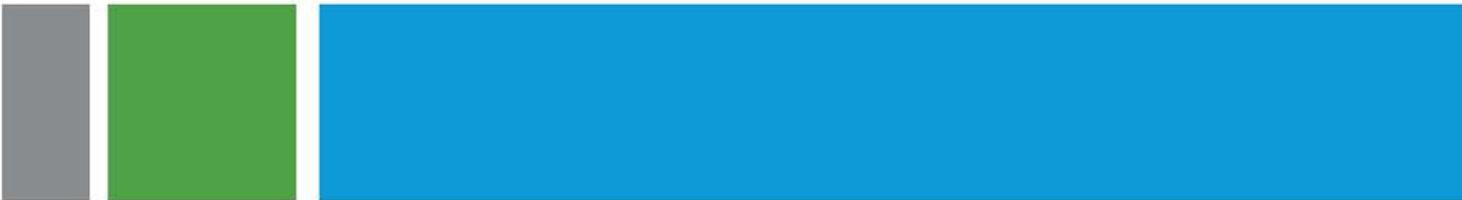


Village of Round Lake Beach, Illinois

Annual Financial Report
Year Ended April 30, 2015



INTRODUCTORY SECTION

Village of Round Lake Beach, Illinois

Annual Financial Report

Year Ended April 30, 2015

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Village of Round Lake Beach, Illinois

Annual Financial Report

Year Ended April 30, 2015

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**Village of Round Lake Beach, Illinois
Trustees and Officials**

April 30, 2015

Legislative

Village Board of Trustees

Richard Hill, Village President

Linette Benes

Kevin Wallace

Chuck Husk

Larry Mount

Susan Butler

Sylvia Valadez

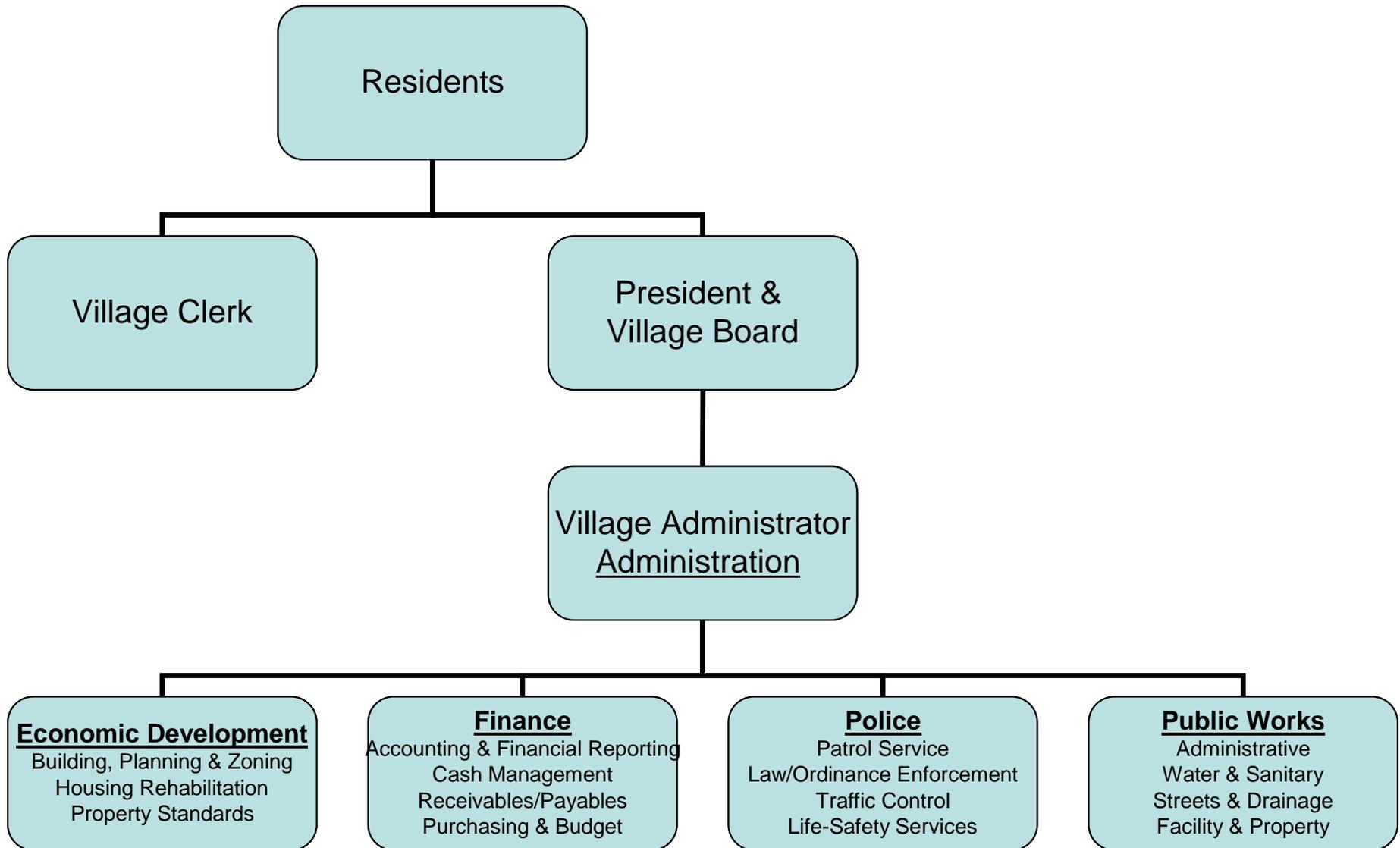
Administration

David Kilbane, Village Administrator

Department of Finance

Kevin Bueso, Finance Director

VILLAGE OF ROUND LAKE BEACH



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



Independent Auditor's Report

RSM US LLP

The Honorable Mayor
Members of the Board of Trustees
Village of Round Lake Beach, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Round Lake Beach, Illinois, as of and for the year ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund, a pension trust fund included as a fiduciary fund type, which represent 92 percent, 95 percent, and 79 percent, respectively, of the assets, net position/fund balance, and revenues/additions of the aggregate remaining fund information of the Village. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust fund, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Round Lake Beach, Illinois, as of April 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the fiscal year ended April 30, 2015, the Village adopted the reporting and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information:

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3 - 10), budgetary comparison information (page 57), and pension and OPEB information (pages 58 - 60) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information:

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The Supplemental Data (pages 63 – 86), and the Introductory Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

RSM US LLP

Schaumburg, Illinois
December 17, 2015

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis
April 30, 2015**

Management of the Village of Round Lake Beach provides this narrative overview of the financial statements and activity for the fiscal year ended April 30, 2015. It is intended to be read in conjunction with the financial statements.

Financial Highlights

- The governmental activities net position increased by \$246,162 (0.2%) to \$100,833,720. Business-type activities net position decreased by -\$464,951 (-2.5%) to \$18,530,490. Overall, the Village's net position amounts to \$119,364,210 as of April 30, 2015.
- The Village reported a combined fund balance of the governmental funds of \$12,561,933.
- The Village's General Fund ended at \$9,187,441. The change from FY2014 was primarily in non-spendable fund balance related to commercial property held for resale, which the Village disposed of during the fiscal year. As a result of this transaction, long-term liabilities decreased by -16% from \$22,691,098 in 2014 to \$19,101,432 in 2015; more details on long-term liabilities are provided in Page 9 of this analysis and also in Note 9 in the Notes section of the Financial Statements.
- The Village's General Fund actual revenues and other financing sources exceeded budgeted amounts by 2% and actual expenditures were under the budgeted amounts by 2%.
- Operations funded by the Village's General Fund cost \$1,641,100 (15%) more than in Fiscal Year 2014, while General Fund revenues increased by 17% or \$2,027,891 compared to the prior fiscal year. The increase in expenditures and revenues is mainly due changes in accounting for those items.
- The Village's Total Government Activities outstanding long term liabilities decreased by -10% compared to Fiscal Year 2014.

