\$0
<i>Barn - Electrical Upgrades - Barn, House, Sheds</i>								\$0
<i>Barn - Water</i>								\$0
<i>Barn - Roof Replacement - Metal</i>								\$0
<i>Barn - Painting</i>		\$0			\$0	\$0	\$0	\$0
Sub-total Barn	\$0	\$0			\$0	\$0	\$0	\$0
<i>House - Windows and Screens</i>								\$0
<i>House - Interior Painting</i>	\$0							\$0
<i>House - Exterior Painting and Siding</i>					\$0	\$0	\$0	\$0
<i>House - Carpet/Flooring</i>								\$0
<i>House - Roof Replacement</i>	\$0							\$0
<i>House - Bathroom Remodeling (2)</i>								\$0
<i>House - Appliance Replacement</i>								\$0
<i>House - HVAC</i>								\$0
Sub-total House	\$0	\$0			\$0	\$0	\$0	\$0
Total Building Improvements	\$0	\$0			\$0	\$0	\$0	\$0
Grounds - Fields, Driveways, etc								\$0
Grounds								\$0
<i>Master Plan Implementation (50% share OSLAD)</i>	\$0	\$750,000						\$750,000
<i>OSLAD Grant \$297,000</i>								\$0
<i>Garage (OS Funds)</i>								\$0
Sub-total Grounds	\$0	\$750,000			\$0	\$0	\$0	\$750,000
Freier Farm Structures and Grounds Annual Total	\$5,000	\$765,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$790,000

VILLAGE OF LAKE BARRINGTON

ORDINANCE NO. 2013-O-____
APPROPRIATION ORDINANCE
FOR 2013-2014

ADOPTED BY THE
CORPORATE AUTHORITIES
OF THE
VILLAGE OF LAKE BARRINGTON, ILLINOIS

This 5th day of June, 2013

Published in pamphlet form by authority of the Corporate Authorities of the Village of Lake Barrington, Illinois, this 5th day of June, 2013.

ORDINANCE NO. 2013-O-__

VILLAGE OF LAKE BARRINGTON
 APPROPRIATION ORDINANCE
 FISCAL YEAR 2013-2014

BE IT ORDAINED by the President and Board of Trustees of the Village of Lake Barrington, Lake County, Illinois, in exercise of the authority of this village as a Home Rule Unit, that:

SECTION 1: The following sums of money, or so much thereof as may be authorized by law, be and the same hereby are appropriated to defray all necessary expenses and liabilities of the Village of Lake Barrington, Lake County, Illinois, for the fiscal year beginning May 1, 2013 and ending April 30, 2014 and such appropriations are hereby made for the following objects and purposes:

GENERAL FUND

OUTSIDE SERVICES

Auditing Services		\$8,400
Computer Consulting		500
Engineering Services		40,000
Environmental Consultants		5,000
Legal Services-	Board Directed	2,500
	General	42,500
	Litigation	4,000
	Meetings	6,000
Mosquito Abatement		25,000
Plan Review Serv.-	Plan review/inspection	55,000
	Drainage	5,000
Police Services		434,000
Road Maintenance (non-MFT)		144,177
Road maintenance (Salt)		35,000
Beautification Initiative		15,000
Intergovernmental Consulting		36,000
Waste Disposal		386,000
		<hr/>
		\$1,244,077

PAYROLL EXPENSES

Staff Wages	\$301,000
Treasurer's Salary	4,250
President's Salary	6,000
Trustees' Wages	14,000
Employee Insurance	70,525
FICA/Medicare Taxes	24,500
IMRF Contribution	39,500

Unemployment Taxes	500
Other Exp.	25,000
	<u>\$485,275</u>

OTHER EXPENSES

Capitalized Assets

Building Repairs	\$5,000
Gateway Signage	\$2,500
Office Equipment-Copier	\$10,000
Bad Debt Expense	500
Conferences/Education	7,500
Donations	15,000
Dues-BACOG	25,000
Dues/Subscriptions	7,000
Electric Service	3,000
Insurance Expense (non-payroll)	26,000
Mileage & Expenses	5,000
Miscellaneous Expenses	15,000
IT/ Communications Equip/ Services	2,500
Newsletters/Website	7,500
Office Supplies	6,500
Operations Expenses	16,000
Postage	5,000
Property Maint. - Exterior	13,000
Property Maint. - Interior	13,000
Sales Tax Rebate	60,000
Telephone Service	5,000
Tree City USA	5,000
Yardwaste Stickers/Recycle Bins	2,500
	<u>\$257,500</u>

TOTAL GENERAL FUND \$1,986,852

OTHER FUNDS

Motor Fuel Tax Fund

MFT- Traffic Control	\$2,400
MFT- Engineering	25,000
MFT- Road Maintenance	611,000
	<u>\$638,400</u>

Water & Sewer Fund

Auditing Services	\$3,500
Chemicals/Testing	12,000
Electric Service	12,000
Insurance	5,000
Miscellaneous	33,200
Repairs/Parts/Supplies	1,500
Repairs/ Maintenance	20,000
Telephone Service	1,500
Treatment Services - FRG	225,000
	<hr/>
	\$313,700
	<hr/>

TOTAL OTHER FUNDS

\$952,100

TOTAL APPROPRIATIONS

\$2,938,952

SECTION 2: This Appropriation Ordinance is adopted pursuant to procedures provided in the Illinois Municipal Code and the foregoing amounts are hereby appropriated from the general property tax for General Corporate purposes, and from special taxes levied for the following purposes: Police Protection Fund, Street and Bridge Fund, and Waste Disposal Fund, and from all the revenue of the Village including, but not limited to, cash on hand, bonds issued, municipal non-property tax revenue from sources such as franchise and license fees, building and other permit fees, fines, penalties, charges for services rendered by the municipality to citizens, interest earned on funds, rental income, the Emil A. Wienecke and Myrtle Wienecke Trust Fund, and from revenue from other governmental agencies including, but not limited to, revenue sharing receipts, such as the Motor Fuel Tax Fund, the Street and Bridge Fund, sales taxes, and income taxes.

SECTION 3: That any unexpended balance of any items of any appropriation by this Ordinance made may be expended in making up any deficiency or insufficiency in any other items of appropriation by this Ordinance made.

SECTION 4: That all receipts of revenue from all sources shall be available to pay appropriations herein provided for.

SECTION 5: Each provision of this Ordinance shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Ordinance shall be prohibited by or held invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Ordinance.

SECTION 6: That this Ordinance shall be in full force and effect from and after its passage, approval and publication pursuant to law.

SECTION 7: The Village Clerk is directed to publish this Ordinance in pamphlet form.

Presented, read and passed by the President and Board of Trustees of the Village of Lake Barrington, Lake County, Illinois, on a roll call vote at a duly called regular or special meeting of the Board of Trustees on the 5th day of June, 2013, and deposited and filed in the Office of the Clerk of said Village on said date.

ROLL CALL VOTE:

YEAS:

NAYS:

ABSENT:

ABSTAIN:

APPROVED by the President of the Village of Lake Barrington,
Illinois, this 5th day of June, 2013.

Kevin C. Richardson, Village President,
Village of Lake Barrington

ATTEST:

Village Clerk
Village of Lake Barrington

Recorded in the Record of Ordinances
of the Village as Ordinance No. 2013-O-____

Village Clerk
Village of Lake Barrington

Published in Pamphlet Form this ____ day of June, 2013.