Overview of the Financial Statements

The financial statements' focus is on both the Village as a whole government (government-wide) and on the major individual funds. Both perspectives are useful to the reader. The Village's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements consolidate all governmental and business-type activities, providing a broad overview of Village finances. The Statement of Net Position combines and consolidates the Village's financial resources (short-term, spendable resources) with capital assets and long-term obligations. The difference between assets and liabilities is reported as "net position."

The Statement of Activities presents the gross and net cost of various activities, which are supported by the government's general taxes and other resources. This report highlights the cost and amount of subsidy required for some government activities. "Governmental activities" are those functions of the Village that are funded primarily by taxes and intergovernmental revenues, while "business-type activities" are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Village include general government, public safety, community (economic) development, public works and debt service. The Village's water utility is its sole business-type activity. The government-wide financial statements can be found on pages 11 - 13 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other municipalities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Village's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015**

Governmental funds. Governmental funds are used to account for primarily the same functions reported as "governmental activities" in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The focus of the governmental funds is narrower than that of the government-wide financial statements. For this reason, a reconciliation is provided, which helps to explain the long-term impact of the government's short-term financing decisions.

The Village maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and the G.O. Bond Debt Service Fund. Three other funds are summarized under the heading, "Nonmajor Funds." Individual fund data for these funds is provided in the statements and schedules on pages 14 – 17 and 63 - 85.

The Village adopts an annual appropriated budget for its governmental funds. Budgetary comparisons have been provided to demonstrate compliance with the budget.

Proprietary funds. The Village has only one proprietary fund, the Waterworks and Sewerage Fund. The revenues and cost of the services are reported in this section. In proprietary funds, the goal is to match the fee charged to the customers to the full cost of providing the service, including non-cash costs such as depreciation of capital assets. This fund is presented on pages 18 – 21 and page 86.

Fiduciary funds. The Village is the fiduciary for the Police Pension Fund. These activities are excluded from the Village's other financial statements because the Village cannot use these assets to finance its operations. The Village is responsible for ensuring that the assets reported in these funds are used for their intended purposes, but has no direct management of the money in this fund. The Police Pension Fund activities are reported in separate reports, the Statement of Fiduciary Plan Net Position and the Statement of Changes in Fiduciary Plan Net Position, on pages 22 - 23.

Notes to the financial statements. The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 - 56.

Government-wide Statements

Over time, net position may serve as a useful indicator of a government's financial position. The Village's Total Government assets exceeded liabilities by \$119,364,210 at the end of the most recent fiscal year.

Ninety percent of total net position is the net investment in capital assets while 1% is restricted in its use by external sources. The remaining 9% is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015**

The following table reflects the condensed Statement of Net Position, comparing April 30, 2014, to April 30, 2015.

Village of Round Lake Beach – Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Assets						
Current and Other Assets	\$ 18,003,035	\$ 19,331,950	\$ 5,069,927	\$ 4,801,704	\$ 23,072,962	\$ 24,133,654
Capital Assets	108,486,912	109,665,643	17,469,651	17,735,441	125,956,563	127,401,084
Total Assets	126,489,947	128,997,593	22,539,578	22,537,145	149,029,525	151,534,738
Deferred Outflows	349,845	394,300	-	-	349,845	394,300
Liabilities						
Current Liabilities	4,123,909	3,191,204	2,146,152	1,555,753	6,270,061	4,746,957
Non-current Liabilities	19,101,432	23,085,398	1,862,936	1,985,951	20,964,368	25,071,349
Total Liabilities	23,225,341	26,276,602	4,009,088	3,541,704	27,234,429	29,818,306
Deferred Inflows	2,780,731	2,527,733	-	-	2,780,731	2,527,733
Net Position						
Net Investment in Capital Assets	91,366,717	88,551,288	15,911,442	16,048,947	107,278,159	104,600,235
Restricted	1,327,074	393,038	-	-	1,327,074	393,038
Unrestricted	8,139,929	11,643,232	2,619,048	2,946,494	10,758,977	14,589,726
Total Net Position	\$ 100,833,720	\$ 100,587,558	\$18,530,490	\$18,995,441	\$ 119,364,210	\$ 119,582,999

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015**

The following table shows the revenues and expenses of the Village's activities, broken out by type, comparing Fiscal Year 2014 to Fiscal Year 2015.

**Village of Round Lake Beach
Changes in Net Position for the Fiscal Years ended April 30, 2014 and 2015**

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Revenues						
Program Revenues						
Charges for Service	\$ 1,673,109	\$ 1,787,844	\$ 6,159,060	\$ 6,306,887	\$ 7,832,169	\$ 8,094,731
Operating Grants	1,319,302	950,970	-	-	1,319,302	950,970
Capital Grants/Contributions	-	360,277	75,888	13,995	75,888	374,272
Taxes						
Property Taxes	2,491,458	2,421,858	-	-	2,491,458	2,421,858
Sales Taxes	4,647,935	4,706,070	-	-	4,647,935	4,706,070
Other Revenue	5,491,728	5,407,678	196	664	5,491,924	5,408,342
Total Revenues	15,623,532	15,634,697	6,235,144	6,321,546	21,858,676	21,956,243
Expenses						
General Government	3,593,903	1,780,191	-	-	3,593,903	1,780,191
Public Safety	7,040,316	6,794,311	-	-	7,040,316	6,794,311
Economic Development	640,703	817,430	-	-	640,703	817,430
Public Works	3,506,417	3,644,247	-	-	3,506,417	3,644,247
Debt Service	596,031	695,443	-	-	596,031	695,443
Water	-	-	6,700,095	7,005,521	6,700,095	7,005,521
Total Expenses	15,377,370	13,731,622	6,700,095	7,005,521	22,077,465	20,737,143
Transfers	-	(1,710,852)	-	1,710,852	-	-
Excess (Deficiency)	246,162	192,223	(464,951)	1,026,877	(218,789)	1,219,100
Net Position						
Beginning of Year	100,587,558	100,395,335	18,995,441	17,968,564	119,582,999	118,363,899
Total Net Position - End of Year	\$ 100,833,720	\$ 100,587,558	\$ 18,530,490	\$ 18,995,441	\$ 119,364,210	\$ 119,582,999