Village of Lake Barrington
 Certified Estimate of Revenues by Source
 For the Year Ending April 30, 2014

General Fund

<u>TAXES</u>	
Income	\$ 435,000
Local Use	82,000
Real Estate	443,000
Replacement	600
Road & Bridge	43,500
Sales	430,000
Telecommunications	126,000
Utility	65,000
<u>PERMITS & LICENSES</u>	
Amusement/Massage Licenses	1,000
Building Permits	110,000
Business Licenses	22,000
Food & Liquor Licenses	20,750
Contractor Registration	15,000
Vehicle Stickers	500
<u>FEES</u>	
Cable Franchise	93,000
<u>FINES</u>	
False Alarm Fines	2,000
Traffic Fines	18,000
<u>OTHER</u>	
Compost Sticker/Recycle Bin	5,000
Interest Income	2,500
Miscellaneous	2,000
Farmhouse Rent	19,500
Wienecke Trust Fund	26,000
	<u>\$ 1,962,350</u>

Motor Fuel Tax Fund

Motor Fuel Taxes	\$ 138,000
Interest	550
	<u>\$ 138,550</u>

Water & Sewer Operating Fund

Remittances	\$ 340,000
Antenna Lease	25,410
Interest	650
	<u>\$ 366,060</u>

Total Estimated Revenues	<u><u>\$ 2,466,960</u></u>
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FUND ANALYSIS

The following is an analysis of the three Village operating funds: the General Fund, Motor Fuel Tax (MFT) and the Water and Sewer Fund. This section notes highlights for the coming year, and provides an analysis of trends to assist in identifying strengths and weakness within each fund. This analysis typically leads to modifications in expenditures, revenues, or policies which are then reflected in the Financial Plan.

General Fund Revenues

The Village's revenue stream is made up of various sources including, taxes (property, sales, tele-communications, utility, and income tax), fees and charges, developer fees, and other sources. The Village receives about 67% of its annual revenues from three sources: income, sales, and property taxes. While the recession has previously lead to reductions in virtually all revenue sources, the Village is anticipating increases in these sources as compared to last year's budget

- Income tax: 6%
- Sales Tax: 8%

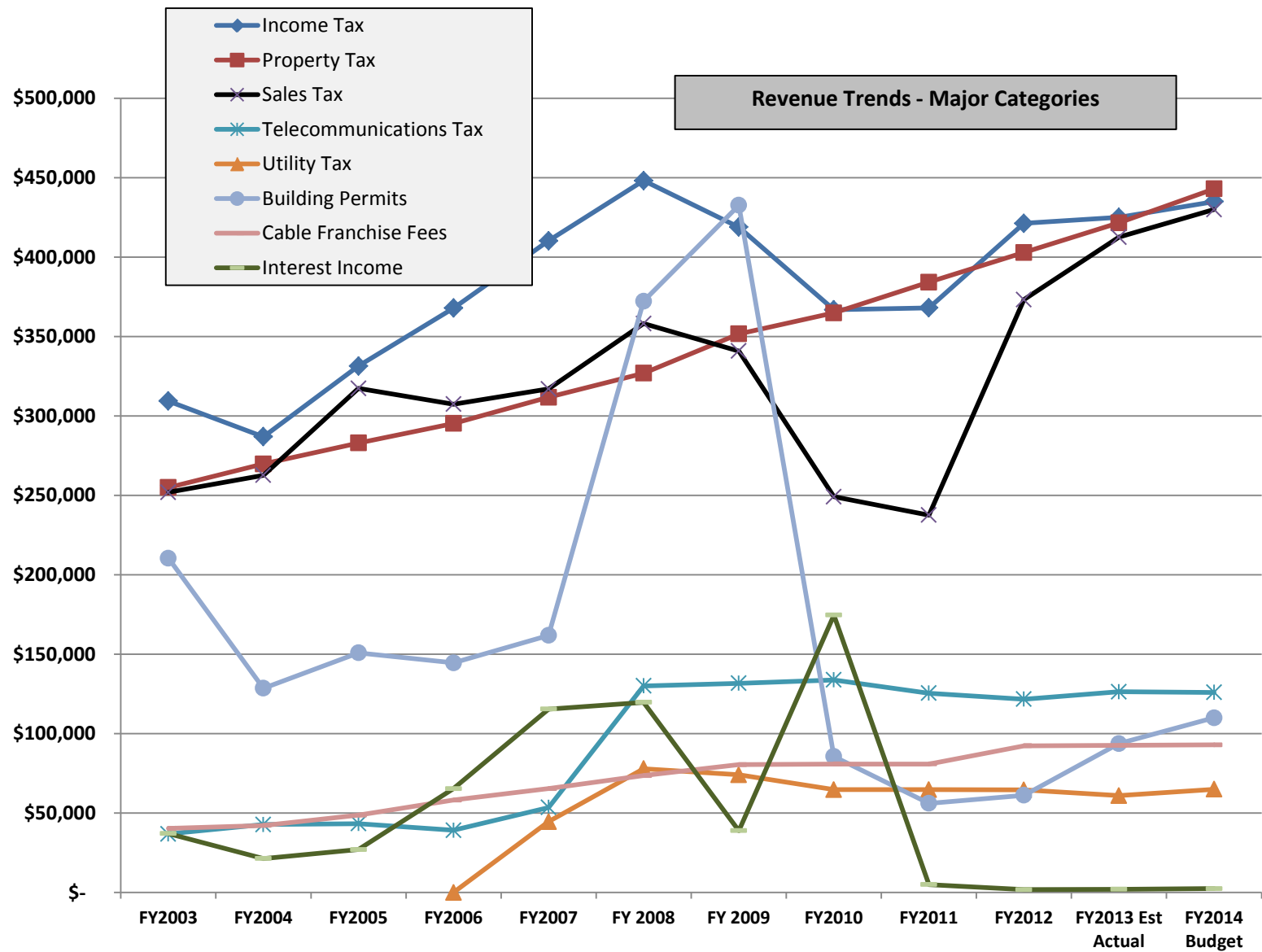
Adjusting for various transfers for projects and one time revenues (over the past two years) the Village has forecasted an increase in typical revenues (taxes, permits, and fees) of 6% for FY2014. However, lost revenues from building permits and interest income over the past three years equals nearly \$600,000 or about 32% of the Village's total operating budget. Furthermore, the Village can no longer sustain capital improvements from general fund reserves or re-purposed open space funds as these been used for projects.

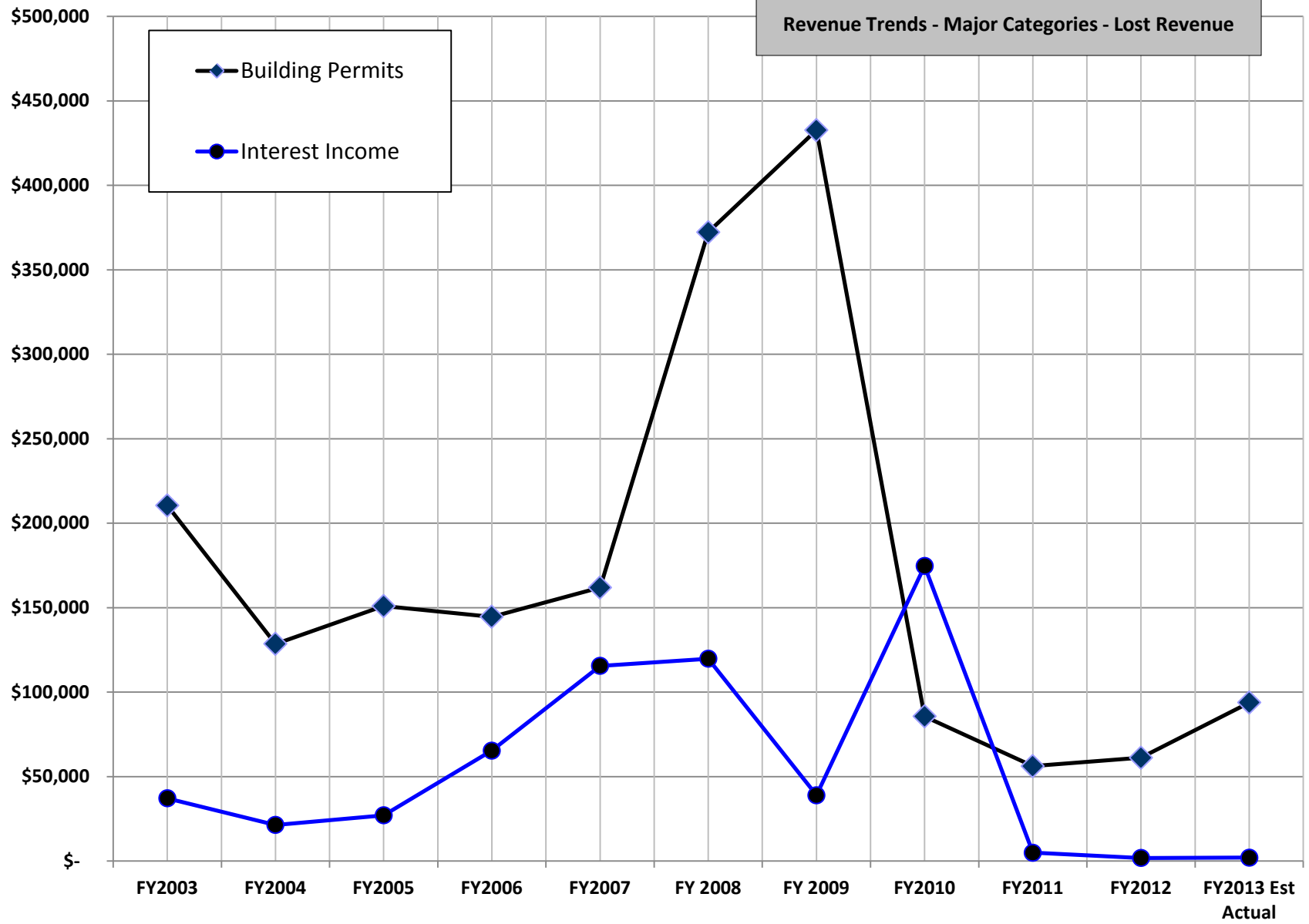
Revenue highlights for FY2014 include:

1. Continued suppression of permit and interest income.
2. Continued improvement in sales and income taxes.
3. The Village anticipates some commercial permit revenue, while residential permits are projected to remain low.

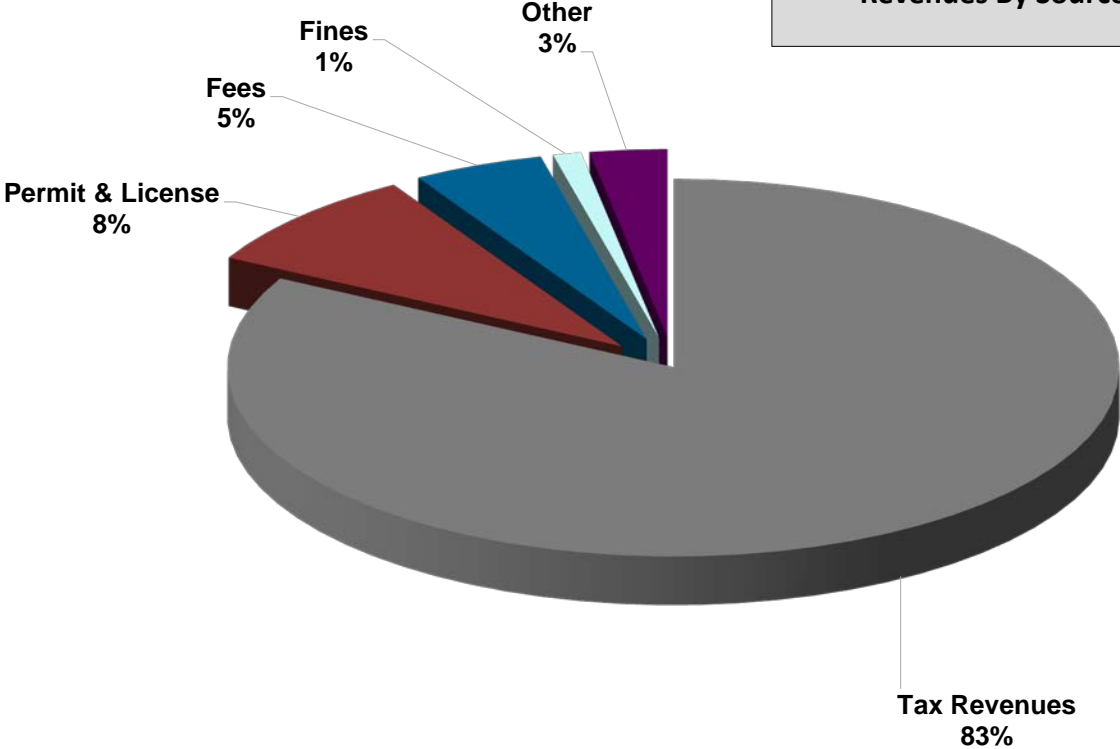
Charts and Graphs this Section:

1. Major Revenues - line graph
2. Revenues by Source - pie chart
3. Lost Revenues – line graph
4. Taxes by Source - pie chart

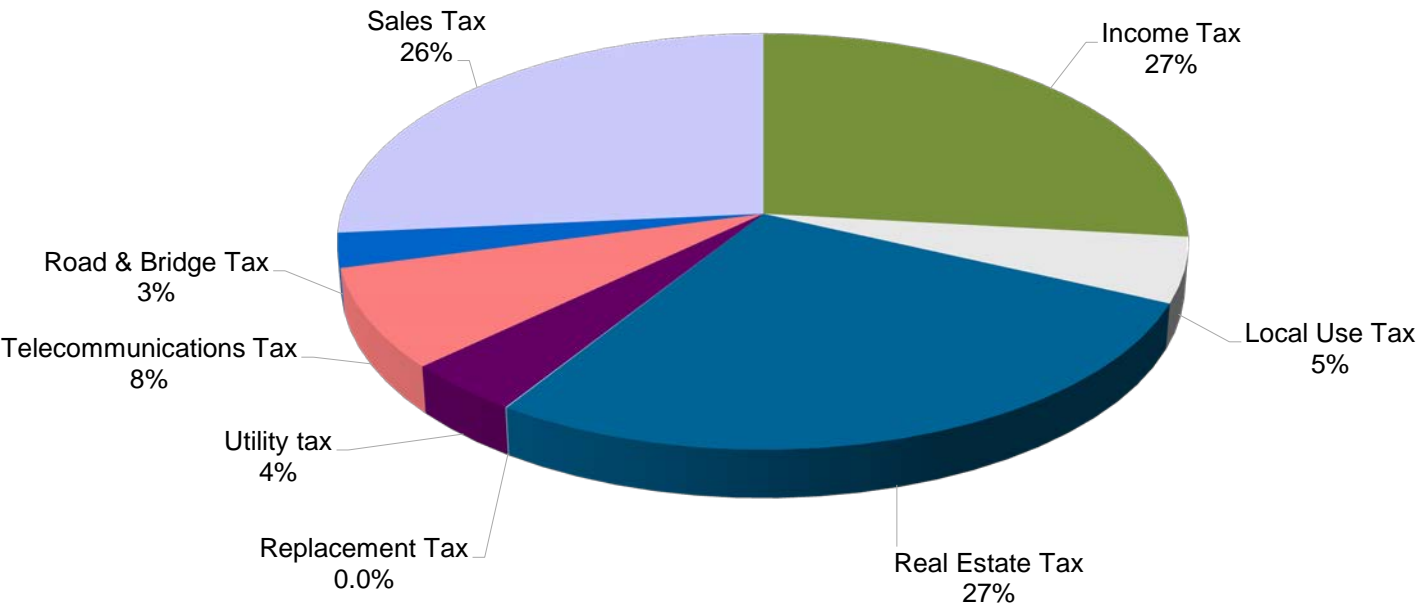




Revenues By Source FY2014 Budget



Taxes By Source FY2014 Budget



General Fund Expenditures

The Village has reduced general fund operating expenditures over the past three years, reducing most discretionary spending with the exception of capital improvements. The Village continues to operate well below municipalities of similar size and continues to maintain the lowest municipal property tax rate in Lake, Cook, and DuPage counties, among others. The Village's annual cost per household for all municipal services is approximately \$737 with garbage included. Similar municipalities cost residents about \$2,700 a year, with garage collection billed directly by the hauler.

No major capital projects are included in the general fund this year. Road work will be funded via MFT funds as previously scheduled. Absent a revenue adjustment, capital improvements projects/roads will be moved to a 30 month schedule to allow the MFT fund to reset.