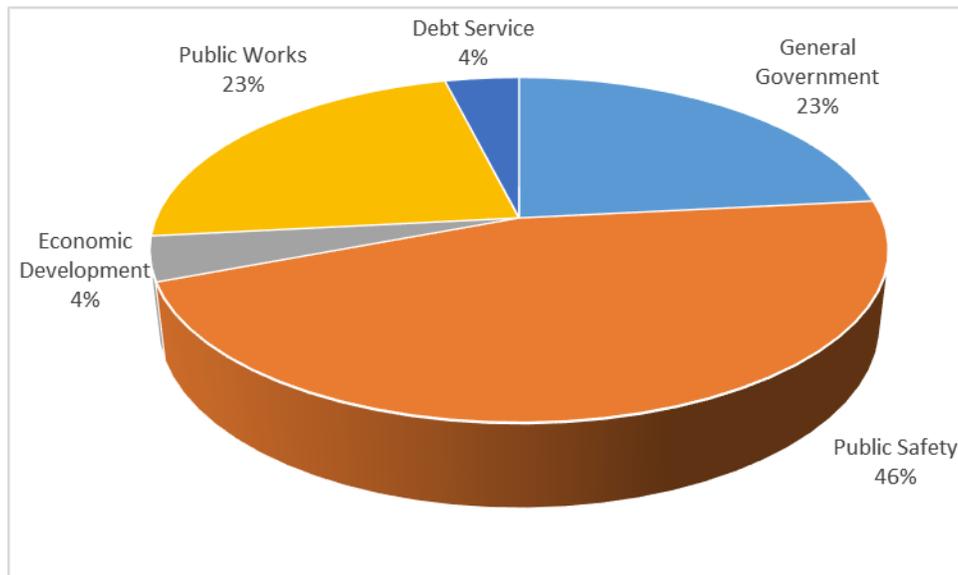
In the governmental activities, total revenues decreased by -\$11,165 (-0.1%) compared to Fiscal Year 2014. The most significant increases included Operating Grants (39% or \$368,332) and Other Revenue (2% or \$84,050). The most significant decreases were in Charges for Service (-6% or -\$114,735) and Capital Grants\Contributions (-100% or -\$360,277); construction period in the Village's main commercial area continues to have an impact on retail sales and there are fewer grants the Village can apply for since the State and Federal government continue to limit those.

Governmental activity expenses increased by \$1,645,748 compared to Fiscal Year 2014, or 12%. A significant increase in the General Government category of \$1,813,712 or 102% accounts for the majority of the increase. This increase was due to a settlement paid out from the Risk Management fund and expensing parking tickets, which are considered write offs for accounting purposes.

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015**

The breakdown of expenses by type in the Governmental funds is shown in the chart below.

Village of Round Lake Beach
Percentage of Governmental Activity Expenses by Function



For business-type activities (the Water and Sewer Fund), total revenues decreased -1.4% while total expenses decreased -4.8% compared with Fiscal Year 2014.

The detailed revenues and expenditures/expenses compared to their budgeted amounts can be found in the Supplementary Information section on pages 63 - 86.

Financial Analysis of the Village's Funds

Governmental Funds. The focus of the Village's governmental funds statements on pages 14 - 17 is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as the useful measure of a government's net resources available for spending at the end of the fiscal year. At April 30, 2015, the governmental funds reported a combined fund balance of \$12,561,933, which is a 17% decrease over Fiscal Year 2014.

Of the total fund balance, \$8,181,985 is unassigned, meaning that it is available for ongoing Village services. Of the remaining fund balance, \$2,322,472 is assigned for debt service; and \$1,996,213 is restricted or non-spendable.

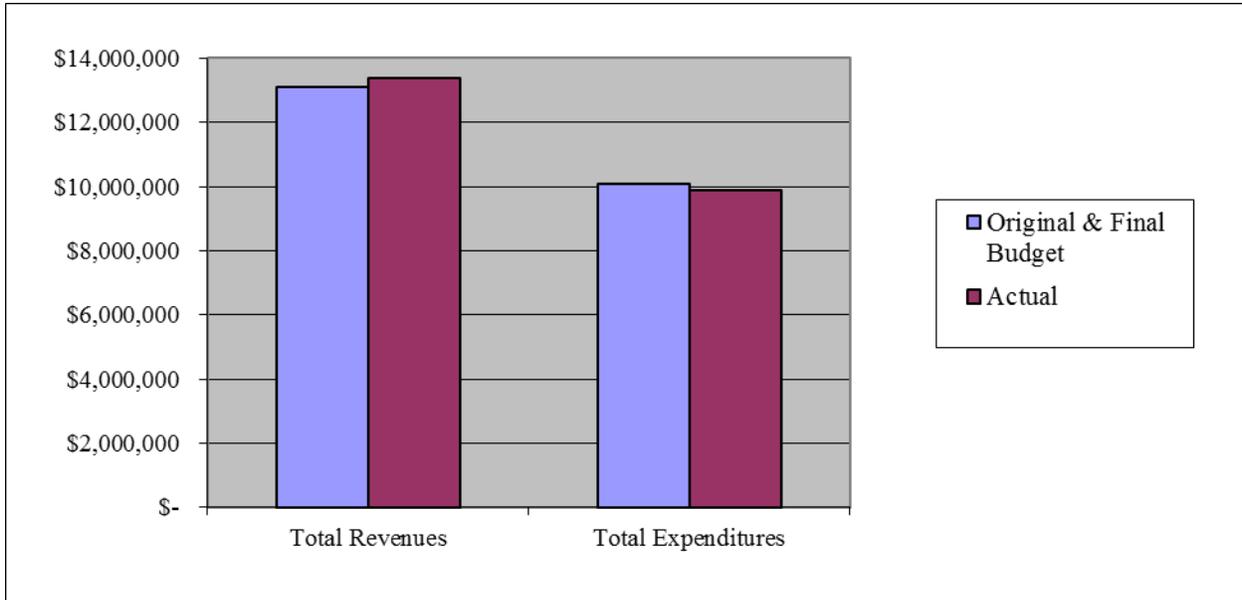
The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund fund balance decreased by -\$2,805,189 or -23%. The unassigned General Fund, fund balance decreased by -\$255,560 or -3%.

**Village of Round Lake Beach, Illinois
 Management's Discussion and Analysis (Continued)
 April 30, 2015**

General Fund Budgetary Highlights

The chart below shows how the Fiscal Year 2015 actual revenues and expenditures compared to the approved budget.

Village of Round Lake Beach
 General Fund
 Actual Revenues and Expenditures vs. Budget



The General Fund actual revenues and other financing sources exceeded the original budgeted revenues by \$280,328 for Fiscal Year 2015. Revenue sources that were significantly greater than budgeted amounts include intergovernmental revenues (\$362,977 over budget); charges for services (\$95,787 over budget); and Licenses and Permits (\$66,234 over budget).

The General Fund's total actual expenditures were \$207,963 under the General Fund budgeted amount of \$10,079,165. Public Safety came in \$442,108 under budget.

Capital Assets

Capital assets include land, land improvements, buildings, infrastructure, equipment and construction in progress. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2015, amounts to \$125,956,563 (Note 4). This is a -\$1,444,521 (-1%) decrease over Fiscal Year 2014.

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2015**

Village of Round Lake Beach
Summary of Capital Assets, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
Land	\$ 38,998,053	\$ 38,998,053	\$ 79,258	\$ 79,258	\$ 39,077,311	\$ 39,077,311
Buildings	8,461,352	8,727,976	241,411	254,467	8,702,763	8,982,443
Wells and pumping stations	-	-	1,017,066	1,003,057	1,017,066	1,003,057
Sewer and water system	-	-	14,981,174	15,553,637	14,981,174	15,553,637
Infrastructure	54,614,028	55,112,349	-	-	54,614,028	55,112,349
Equipment, furniture, vehicles	926,135	678,539	98,571	122,595	1,024,706	801,134
Land improvements	5,217,068	5,449,911	-	-	5,217,068	5,449,911
Construction in progress	270,276	698,815	1,052,171	722,427	1,322,447	1,421,242
Net Capital Assets	\$ 108,486,912	\$ 109,665,643	\$ 17,469,651	\$ 17,735,441	\$ 125,956,563	\$ 127,401,084

Debt Outstanding

The Village had a total of \$20,964,368 in debt outstanding as of April 30, 2015. This is a \$3,713,806 (15%) decrease over last year.

Under the 1970 Illinois Constitution, there is no legal debt limit for home rule municipalities except as set by the General Assembly. If the Village were subject to such a limitation, outstanding indebtedness could not exceed 8.625% of equalized assessed valuation. Currently, the Village's direct bonded debt of \$14,975,000 represents 5.00% of the Village's equalized assessed valuation of \$299,216,759.