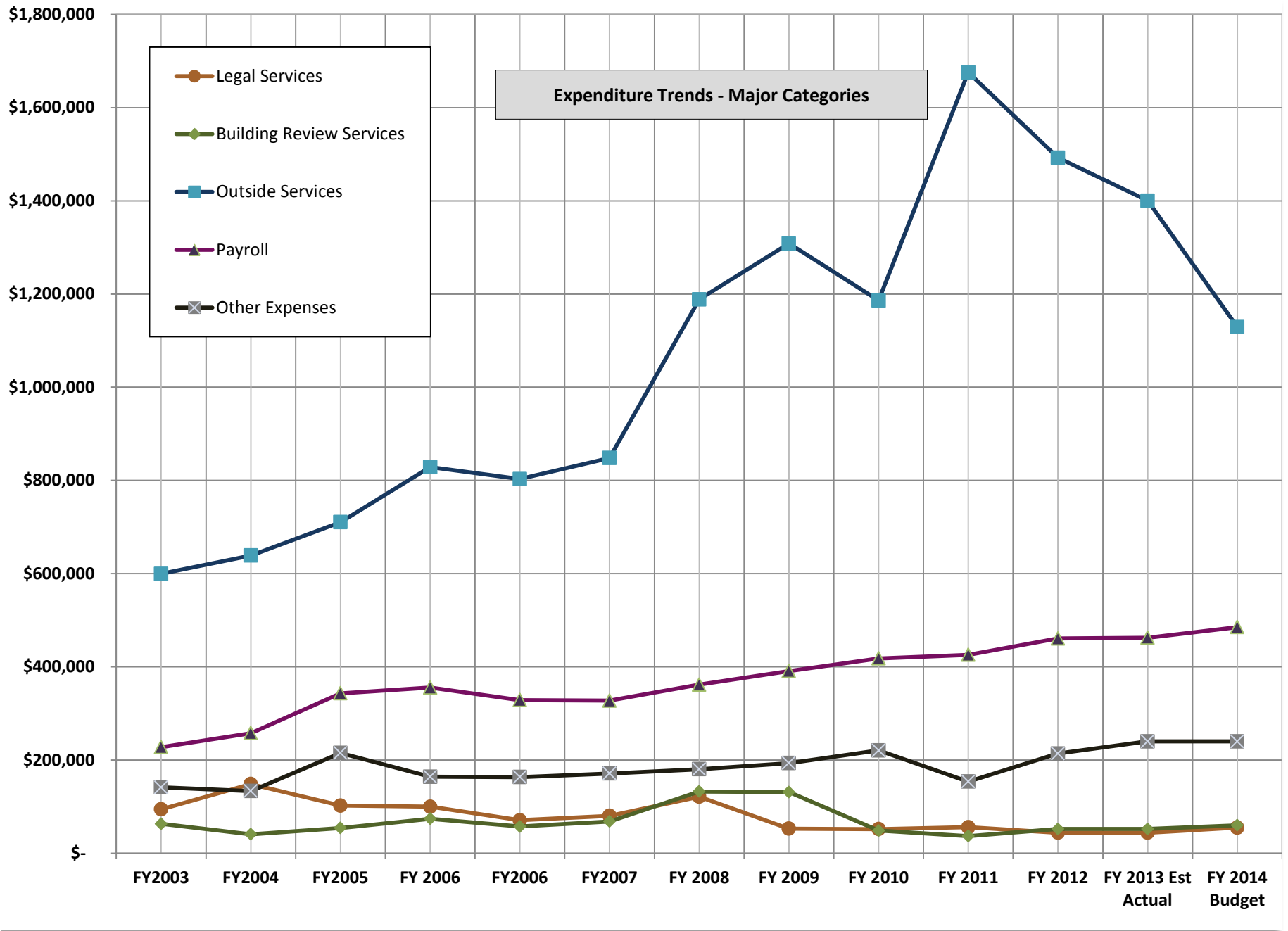
A majority of the Villages' expenses are for outside services and contracts including garbage, police, building inspection, and road maintenance. These expenditures make up 60% of the Village's general fund expenses. Total expenses are budget to decrease 18% this year due mainly to roadwork moving to the MFT fund.

Expenditure highlights for FY2014 include:

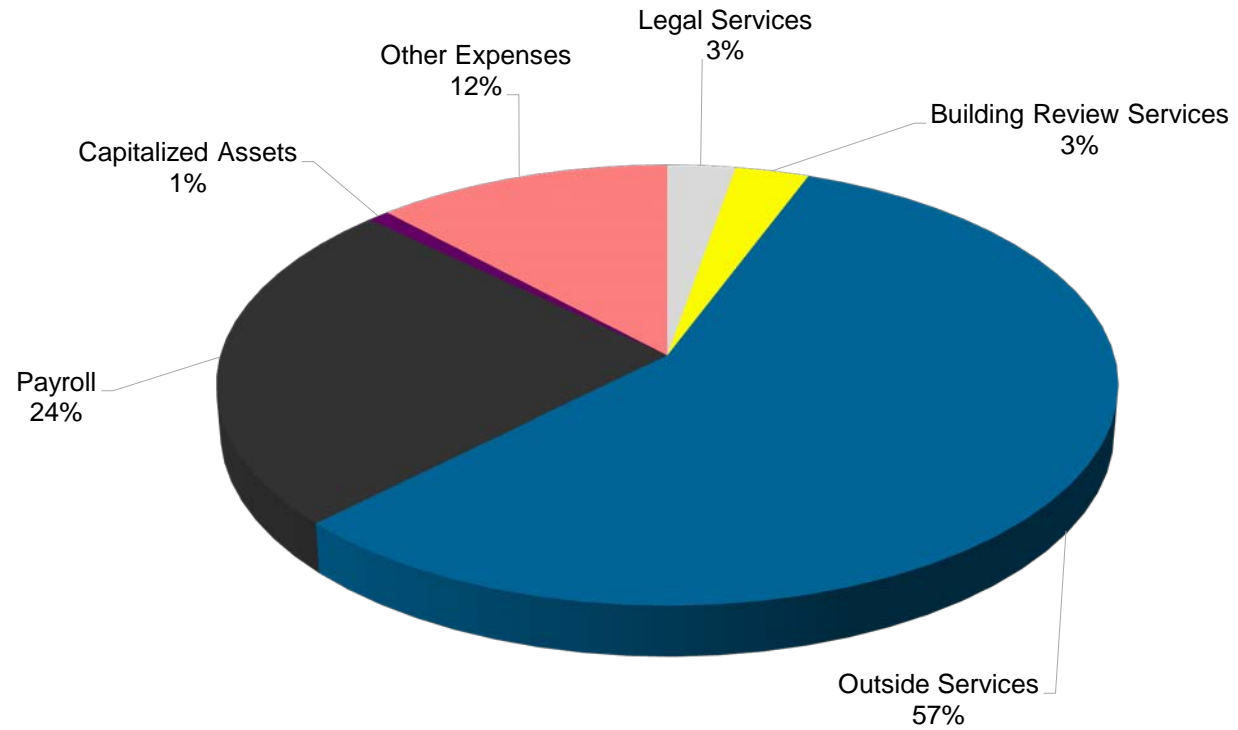
1. Two ditch projects – Twin Pond Farms and Crestview.
2. Retaining Barn Stomp as annual event budgeted - \$10,000.
3. Enhanced waste collection services via rolling recycling and waste carts for the entire community.

Charts and Graphs this Section:

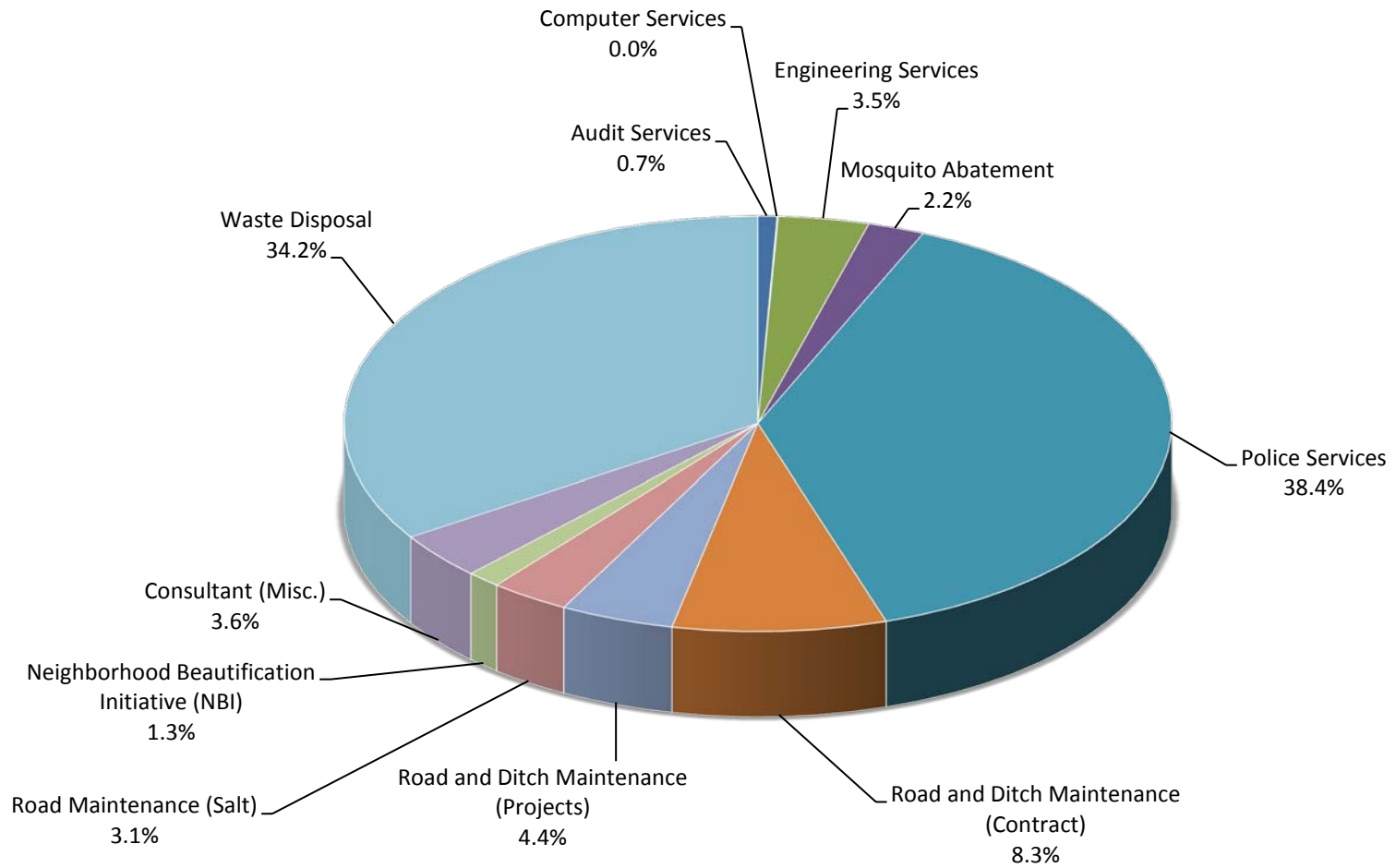
1. Major Expenditures - line graph
2. Expenditures by Category - pie chart
3. Outside Services Breakout - pie chart



Expenditures By Category FY2014 Budget



Outside Services - Breakout FY2014 % of General Fund Budget



General Fund Reserve

The Village's general fund reserves or "savings on hand" are required by policy to be 66% of the prior year's general fund actual expenditures, less discretionary expenses and projects. This equals \$955,178 for FY2014. This provides for about seven months of emergency funding and ensures that interest income is generated, however minimal at this time.

The actual fund balance is slightly below the required amount at \$945,000 for the fiscal year ending April 30, 2013. This total estimated reserve at the end of FY2014 is \$918,640 which is net a small operating deficit of \$24,000. This will place the Village below its reserve policy minimum at year end. Absent a revenue modification, this eliminates transfer options for FY2014 and any capital improvements beyond this year.

The Village will monitor revenues sources and expenses moving into the fall of FY2013 and make the necessary changes to ensure an appropriate fund balance is maintained. Maximization of sales tax, permit, and similar revenues must continue to be a focus for the Village.

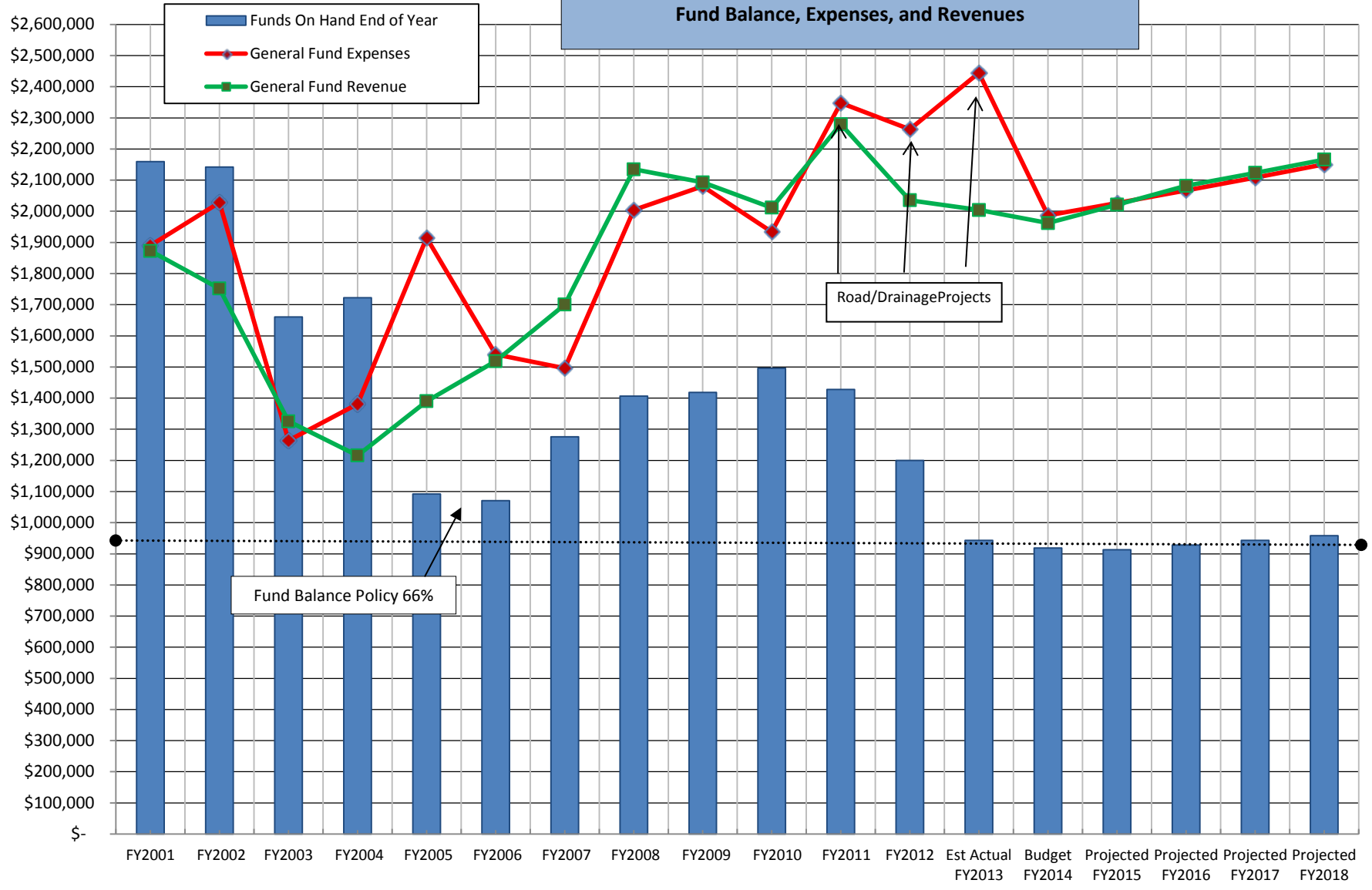
General Fund Reserve highlights for FY2014 include:

1. Focused on fiscal policy of 66% of previous general operating less capital expenses and one-time expenses.
2. Funds in excess of policy amount have been used for need public improvements including paving and drainage work throughout the community.