The breakdown of the debt is shown in the chart below.

Village of Round Lake Beach
Long-Term Liabilities as of April 30, 2015 and April 30, 2014

	Governmental Activities		Business-type Activities		Total Government	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 14,975,000	\$ 16,325,000	\$ -	\$ -	\$ 14,975,000	\$ 16,325,000
Notes Payable	2,163,575	4,892,829	-	-	2,163,575	4,892,829
Deferred refunding costs	(349,845)	(394,300)	-	-	(349,845)	(394,300)
Unamortized premium on debt issuance	214,632	243,539	-	-	214,632	243,539
Leases payable	116,833	47,287	-	-	116,833	47,287
Compensated absences	263,640	272,740	72,216	80,639	335,856	353,379
Net pension obligations	136,593	128,149	32,556	31,753	169,149	159,902
Net other postemployment obligation benefits	828,387	774,985	199,955	187,065	1,028,342	962,050
Illinois EPA loan payable	-	-	1,558,209	1,686,494	1,558,209	1,686,494
Claims and judgments	402,772	400,869	-	1,125	402,772	401,994
Total Outstanding Debt	\$ 18,751,587	\$ 22,691,098	\$ 1,862,936	\$ 1,987,076	\$ 20,614,523	\$ 24,678,174

Additional information regarding the Village's outstanding debt is available in Note 9.

Economic Factors and Next Year's Budget

Major revenue streams, such as sales tax, have seen increases year to year which are expected to continue showing significant growth since a major road construction project in a major commercial corridor is nearing completion; additionally, a large retailer is expected to open its door and significantly contribute to the local economy. The impact of decreased assessed valuations and foreclosure rates on property has continued. The Village has implemented a number of operational and staffing efficiencies in the previous 5 years and operating departments continue to search for streamlining of service delivery and operational efficiencies.

The balanced budget for Fiscal Year 2016 includes a total in all funds of \$24,576,370 in revenues and expenses. This is a 17% increase over the Fiscal Year 2015 budget. Despite the difficult economy, the Village is committed to moving forward with planned and necessary capital improvements. Nearly \$6 million will be invested in capital expenditures, including lift station and well upgrades, water main and street improvements and reconstruction, vehicles and equipment, and sidewalks.

Requests for Information

This financial report is designed to provide the Village's residents, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability. Questions concerning this report or requests for additional financial information should be directed to the Finance Director, Village of Round Lake Beach, 1937 N. Municipal Way, Round Lake Beach, IL 60073. The Village's annual financial reports and annual budget documents are available on the Village website under the "Finance Department" link at www.villageofroundlakebeach.com.

BASIC FINANCIAL STATEMENTS

Village of Round Lake Beach, Illinois

Statement of Net Position
April 30, 2015

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 11,155,852	\$ 3,263,573	\$ 14,419,425
Receivables			
Property taxes	2,780,731	-	2,780,731
Accounts	235,709	1,665,002	1,900,711
Other	869,285	71,352	940,637
Prepaid items	294,941	-	294,941
Advances to other funds	-	70,000	70,000
Due from other governments	2,292,319	-	2,292,319
Property held for resale	374,198	-	374,198
Capital assets			
Capital assets not being depreciated	39,268,329	1,131,429	40,399,758
Capital assets (net of accumulated depreciation)	69,218,583	16,338,222	85,556,805
Total assets	126,489,947	22,539,578	149,029,525
Deferred Outflows of Resources			
Deferred loss on refunding	349,845	-	349,845
Liabilities			
Accounts payable	718,655	900,865	1,619,520
Claims payable	772,423	-	772,423
Sewer fees payable to Lake County	-	506,419	506,419
Accrued payroll	104,278	9,616	113,894
Advances from other funds	70,000	-	70,000
Accrued interest payable	1,948,177	-	1,948,177
Other payables and accrued liabilities	240,294	-	240,294
Line of credit payable	219,000	-	219,000
Refundable deposits	-	719,135	719,135
Unearned revenue	51,082	10,117	61,199
Long-term obligations			
Due within one year	2,329,756	203,728	2,533,484
Due in more than one year	16,771,676	1,659,208	18,430,884
Total liabilities	23,225,341	4,009,088	27,234,429
Deferred Inflows of Resources			
Property tax levies intended to finance FY15	2,780,731	-	2,780,731
Net Position			
Net investment in capital assets	91,366,717	15,911,442	107,278,159
Restricted for:			
Roads (motor fuel tax allotments)	1,159,776	-	1,159,776
Police grants, donations and fines	117,310	-	117,310
Economic development (TIF Funds)	49,988	-	49,988
Unrestricted	8,139,929	2,619,048	10,758,977
Total net position	\$ 100,833,720	\$ 18,530,490	\$ 119,364,210

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Activities
Year Ended April 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 3,593,903	\$ 1,076,038	\$ 4,773	\$ -
Public safety	7,040,316	470,204	-	-
Economic development	640,703	103,290	-	-
Public works	3,506,417	23,577	1,314,529	-
Interest	596,031	-	-	-
Total governmental activities	15,377,370	1,673,109	1,319,302	-
Business-type activities				
Water and sewer	6,700,095	6,159,060	-	75,888
Total	\$ 22,077,465	\$ 7,832,169	\$ 1,319,302	\$ 75,888

General revenues
 Taxes
 Property
 Local sales tax
 Telecommunications
 Utility
 Amusement
 Intergovernmental
 Income tax
 Sales tax
 Use tax
 Personal property replacement tax
 Investment income
 Miscellaneous
 Transfers
 Total general revenues

Change in net position

Net position - beginning

Net position - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,513,092)	\$ -	\$ (2,513,092)
(6,570,112)	-	(6,570,112)
(537,413)	-	(537,413)
(2,168,311)	-	(2,168,311)
(596,031)	-	(596,031)
<u>(12,384,959)</u>	<u>-</u>	<u>(12,384,959)</u>
-	(465,147)	(465,147)
<u>(12,384,959)</u>	<u>(465,147)</u>	<u>(12,850,106)</u>
2,491,458	-	2,491,458
3,451,734	-	3,451,734
496,503	-	496,503
904,707	-	904,707
265,738	-	265,738
2,838,511	-	2,838,511
1,196,201	-	1,196,201
576,188	-	576,188
17,756	-	17,756
12,828	196	13,024
379,497	-	379,497
-	-	-
<u>12,631,121</u>	<u>196</u>	<u>12,631,317</u>
246,162	(464,951)	(218,789)
<u>100,587,558</u>	<u>18,995,441</u>	<u>119,582,999</u>
<u>\$ 100,833,720</u>	<u>\$ 18,530,490</u>	<u>\$ 119,364,210</u>