Charts and Graphs this Section:

1. Fund Balance - Revenues and Expenditures

Fund Balance, Expenses, and Revenues



Motor Fuel Tax Fund

The motor fuel tax is paid by residents of Illinois as part of gasoline purchases. The Village receives Motor Fuel Tax (MFT) based on its population (4,973 per the 2010 Census). The Village anticipates only minor growth in the MFT fund. The Village's policy is to use MFT funds only for major road improvements projects such as: curbing, resurfacing, re-construction, or major patching.

In the spring of 2011, the Village completed its second 5 year *Comprehensive Road Condition Survey* to determine the condition of the Village's road network, and to cost out and prioritize major repair projects using available motor fuel tax funds. This program is included in the Capital Improvement Program this fall, as well as, the MFT Financial Plan. The Woodland Bridge will be completed by June 1, 2013 on time and on budget. The Village will pave the Tanglewood and River's Bend neighborhoods and possibly White Pines, pending prices, in FY2014. Absent a revenue adjustment, the Village will move to a 30 month paving schedule using only MFT funds for road projects as the General Fund cannot support projects.

Motor Fuel Tax fund highlights for FY2014 include:

1. Use MFT funds for Woodland Bridge replacement - matching funds – project completion date June 1, 2013.
2. Paving of Tanglewood and River's Bend neighborhoods.

Charts and Graphs this Section:

1. 2011 Road Condition Survey available as separate report.

VILLAGE OF LAKE BARRINGTON						
Motor Fuel Tax (MFT) Fund						
FY2014 Financial Plan						
	Actual FY2011	Actual FY2012	BUDGET FY 2013	Est Actual FY 2013	BUDGET FY 2014	%Change Budget/Budget
REVENUE						
Income						
MFT Interest Income	\$ 373	\$ 364	\$ 300	\$ 525	\$ 550	83.3%
MFT IDOT-Woodland Br \$	\$ -	\$ 93,455				
MFT Tax Revenue	\$ 141,002	\$ 142,586	\$ 140,000	\$ 140,526	\$ 138,000	-1.4%
Total Income	\$ 141,375	\$ 236,404	\$ 140,300	\$ 141,051	\$ 138,550	-1.2%
TOTAL REVENUE	\$ 141,375	\$ 236,404	\$ 140,300	\$ 141,051	\$ 138,550	-1.2%
EXPENSES						
Expense						
MFT Culverts/ Ditches	\$ -	\$ -	\$ -	\$ -	\$ -	
MFT Engineering	\$ 45,674	\$ 71,145	\$ -	\$ 23,192	\$ 25,000	
MFT Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	
MFT Parkway Trim/ Debris Removal	\$ -	\$ -	\$ -	\$ -	\$ -	
MFT Road and Bridge Maintenance	\$ -	\$ -	\$ 200,000	\$ 6,164	\$ 611,000	205.5%
MFT Salt	\$ -	\$ -	\$ -	\$ -	\$ -	
MFT Street Patching/Sweeping	\$ -	\$ -	\$ -	\$ -	\$ -	
MFT Traffic Control	\$ 1,666	\$ 2,389	\$ 2,400	\$ 1,518	\$ 2,400	0.0%
Total Expense	\$ 47,340	\$ 73,534	\$ 202,400	\$ 30,874	\$ 638,400	
TOTAL EXPENSES	\$ 47,340	\$ 73,534	\$ 202,400	\$ 30,874	\$ 638,400	215.4%
NET	\$ 94,035	\$ 162,870	\$ (62,100)	\$ 110,178	\$ (499,851)	
Transfer In: reserves	\$ -	\$ -				
Reserves	\$ 94,035	\$ 162,870	\$ (62,100)	\$ 110,178	\$ 499,851	

Water and Sewer Fund

The Village's Water and Sewer fund is concerned only with the operation of the Kelsey Road water plant, water tower, and the transmissions lines for water and sanitary sewer service in the Lake Barrington Business and Industrial Park. Water treatment, water billings, and sewage treatment services are provided via an intergovernmental agreement with the neighboring municipality, Fox River Grove. The agreement requires that the Village pay all operating expenditures plus an additional 33% to Fox River Grove.

In FY2006 the Village implemented the first of five years of user rate increases of 19.95%. These increases provided for a balanced operating budget and a contribution to the Capital Reserve Fund. Through tap-on fees and contributions via the aforementioned rate increases, the cash on hand for repairs and replacement is now a robust \$692,300. The Village reduced the annual increase to 6% percent, one year early, to provide relief for water users in the park.

Water and Sewer fund highlights for FY2014 include:

1. Reserves on hand \$692,300
2. The SSA#3 bonds that paid for the system are set to expire in 8 years in 2021.

VILLAGE OF LAKE BARRINGTON
Water and Sewer Fund
FY2014 Financial Plan

	Actual FY2011	Actual FY2012	BUDGET FY 2013	Est Actual FY 2013	BUDGET FY 2014	%Change Budget/Budget
REVENUE						
Income						
W/S Billing Revenue	\$ 265,945	\$ 293,693	\$ 290,000	\$ 327,895	\$ 340,000	17.2%
W/S Interest Income	\$ 809	\$ 622	\$ 650	\$ 676	\$ 650	0.0%
W/S Other Income, Recptr Fee	\$ -	\$ 11,443	\$ -	\$ 625	\$ -	
W/S Antenna Lease	\$ 25,410	\$ 25,410	\$ 25,410	\$ 25,410	\$ 25,410	0.0%
Total Income	\$ 292,164	\$ 331,168	\$ 316,060	\$ 354,605	\$ 366,060	15.8%
TOTAL REVENUE	\$ 292,164	\$ 331,168	\$ 316,060	\$ 354,605	\$ 366,060	15.8%
EXPENSES						
Expense						
W/S Audit Services	\$ 3,360	\$ 3,425	\$ 3,500	\$ 3,480	\$ 3,500	0.0%
W/S Chemicals & Testing	\$ 11,468	\$ 11,010	\$ 12,000	\$ 11,136	\$ 12,000	0.0%
W/S Depreciation Exp	\$ 101,967	\$ 101,967	\$ 101,967	\$ 101,967	\$ 101,967	0.0%
W/S Electric Service	\$ 14,439	\$ 12,978	\$ 12,000	\$ 10,785	\$ 12,000	0.0%
W/S Insurance	\$ 3,544	\$ 3,783	\$ 5,000	\$ 4,075	\$ 5,000	0.0%
W/S Miscellaneous	\$ 2,562	\$ 43,177	\$ 33,200	\$ 35,249	\$ 33,200	0.0%
W/S Parts & Supplies	\$ 1,294	\$ 918	\$ 1,500	\$ 916	\$ 1,500	0.0%
W/S Repairs & Maint.	\$ 3,250	\$ 2,139	\$ 10,000	\$ 3,254	\$ 20,000	100.0%
W/S Telephone	\$ 1,115	\$ 1,236	\$ 1,500	\$ 1,444	\$ 1,500	0.0%
W/S Treatment Services	\$ 189,571	\$ 208,610	\$ 225,000	\$ 187,690	\$ 225,000	0.0%
Total Expense	\$ 332,570	\$ 389,242	\$ 405,667	\$ 359,995	\$ 415,667	2.5%
TOTAL EXPENSES	\$ 332,570	\$ 389,242	\$ 405,667	\$ 359,995	\$ 415,667	2.5%
TOTAL REVENUES	\$ 292,164	\$ 331,168	\$ 316,060	\$ 354,605	\$ 366,060	15.8%
NET	\$ (40,406)	\$ (58,074)	\$ (89,607)	\$ (5,390)	\$ (49,607)	
Capital Contribution			\$ 10,000		\$ 10,000	

FISCAL POLICIES

The Village's Board of Trustees is responsible to the residents to carefully account for all public funds, to manage Village finances wisely, and to plan for the adequate funding of services desired and expected by the public. The Fiscal Policies are designed to establish consistent and appropriate actions to ensure the financial stability of the Village. The policies are reviewed and updated annually and are presented to the Board for approval as part of the annual financial planning process.

Attached to this Section

1. FY2014 Fiscal Policies

Village of Lake Barrington Fiscal Policies - Fiscal Year 2014

The Village of Lake Barrington Fiscal Policies serve as guidelines for the management of Village's fiscal operations. The policies assist the Village Board and Staff in preparing financial planning documents, analyses, recommendations, ordinances, etc. and directing the Village's fiscal affairs throughout the year. The policies are reviewed and approved annually as part of the financial planning process and modified as needed to accommodate changing fiscal conditions and policy initiatives.

FP 1: Balanced Financial Planning and Appropriation

- FP1-1. The Village will conduct a continuing program of financial planning in all funds for both operating and capital improvement needs. The objective is to identify and deal with revenue/expenditure concerns before they arise.
- FP1-2. The Village will approve an annual appropriation ordinance which will be reflective of the Financial Plan. The appropriation ordinance shall serve as the Village's legal spending authority.
- FP1-3. General fund operating expenditures shall be funded through revenues to be generated in the same fiscal year but may also be funded through operating reserves, see FP2-4 for no more than 2 years.
- FP1-4. General fund capital improvements and equipment purchases shall be funded to greatest extent possible with revenues to be generated in the same fiscal year but may also be funded through operating reserves, see FP2-4.
- FP1-5. The Water and Sewer Fund shall be financially self-supporting by establishing rates at levels which produce sufficient income to meet expenses and to provide a repair and replacement reserve as described in the Village Water and Sewer Rate study dated February 2006.
- FP1-6. The Village shall, establish a yearly "Action Plan" that will describe goals and objectives for the coming fiscal year and beyond. The Action Plan shall be integrated into the financial planning process.
- FP1-7. The Village will encourage and solicit public participation in the development of the Action and Financial Plans.

FP 2: Minimum Fund Balance - General Fund

FP2-1. The Village will maintain a minimum Undesignated/Unreserved General Fund Balance that is sufficient to provide financial resources for the Village in the event of an emergency or the loss of a major revenue source. This amount shall be approximately equal to 66% of the prior year's general fund actual non-discretionary¹ expenditures. This amount is estimated at **\$955,178** for the 2014 fiscal year.

FP2-2. The Village has balanced the following factors in developing policy FP 2:

Higher Risk:

- Market forces: The Village relies on building permit and sales tax revenue as a significant contributor to the general fund. While these revenues have performed well, there is a higher degree of volatility due to market forces outside of the Village's control.
- Limited expenditure flexibility: the Village contracts for many of its services which places the Village at the mercy of market forces and limits the ability to radically reduce expenditures or adjust operating methods to seek cost control.
- Land use litigation: the Village appears to be entering into an active period of development. Development often brings with it the risk of litigation.

Lower Risk:

- Stable revenues sources: approximately 65% of the Village's revenues are considered stable. While they fluctuate with the general economy, they typically experience minor increases every year. These include property, income, and a portion of the sales tax.
- Limited exposure: the Village contracts for most of its services, therefore reducing the risks associated with labor and equipment costs and mandates. While the Village will absorb these costs through its contractual arrangements, these are generally known and negotiated items.
- New revenue flexibility: the Village has several options available to it for raising revenue on relatively short notice if required to do so, including telecommunications, utility, and sales tax increments.

¹ Discretionary items such as road projects and one time consultant expenses are not included in calculating the reserve requirement as they are typically optional or may be deferred if necessary.

FP2-3. If it is determined that the aforementioned Undesignated/Unreserved General Fund Balance amount can not be maintained, the Village Board will take the steps necessary to adjust revenues and expenditures to maintain the balance as described in FP2-1.

FP2-4. The Village may at times have funds on-hand above the Undesignated/Unreserved General Fund Balance (“Operating Reserves”). Operating Reserves may be used by the Village; however, the Village will avoid the appropriation of these funds for recurring operating expenditures for extended periods (i.e more than 2 years), see FP1-3. The Village shall either retain these funds for future unidentified needs and/or to provide interest income, or fund capital improvements, major equipment, and grant matches among other similar projects see FP1-4. In any event, the use of operating reserves shall be noted in that year’s financial plan.

FP 3: Minimum Fund Balance – Water and Sewer Fund

FP3-1. The Village will seek to maintain a designated/reserved Water and Sewer Fund Balance that is sufficient to provide financial resources for the Village in the event of an emergency or to provide for planned capital improvements. This amount shall be established based on the repair and replacement requirements as established by a periodic (every 5-7 years) water and sewer rate analysis that includes an assessment of capital needs.

FP 4: Minimum Fund Balance – Motor Fuel Tax Fund

FP4-1. The Village will seek to maintain a designated/reserved Motor Fuel Tax Fund Balance for the purpose of implementing the Village’s 7-Year Road Improvement Program. This amount shall be established by a periodic (every 5-7 years) road condition survey and analysis. This minimum reserve amount shall equal approximately 10% of the prior year’s fund revenues.

FP 5: Financial Reporting

FP5-1. The Village will establish and maintain a high standard of accounting practices in conformance with uniform financial

reporting in Illinois, and Generally Accepted Accounting Principals, (GAAP), for governmental entities as promulgated by the Governmental Accounting Standards Board, (GASB).

- FP5-2. The Village's financial accounting system will maintain records on a basis consistent with accepted standards for local government accounting, (according to GASB).
- FP5-3. The Village will capitalize assets in compliance with the GASB Statement #34 format.
- FP5-4. The Village's regular monthly financial statements and annual financial reports will present a summary of financial activity by governmental funds.
- FP5-5. The Village's reporting system will provide monthly information on the total cost of specific services by type of expenditure and revenue, and if necessary, by fund. The Village's monthly reports will seek to be easy to understand and will be made available to general public.
- FP5-6. The Village will engage an independent firm of certified public accounts to perform an annual financial and compliance audit according to Generally Accepted Auditing Standards, (GAAS), and will have these accountants publicly issue an opinion which will be made available to general public and presented to the Finance Committee and Village board of Trustees.
- FP5-7. The Village will strive to periodically rotate auditing firms and will not retain the services of any one firm for more than fifteen (15) years.
- FP5-8. The Village will seek the GFOA Certificate of Achievement for Excellence in Financial Reporting.
- FP5-9. The Village will have a capital assets policy. Capital assets purchased or acquired with an original cost of \$5,000 or more and an expected useful life over 12 months are reported at historical cost or estimated historical cost. 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. Depreciation on all assets is computed and recorded using the

straight-line method of depreciation over the following estimated useful lives: Buildings – 40 years; Vehicles and Equipment – 5 to 10 years; Water and Sewerage Infrastructure – 40 to 60 years; and Other Infrastructure – 20 years.

FP5-10. Road repairs and maintenance that include road repaving, drainage repairs, and drainage improvements are not capitalized as they are regular road maintenance expense. Only brand new roads and new drainage projects are to be capitalized over 20 years.

FP5-11. A risk assessment document will be prepared annually by Administrator, Treasurer, Accountant that reviews internal controls and will be signed off by staff. Every 2 years the risk assessment document will be presented to the Village Board of Trustees.

FP 6: Investments

FP6-1. The Village will conduct an analysis of cash flow needs on an on-going basis. Disbursements, collections, and deposits of all funds will be scheduled to insure maximum cash availability and investment potential.

FP6-2. The Village will, where permitted by law, pool cash from its various funds for investment purposes.

FP6-3. The Village will invest revenue to maximize the rate of return while maintaining a low level of risk.

FP 8: Financial Planning Calendar

FP8-1. Staff will prepare and present to the Finance Committee and Village Board a Financial Planning Calendar on or about October 1st of each year. The calendar will describe the steps and meetings necessary to complete the Village's Financial Plan for the next fiscal year.