Village of Round Lake Beach, Illinois

Balance Sheet - Governmental Funds
April 30, 2015

	General Fund	G.O. Bond Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 7,440,129	\$ 2,327,272	\$ 1,388,451	\$ 11,155,852
Receivables				
Property taxes	2,780,731	-	-	2,780,731
Intergovernmental	-	-	75,000	75,000
Accounts	235,709	-	-	235,709
Other	794,285	-	-	794,285
Due from other governments	2,226,790	-	65,529	2,292,319
Advances to other funds	54,046	-	17,607	71,653
Prepaid items	294,941	-	-	294,941
Property held for resale	374,198	-	-	374,198
Total assets	\$ 14,200,829	\$ 2,327,272	\$ 1,546,587	\$ 18,074,688
Liabilities				
Accounts payable	\$ 431,582	\$ 4,800	\$ 282,273	\$ 718,655
Accrued payroll	104,278	-	-	104,278
Advances from other funds	-	-	141,653	141,653
Claims payable	772,423	-	-	772,423
Deposits payable	220,735	-	1,024	221,759
Retention payable	-	-	18,535	18,535
Unearned revenue	-	-	51,082	51,082
Line of credit payable	219,000	-	-	219,000
Total liabilities	1,748,018	4,800	494,567	2,247,385
Deferred Inflows of Resources				
Unavailable sales, use and other taxes	484,639	-	-	484,639
Property tax levies intended to finance FY16	2,780,731	-	-	2,780,731
	3,265,370	-	-	3,265,370
Fund Balances				
Non-spendable	669,139	-	-	669,139
Restricted	167,298	-	1,159,776	1,327,074
Assigned	51,984	2,322,472	9,279	2,383,735
Unassigned	8,299,020	-	(117,035)	8,181,985
Total fund balances	9,187,441	2,322,472	1,052,020	12,561,933
Total liabilities, deferred inflows of resources and fund balances	\$ 14,200,829	\$ 2,327,272	\$ 1,546,587	\$ 18,074,688

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
April 30, 2015

Total fund balances-governmental funds	\$ 12,561,933
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Revenues in the Statement of Activities that do not provide current financial resources are deferred inflows of resources in the funds. These revenues include telecommunications taxes, home rule sales taxes, sales taxes and use taxes.	484,639
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	108,486,912
Some assets, deferred inflows of resources and liabilities reported in the Statement of Net Position do not provide current financial resources or require the use of current financial resources and, therefore, are not reported in governmental funds. These amounts consist of:	
General obligation bonds payable	(14,975,000)
Unamortized premium	(214,632)
Deferred refunding costs	349,845
Notes payable	(2,163,575)
Leases payable	(116,833)
Compensated absences	(263,640)
Net other postemployment benefits obligation	(828,387)
Net pension obligation	(85,673)
Net IMRF obligation	(50,920)
Claims and judgments	(402,772)
Accrued interest payable	(1,948,177)
	<hr/>
Net position of governmental activities	<u><u>\$ 100,833,720</u></u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Revenues, Expenditures and Changes in Fund Balances –
 Governmental Funds
 Year Ended April 30, 2015

	General Fund	G.O. Bond Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 5,354,765	\$ -	\$ -	\$ 5,354,765
Intergovernmental	7,209,065	55,965	1,258,564	8,523,594
Licenses and permits	546,084	-	-	546,084
Fines	437,287	-	-	437,287
Interest	11,963	538	327	12,828
Charges for services	304,793	-	-	304,793
Rental income	51,783	-	7,672	59,455
Miscellaneous	63,562	-	2,701	66,263
Total revenues	13,979,302	56,503	1,269,264	15,305,069
Expenditures				
Current				
General government	2,910,605	16,735	449,868	3,377,208
Public safety	6,075,522	-	-	6,075,522
Economic development	637,849	-	-	637,849
Public works	1,857,643	-	-	1,857,643
Debt service				
Principal	126,128	1,350,000	-	1,476,128
Interest and fiscal services	1,124	595,260	-	596,384
Capital outlay	633,712	-	966,025	1,599,737
Total expenditures	12,242,583	1,961,995	1,415,893	15,620,471
Excess (deficiency) of revenues over expenditures	1,736,719	(1,905,492)	(146,629)	(315,402)
Other financing sources (uses)				
Transfers in	683,800	1,897,308	775,203	3,356,311
Transfers out	(3,005,362)	-	(350,949)	(3,356,311)
Proceeds from capital leases	129,654	-	-	129,654
Disposal of land	(2,350,000)	-	-	(2,350,000)
Total other financing sources (uses)	(4,541,908)	1,897,308	424,254	(2,220,346)
Net change in fund balances	(2,805,189)	(8,184)	277,625	(2,535,748)
Fund balances - beginning	11,992,630	2,330,656	774,395	15,097,681
Fund balances - ending	\$ 9,187,441	\$ 2,322,472	\$ 1,052,020	\$ 12,561,933

See Notes to Financial Statements.

Village of Round Lake Beach, 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, 2015**

Net change in fund balances-total governmental funds	\$ (2,535,748)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. Additionally, the effect of miscellaneous transactions involving capital assets changes net position as follows:	
Capital outlay	\$ 809,693
Depreciation expense	<u>(1,988,424)</u>
Capital outlay in excess of depreciation net adjustment	(1,178,731)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. These revenues include telecommunications taxes, home rule sales taxes, sales taxes and use taxes.	
	5,229
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These transactions are as follows:	
Principal repayments and retirements	
Principal repayments	1,476,128
Deferred amount on debt refunding	313,234
Amortization of bond premium	28,907
Amortization of deferred refunding costs	(44,455)
Disposal of land	2,350,000
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These amounts consist of:	
Net decrease in compensated absences	9,100
Net increase in pension obligation	(7,679)
Net increase in other postemployment benefits	(53,402)
Net increase in IMRF obligations	(765)
Net increase in claims and judgments	(1,903)
Decrease in accrued interest on debt	<u>15,901</u>
Change in net position of governmental activities	<u>\$ 246,162</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Net Position - Proprietary Fund - Waterworks and Sewerage Fund
 April 30, 2015

Assets	
Current	
Cash and cash equivalents	\$ 3,263,573
Receivables	
Accounts - billed	237,600
Accounts - unbilled	1,427,402
Other	71,352
Total current assets	<u>4,999,927</u>
Noncurrent assets	
Advances to other funds	70,000
Capital assets, net of accumulated depreciation	
Land	79,258
Construction in progress	1,052,171
Wells and pumping stations	1,017,066
Sewer and water system	14,981,174
Buildings	241,411
Other equipment	98,571
Total noncurrent assets	<u>17,539,651</u>
Total assets	<u>22,539,578</u>
Liabilities	
Current	
Accounts payable	900,865
Sewer fees payable to Lake County	506,419
Accrued payroll	9,616
Unearned revenue	10,117
Refundable deposits	719,135
Compensated absences payable	72,216
Current portion of loan payable	131,512
Total current liabilities	<u>2,349,880</u>
Noncurrent	
Loan payable	1,426,697
Other postemployment obligation	199,955
IMRF pension obligation	32,556
Total noncurrent liabilities	<u>1,659,208</u>
Total liabilities	<u>4,009,088</u>
Net Position	
Net investment in capital assets	15,911,442
Unrestricted	2,619,048
Total net position	<u>\$ 18,530,490</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund
- Waterworks and Sewerage Fund
Year Ended April 30, 2015

Operating revenues	
Charges for services	\$ 6,132,405
Tap on fees	26,655
Total operating revenues	<u>6,159,060</u>
Operating expenses excluding depreciation	
Administration	539,986
Operations	5,519,146
Total operating expenses excluding depreciation	<u>6,059,132</u>
Operating income before depreciation	99,928
Depreciation	<u>691,823</u>
Operating loss	<u>(591,895)</u>
Nonoperating revenues (expenses)	
Interest income	196
Interest expense	(41,366)
Grant revenue	75,888
Miscellaneous revenue	92,226
Total nonoperating revenues (expenses)	<u>126,944</u>
Change in net position	(464,951)
Net position - beginning	<u>18,995,441</u>
Net position - ending	<u>\$ 18,530,490</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Cash Flows – Proprietary Fund