FP 9: Spending Authority

FP9-1. The Village President is authorized to engage the services of the Village Attorneys, Village Engineers, or other consultants, and to make purchases of material, equipment, services or supplies

and other expenditures authorized by the annual appropriation ordinance then in effect, provided that each such purchase or expenditure or matter that will create an obligation in excess of Five Thousand Dollars (\$5,000) shall first be authorized by the Board of Trustees of the Village of Lake Barrington, unless otherwise provided by said Board.

FP9-2. The Village Administrator is authorized to engage the services of the Village Attorneys, Village Engineers, or other consultants, and to make purchases of material, equipment, services or supplies and other expenditures authorized by the annual appropriation ordinance then in effect, provided that each such purchase or expenditure or matter that will create an obligation in excess of Two Thousand Five Hundred Dollars (\$2,500) shall first be authorized by the Board of Trustees of the Village of Lake Barrington, unless otherwise provided by said Board.

FP 10: Computer Data Security and Backup

FP10-1. The necessary equipment will be made available to provide for the back-up of all Village computer files. Backups shall take four forms:

- 1) mirroring of data on the Network Attached Storage (NAS) system.
- 2) monthly backup of all files to an external hard-drive stored off-site.
- 3) bimonthly backup to Administrator's internal PC Harddrive.
- 4) bimonthly backup to portable flash drive, placed in safe.

FP 11: Cash and Inventory Management

FP11-1. The Village Accountant keeps custody of all cash and will secure it; this includes both petty cash reimbursements and front counter cash collections.

FP11-2. The Village Treasurer audits petty cash and incoming front counter cash collections twice a month.

FP11-3. The Village Accountant will keep inventory sheets for vehicle stickers, recycle bins, and yardwaste stickers. The Village Treasurer will audit these inventory sheets monthly.

FP11-4. The Village Accountant will keep secured custody of yardwaste and vehicle stickers. The Village Accountant will

allocate small quantities to front counter and replenish as needed.

FP11-5. All incoming and outgoing cash transactions require a written pre-numbered receipt.

FP 12: Debt Financing – Reserved

FP 13: Development Incentives - Reserved

GLOSSARY OF TERMS

This Financial Plan may contain specialized and technical terminology that is unique to public finance and budgeting. To assist the reader in understanding these terms, a glossary is provided.

Accrual Accounting – A basis of accounting that utilizes a current financial resources measurement focus thereby recognizing revenue as it is earned and realizable and recognizing expenditures when they are incurred.

Amortization – Gradual reduction, redemption, or liquidation of the balance of an account according to a specified schedule of times and amounts. Also, provision for the extinguishment of a debt by means of a Debt Service Fund.

Appropriation – A legal authorization granted by a legislative body (*the Village Board*) to make expenditures or incur obligations for specific purposes. An appropriation is limited in amount and in the time in which it may be expended, typically one year.

Assessed Valuation – A valuation set upon real estate by the Township Assessor and Supervisor of Assessments as a basis for levying real estate taxes.

Assets – Property owned by a government that can be converted to a monetary value.

Bond – A written promise to pay (*debt*) a specified sum of money (*principal*) at a specified future date (*maturity dates*) along with periodic interest paid at a specified percentage of the principal (*interest rate*). Bonds are typically used for long-term debt. When a government pledges its full faith and credit to the repayment of the bonds it issues, then these are known as general obligation bonds. Bonds with principal and interest that are payable exclusively from the earnings of an Enterprise Fund are known as revenue bonds.

Financial Plan – Plan of financial operation, embodying an estimate of proposed expenditures for a given period and the proposed revenue estimates of financing them. Used without qualification, the term usually indicates a financial plan for a single fiscal year.

Financial Plan Calendar – The schedule of key dates or milestones that the Village follows in the preparation, adoption and administration of the Financial Plan.

Capital Improvement Program – Plan for capital expenditures to be incurred each year over a fixed period of several future years, setting forth each capital project, identifying its expected beginning and ending date, the amount to be expended in each year, and the Fund to be used in making the expenditures.

Capital Equipment Program – Expenditures for the acquisition of capital assets such as office equipment.

Capital Projects – Projects involving the purchase or construction of capital assets. Typically a capital project includes construction, renovation, land acquisition or other physical project.

Capital Reserve – Fund held for the specific purpose of providing for the repair and replacement of major capital items, for example water pumps, water tank painting, and major repairs to Village Hall.

Cash Accounting – A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

Contingency Account – A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

Deficit – The excess of expenditures over revenues during an accounting period; or, in the case of Enterprise and Intergovernmental Service Funds, the excess of expense over income during an accounting period.

Depreciation – The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

Encumbrance – The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for future expenditures.

Enterprise Fund – A fund established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Village Board is that the costs of providing services to the general public on a continuing basis be financed or recovered primarily through user charges, i.e. water utility.

Equalized Assessed Valuation – The Board of Review, on a county basis, reviews assessed valuation of all townships and may assign multipliers to equalize assessed valuations from township to township. If necessary, the State will then assign multipliers for counties in order that all property will be assessed at 33 $\frac{1}{3}$ percent of market value.

Expenditure – This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. *Note:* An encumbrance is not an expenditure. An encumbrance reserves funds to be expended.

Fiscal Year – A twelvemonth period that the annual appropriation ordinance applies at the end of which a determination of financial position and results of operations is carried out by the government, also May 1 to April 30.

Fixed Assets – Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture and other equipment.

Full Faith and Credit – A pledge of the general taxing power of a government to replay debt obligations (typically used in reference to bonds).

Fund – A budgetary and accounting entity that is segregated from other funds for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance – The fund equity of governmental funds and trust funds (excess of assets over liabilities).

Fund Type – In governmental accounting, all funds are classified into eight generic fund types: General, Special Revenue, Debt Service, Capital Projects, Special Assessment, Enterprise, Internal Service, and Trust.

General Fund – The fund used to account of all activities of a government except those required to be accounted for in another fund.

General Fund Reserve – General Fund dollars held on deposit that are available for contingency or budgeted expenditures.

Grant – A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments and a local matching amount is required.

Intergovernmental Revenues – Revenues from other governments in the form of grants, entitlements, shared revenues or payments in lieu of taxes.

Investment – Securities and real estate purchased and held for the production of income in the form of interest, dividends, rentals or base payments.

Letter of Transmittal – The opening section of the budget provides the Village Board and the public with a general summary of the most important aspects of the budget, changes from the current and previous fiscal years, and the objectives and

assumptions that provide guidance to the development of the Financial Plan.

Local Use Tax – Amount of distributed share of state collected local use tax.

Modified Accrual Accounting – A basis of accounting in which expenditures are accrued but revenues are accounted for a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are received or are “measurable” and available for “expenditure”. Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

Open Space Fund – Fund uses for the purchase of vacant properties per the 2007 bond issue.

Ordinance – A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as state statute, it has the full force and effect of the law within the boundaries of the municipality to which it applies.

Property Tax – Property taxes are levied on real property according to the property’s valuation and the tax rate.

Rating – The credit worthiness of a Village as evaluated by independent agencies Lake Barrington has an Aa3 rating.

Replacement Tax – Amount of distributed share of state collected tax on corporate income, partnerships, trusts and estates, replaces the personal property tax.

Reserve – Funds held on deposit that are available for contingency or budgeted expenditures.

Revenue – Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

Risk Management – An organized attempt to protect a government’s assets against accidental loss.

Road and Bridge Tax – Ad valorem taxes levied by the road district for general road and bridge purposes upon all equalized assessed valuation of real property within the corporate limits of the municipality. The local government receives a fifty percent distribution of the funds collected directly from the county treasurer.

Securities – Bonds, notes, mortgages, or other forms of negotiable or nonnegotiable instruments.

Surplus – An excess of the assets of a fund over its liabilities and reserves.

Tax Levy – The total amount to be raised by general property taxes for purposes specified in the Tax Levy Ordinance.

Tax Rate – The amount of tax levied for each \$100 of equalized assessed valuation. The tax rate, multiplied by the equalized assessed valuation, equals the tax levy.

Transfers In/Out – A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

User Charges/User Fees – The payment of a fee for direct receipt of a public service by the party benefiting from the service.