Waterworks and Sewerage Fund

Year Ended April 30, 2015

Cash flows from operating activities	
Receipts from customers and users	\$ 6,142,756
Payments to suppliers	(4,421,436)
Payments to employees	(953,913)
Net cash flows from operating activities	<u>767,407</u>
Cash flows from capital and related financing activities	
Capital assets purchased	(426,033)
Capital grants	75,888
Repayments on loan payable	(128,285)
Interest paid on capital debt	(41,366)
Net cash flows from capital and related financing activities	<u>(519,796)</u>
Cash flows from investing activities	
Interest on investments	<u>196</u>
Net increase in cash and equivalents	247,807
Cash and equivalents - beginning	<u>3,015,766</u>
Cash and equivalents - ending	<u>\$ 3,263,573</u>

(Continued)

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Cash Flows – Proprietary Fund – Continued

Waterworks and Sewerage Fund

Year Ended April 30, 2015

Reconciliation of operating loss to net cash
flows from operating activities

Operating loss	<u>\$ (591,895)</u>
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation	691,823
Miscellaneous expense	92,226
Changes in assets and liabilities	
Accounts receivable and other receivables	49,584
Accounts payable	739,638
Sewer fees payable to Lake County	(24,424)
Claims payable	(1,125)
Refundable deposits	(14,398)
Unearned revenue	(65,888)
Accrued payroll	(42,601)
Net advances to other funds	(70,000)
Compensated absences payable	(8,423)
Other postemployment obligation payable	12,890
Total adjustments	<u>1,359,302</u>
Net cash flows from operating activities	<u><u>\$ 767,407</u></u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Fiduciary Net Position - Police Pension Fund

April 30, 2015

Assets

Cash and cash equivalents	\$ 1,231,037
Prepaid expenses	2,348
	<u>1,233,385</u>

Investments, at fair value	
Mutual funds - debt	8,738,747
Mutual funds - equity	8,748,172
	<u>17,486,919</u>

Total assets	18,720,304
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Net Position

Held in trust for pension benefits	<u>\$ 18,720,304</u>
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See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Changes in Fiduciary Net Position - Police Pension Fund
Year Ended April 30, 2015

Additions	
Contributions	
Employer	\$ 990,893
Employee	301,480
	<u>1,292,373</u>
Investment income	
Net appreciation in fair value of investments	705,560
Interest income	442,368
Less investment expenses	(27,150)
	<u>1,120,778</u>
Total additions	<u>2,413,151</u>
Deductions	
Administration	67,713
Pension benefits and refunds	1,182,426
Total deductions	<u>1,250,139</u>
Change in net position	1,163,012
Net position - beginning	<u>17,557,292</u>
Net position - ending	<u>\$ 18,720,304</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Village of Round Lake Beach, Illinois (the Village), was incorporated in 1937 and is located in the northeast part of the state of Illinois in Lake County. The Village operates under a trustee form of government as a home rule community (as defined by the State of Illinois Constitution) and provides the following services as authorized by its charter: public safety (police), highway and street maintenance, water and sewer utility, public improvements, planning and zoning, culture, recreation, and other general administrative services.

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

Reporting Entity

The Village is a municipal corporation governed by an elected president and six-member board. As required by GAAP, these financial statements present the Village (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made based upon the significance of its operational or financial relationships with the primary government. Based upon the application of these criteria, there are no component units to be included in the Village's reporting entity.

Joint Ventures - The Village participates in four joint ventures, which are reported as nonequity governmental joint ventures and are described in Note 12. The joint ventures are: Central Lake County Joint Action Water Agency (CLCJAWA), CenCom E9-1-1 Joint Emergency Telephone System, CenCom E9-1-1 Public Safety Communications Center, and the Solid Waste Agency of Lake County (SWALCO).

Government-wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Village. All material interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Net Position presents the Village's non-fiduciary assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund and G.O. Bond Debt Service Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise fund – Waterworks and Sewerage Fund. There are no other enterprise funds.

The Village administers the following major governmental funds:

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

G.O. Bond Debt Service Fund – This fund accounts for payments of principal and interest for bonds issued for the construction of major public improvements. The debt service for the 2001, 2004, 2004A, 2006, 2009, 2010, 2011 and 2013 series bonds is funded in this fund.

The Village reports the following major proprietary fund:

Waterworks and Sewerage Fund – This fund accounts for the provision of potable water and sanitary sewer 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, maintenance, financing and related debt service, and billing and collection.

Additionally, the Village reports the following fiduciary fund type:

Police Pension Fund – This fund accounts for the activities of the accumulation of resources to pay pension costs. Resources are contributed by members at rates fixed by state statutes and by the government through an annual employer contribution.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, State shared revenues and various State, Federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, State shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

In the Statement of Activities, amounts reported as program revenues include 1) charges to customers for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenues include all taxes.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

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 enterprise funds are charges to customers for sales and services. 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.

The Governmental Accounting Standard Board (GASB) has issued Statement No. 67, *Financial Reporting for Pension Plans* (GASB 67), which was adopted by the Village for the year ended April 30, 2015, GASB 67 builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. This statement enhances note disclosures and RSI for both defined benefit and defined contribution pension plans and requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The Pension Plan issues a stand-alone financial report which includes the GASB 67 disclosures and may be obtained by writing to Round Lake Beach Police Pension, 1947 N. Municipal Way, Round Lake Beach, IL 60073.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Investments

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Investments consist of certificates of deposit, treasury obligations, repurchase agreements, insurance contracts and mutual funds. Investments in treasury and agency obligations are carried at fair value. All other investments are reported at amortized cost.

Receivables

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivables (such as sales, income and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary nonexchange transaction receivables (such as mandates or grants) are recognized when all eligibility requirements have been met.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets (e.g. software and easements) and infrastructure assets (e.g. roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than \$5,000, land improvements with initial, individual cost of more than \$25,000, building and building improvements with initial, individual cost of more than \$50,000, and infrastructure with initial, individual cost of more than \$250,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings	40
Equipment, furniture, vehicles and software	5 - 15
Land improvements	20 - 30
Infrastructure	20 - 90
Wells and pumping stations	25
Sewer and water system	50

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets Held for Resale

The Village has purchased property within the Village limits that it intends to resell. The property is recorded at the lower of the cost to purchase the property or the current market value.

Deferred Inflows of Resources and Unearned Revenues

The Village reports both deferred inflows of resources and unearned revenue on its financial statements. Deferred inflows of resources arise when a potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period in the governmental funds. Deferred inflows of resources also arise when property tax receivables are recorded prior to the period the levy is intended to finance. Unearned revenue arise when resources are received by the Village before it has legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when revenue recognition criteria are met or when the Village has a legal claim to the resources, the liability for unearned revenues is removed from the financial statements and revenue is recognized.

Compensated Absences

It is the Village’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits, as well as compensatory time. For regular (non union or public safety) employees, vacation time must be used in the year it is earned. Accumulated unused vacation pay and compensatory time up to a maximum of 140 hours for police and 200 hours for union employees is due in the event of termination and is accrued when incurred in the government-wide and proprietary fund financial statements, in accordance with the Village’s policies. Sick time is not due in the event of termination; therefore, no liability is accrued for it in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements.

Refundable Deposits

In the governmental funds, deposits payable consist of builder bonds deposits. In the proprietary funds, deposits consist of household security deposits for the activation of water services.

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 or business-type activities statement of net position. Bond premiums and discounts, as well as deferred refunding losses, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium and discount. Deferred refunding losses are reported as deferred outflow of resources and amortized over the term of the related debt. All amortization is computed using the straight-line method. Debt issuance costs are expensed when incurred.

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 Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances / Net Position

Governmental Accounting Standards Board Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the government funds.

It is the Village's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted fund balances are available, followed by committed and then assigned resources. Unassigned amounts are used only after the other categories of fund balance have been fully utilized.

Within the governmental fund types, the Village's fund balances are reported in one of the following classifications:

Non-spendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Village removes or changes the specific use by taking the same type of action it employed to previously commit those amounts.

Assigned – includes amounts that are constrained by the Village's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the Village Board itself; or b) a body or official to which the Board has delegated the authority to assign amounts to be used for specific purposes. The Finance Director may assign resources and amounts of fund balance to a specific purpose. These assignments will follow Village policy.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Fund Balances / Net Position (Continued)

As of April 30, 2015, the Village had the following fund balance classifications for various purposes as follows:

	General Fund	G.O. Bond Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non-spendable:				
Prepaid Items	\$ 294,941	\$ -	\$ -	\$ 294,941
Property Held for Resale	374,198	-	-	374,198
Total Non-spendable	669,139	-	-	669,139
Restricted:				
Public Safety	117,310	-	-	117,310
Capital Projects	49,988	-	1,159,776	1,209,764
Total Restricted	167,298	-	1,159,776	1,327,074
Assigned:				
Debt Service	-	2,322,472	-	2,322,472
Civic Center	-	-	-	-
Risk Management	-	-	-	-
Equipment Replacement	51,984	-	-	51,984
Capital Projects	-	-	9,279	9,279
Total Assigned	51,984	2,322,472	9,279	2,383,735
Unassigned	8,299,020	-	(117,035)	8,181,985
Total Fund Balances	\$ 9,187,441	\$ 2,322,472	\$ 1,052,020	\$ 12,561,933

In the government-wide and proprietary fund statements of net position, equity is displayed in three components as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets, and any associated deferred outflow of resources.

Restricted net position results when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources, as they are needed.

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Interfund Transactions

Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions, except reimbursements, are reported as transfers.

Uses of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Deposits and Investments

Deposits and investments are held separately and in pools by several of the Village's funds. The Village invests these funds pursuant to investment guidelines established by the Village Board. The deposits and investments of the Pension Trust Fund are held separately. The Village's investment policy and state statutes allow the Village to invest in the following:

- Securities issued or guaranteed by the United States
- Interest-bearing accounts of banks and savings and loan associations insured up to \$250,000 by the Federal Deposit Insurance Corporation
- Obligations of the U.S. Treasury and U.S. Agencies
- Insured accounts of an Illinois credit union chartered under United States or Illinois law
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million and rated in the highest classification by at least two rating agencies
- Short-term obligations of the Federal National Mortgage Association
- The Illinois Funds
- Repurchase agreements which meet instrument transaction requirements of Illinois law
- Illinois Metropolitan Investment Fund

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

The deposits and investments of the pension funds are held separately from those of other Village funds. In addition to the aforementioned investments, pension funds are also permitted to invest in the following instruments:

- Federal Housing Authority bonds
- Government National Mortgage Association (GNMA)
- Public Housing Board bonds (HUD)
- Farmers Home Administration bonds
- General Service Administration bonds (GSA)
- Maritime Administration bonds
- Small Business Administration (SBA)
- Tennessee Valley Authority (TVA)
- Washington Metropolitan Area Transit Authority
- Federal National Mortgage Associate bonds (Fannie Mae)
- Federal Home Loan Bank bonds (FHLB)
- Student Loan Marketing Association (Sallie Mae)
- Common stocks through a mutual fund or an investment advisor

In addition, the Village's investment policy prohibits any financial institution from holding more than 10% of the Pension Fund investment portfolio exclusive of U.S. Treasury securities held in safekeeping and from holding more than 75% of its capital stock and surplus portfolio in the Pension Fund investments. The Pension Fund is allowed to invest in brokered certificates up to a maximum of 25% of its portfolio. The fund is to match maturity schedules of its investments with anticipated cash flow requirements and is not allowed to purchase securities with maturities greater than 30 years from the date of purchase. Separate accounts of a life insurance company authorized to do business in Illinois, comprised of common or preferred stocks, bonds, or money market instruments; and separate accounts of a life insurance company authorized to do business in Illinois, comprised of real estate or loans upon real estate secured by first or second mortgages, shall not exceed the state statute of 10% of the aggregate book value of all investments owned by the Pension Fund.

Deposits

To guard against custodial credit risk for deposits with financial institutions, the Village's investment policies require that deposits with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) insurance be collateralized with collateral in an amount of 110% of the uninsured deposits. As of April 30, 2015, some of the Village's deposits were exposed to custodial credit risk, however, subsequently collateral agreements were put in place to cover all deposits. The Village did not incur any loss of funds or other assets due to this custodial credit risk exposure.

At year-end, as required by Police Pension Fund's investment policy, all deposits in the Police Pension Fund were covered by federal depository insurance or by collateral held by the Police Pension Fund, or its agent, in the Fund's name.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

Investments

The following is a reconciliation of deposits and investments to the entity-wide statement of net position:

	<u>Village</u>
Illinois funds	\$ 9,949,290
Deposits	4,468,508
Cash on hand	<u>1,627</u>
Total deposits and investments per the entity-wide statement of net position	<u>\$ 14,419,425</u>

Investments in The Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, are reported at a planned consistent \$1 per share value. These investments are a 2a7- like pool that operates in conformity with the Securities Exchange Commission (SEC) Rule 2a7 as promulgated under the Investment Company Act of 1940, as amended. Accordingly, information on interest rate risk is not required.

As of April 30, 2015, the Police Pension Fund has mutual fund investments totaling \$17,486,919.

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 and the Pension Fund's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The objective is to remain sufficiently liquid to enable the Village and Pension Fund to meet all operating requirements.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

Investments (Continued)

Credit Risk.

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not impose further limits on investment choices. The Pension Fund limits its exposure to credit risk by primarily investing in securities issued by the U.S. Government and/or its agencies that are implicitly guaranteed by the U.S. Government. The Pension Fund's investments in Short-term investment grade admiral, Intermediate-term investment grade admiral and Total bond market index admiral funds are not rated.

Concentration of Credit Risk:

It is the policy of the Village and the Pension Fund to diversify their investment portfolios. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer, class of securities, or financial institution.

At April 30, 2015, the Pension Fund did not have any investments in a single issuer over 5% of net plan position.

Custodial Credit Risk:

For an investment, custodial credit risk 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. As of April 30, 2015, the Village and Pension Fund investments were not exposed to custodial credit risk.

Note 3. Receivables

Property Taxes

The Village's property taxes are levied by the last Tuesday in December of each calendar year on all taxable real property located in the Village. Property taxes attach as an enforceable lien on January 1 of the levy year. Property tax revenues are recognized when they become measurable and available. Tax bills are prepared by Lake County and issued on or about May 1 and August 1, and are payable in two installments, on or about June 1 and September 1. The County collects such taxes and remits them periodically.

The 2014 property tax levy is recorded as a receivable and a deferred inflow of resources because it was levied to finance FY 2016 operations. Based upon collection histories, at April 30, 2015 the Village does not deem it necessary to provide an allowance for uncollectible property taxes.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 3. Receivables (Continued)

Utility Accounts and Other Receivables

Utility accounts and other receivables as of year-end for the governmental, proprietary and fiduciary funds, less applicable allowances, are as follows:

	Governmental Activities	Business-Type Activities
Water fees	\$ -	\$ 1,078,992
Sewer fees	-	586,010
Accrued interest	-	-
Amusement tax	15,190	-
Escrow receivable	94,883	-
Utility tax	197,823	-
Parking Ticket, net allowance	117,969	-
Grants	75,000	-
Miscellaneous	368,420	71,352
	<hr/>	<hr/>
Total other receivables	<u>\$ 869,285</u>	<u>\$ 1,736,354</u>

Due from Other Governments

Amounts due from other governments as of year-end for the governmental activities are as follows:

	Governmental Activities
State of Illinois	\$ 2,275,131
Lake County	<hr/> 17,188
Total due from other governments	<u>\$ 2,292,319</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended April 30, 2015 was as follows:

Governmental Activities

A summary of changes in capital assets is as follows:

	Balance May 1	Additions and Transfers	Deletions and Transfers	Balance April 30
Capital assets not being depreciated:				
Land and rights of way	\$ 38,998,053	\$ -	\$ -	\$ 38,998,053
Construction in progress	698,815	361,337	789,876	270,276
Total capital assets not being depreciated	39,696,868	361,337	789,876	39,268,329
Capital assets being depreciated:				
Buildings	11,787,120	31,712	-	11,818,832
Equipment, furniture and vehicles	3,364,038	463,302	28,369	3,798,971
Land improvements	6,855,284	-	-	6,855,284
Infrastructure	77,688,415	743,218	-	78,431,633
	99,694,857	1,238,232	28,369	100,904,720
Less accumulated depreciation for:				
Buildings	3,059,144	298,336	-	3,357,480
Equipment, furniture and vehicles	2,685,499	215,706	28,369	2,872,836
Land improvements	1,405,373	232,843	-	1,638,216
Infrastructure	22,576,066	1,241,539	-	23,817,605
	29,726,082	1,988,424	28,369	31,686,137
Total capital assets being depreciated, net	69,968,775	(750,192)	-	69,218,583
Governmental activities capital assets, net	\$ 109,665,643	\$ (388,855)	\$ 789,876	\$ 108,486,912

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 4. Capital Assets (Continued)

Business-type Activities

	Balance May 1	Additions and Transfers	Deletions and Transfers	Balance April 30
Capital assets not being depreciated:				
Land	\$ 79,258	\$ -	\$ -	\$ 79,258
Construction in progress	722,427	426,032	96,288	1,052,171
Total capital assets not being depreciated	<u>801,685</u>	<u>426,032</u>	<u>96,288</u>	<u>1,131,429</u>
Capital assets being depreciated:				
Buildings	522,257	-	-	522,257
Wells and pumping stations	2,887,127	96,289	-	2,983,416
Sewer and water system	21,672,035	-	-	21,672,035
Equipment	763,900	-	23,645	740,255
	<u>25,845,319</u>	<u>96,289</u>	<u>23,645</u>	<u>25,917,963</u>
Less accumulated depreciation for:				
Buildings	267,790	13,056	-	280,846
Wells and pumping stations	1,884,070	82,280	-	1,966,350
Sewer and water system	6,118,398	572,463	-	6,690,861
Other equipment	641,305	24,024	23,645	641,684
	<u>8,911,563</u>	<u>691,823</u>	<u>23,645</u>	<u>9,579,741</u>
Total capital assets being depreciated, net	<u>16,933,756</u>	<u>(595,534)</u>	<u>-</u>	<u>16,338,222</u>
Business-type activities capital assets, net	<u>\$ 17,735,441</u>	<u>\$ (169,502)</u>	<u>\$ 96,288</u>	<u>\$ 17,469,651</u>

Depreciation Expense

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

Governmental activities	
General government	\$ 211,435
Public safety	154,435
Public works	<u>1,622,554</u>
Total depreciation expense - governmental activities	<u>\$ 1,988,424</u>
Business-type activities	
Water	<u>\$ 691,823</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 5. Interfund Advances (Internal Balances)

As of April 30, 2015, the Village reported the following interfund advances:

Fund	Advance From	Advance To
General Fund	\$ -	\$ 54,046
Water and Sewer Fund	-	70,000
Nonmajor governmental	141,653	-
Nonmajor governmental	-	17,607
Total interfund advances	<u>\$ 141,653</u>	<u>\$ 141,653</u>

Note 6. Interfund Transfers

The purpose of the Village's interfund transfers is to transfer excess property and sales tax revenues from the TIF #1 Debt Service Fund and Nonmajor governmental funds to the TIF #1 Capital Projects Fund for the purpose of financing capital expenditures.

Fund	Transfers In	Transfers Out
General fund	\$ 683,800	\$ -
TIF #1 Debt Service	1,897,308	-
Nonmajor governmental funds	769,453	-
General fund	-	3,005,362
Nonmajor governmental funds	-	345,199
Total all funds	<u>\$ 3,350,561</u>	<u>\$ 3,350,561</u>

Note 7. Pledged Revenues

The Village has pledged a portion of future sales tax revenues to reimburse \$200,000 in expenses to finance the construction of retention facilities, incurred in the construction of a new retail center. The Village agreed to rebate to the Developer 0.5% of the Home Rule Sales Tax generated by sales and service on the property for a period of five years, with payment to be made at the end of each fourth quarter. The Village's obligation terminated on December 31, 2014.

Note 8. Short-Term Debt

The Village has secured a revolving line of credit for \$500,000 with State Bank of the Lakes. The line of credit is unsecured and has a variable interest rate (Wall Street Journal Prime). Additionally, the Village may in the future secure a second \$500,000 line of credit with a separate banking institution to ensure convenient access to funds from multiple issuers (upon approval by the Village Board). The purpose of these financing sources is to borrow from the lines of credit to purchase and rehabilitate homes, then uses the proceeds of the sale to pay principal and interest. The Village used \$219,000 of the \$500,000 line of credit during the year to purchase and rehabilitate homes by the Affordable Housing Corporation.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 8. Short-Term Debt (Continued)

Short-term debt activity during the year is as follows:

	Beginning Balance	Borrowing	Payments	Ending Balance
Line of credit	\$ -	\$ 219,000	\$ -	\$ 219,000

Note 9. Long-Term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended April 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
Series 2013	\$ 5,055,000	\$ -	\$ 235,000	\$ 4,820,000	\$ 490,000
Series 2011	3,085,000	-	350,000	2,735,000	355,000
Series 2010	2,635,000	-	125,000	2,510,000	130,000
Series 2009	2,595,000	-	220,000	2,375,000	225,000
Series 2006	2,710,000	-	175,000	2,535,000	185,000
Series 2004	245,000	-	245,000	-	-
Total general obligation bonds payable	16,325,000	-	1,350,000	14,975,000	1,385,000
TIF Revenue Bonds Series 2003	-	-	-	-	-
Incremental sales tax revenue notes payable Series 1994***	2,542,829	-	379,254	2,163,575	403,906
Note payable 2013	2,350,000	-	2,350,000	-	-
Total notes payable	4,892,829	-	2,729,254	2,163,575	403,906
Unamortized premium on issued debt	243,539	-	28,907	214,632	28,907
Capital lease payable	47,287	129,654	60,108	116,833	38,449
Compensated absences*	272,740	424,586	433,686	263,640	263,640
IMRF pension obligation*	50,155	765	-	50,920	-
Net pension obligation*	77,994	1,005,944	998,265	85,673	-
Net other postemployment obligation benefits*	774,985	53,402	-	828,387	-
Claims and judgments - IBNR	400,869	405,753	403,850	402,772	209,854
Total governmental activities	\$ 23,085,398	\$ 2,020,104	\$ 6,004,070	\$ 19,101,432	\$ 2,329,756

*These liabilities are liquidated primarily by the General Fund

***The Village paid \$66,020 towards principal reduction and the remaining \$313,234 reduced accrued interest and is recorded as revenue since the \$1,750,000 note deficit maximum has been reached.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities					
Illinois EPA loan payable	\$ 1,686,494	\$ -	\$ 128,285	\$ 1,558,209	\$ 131,512
Compensated absences	80,639	108,785	117,208	72,216	72,216
IMRF pension obligation	31,753	803	-	32,556	-
Net other postemployment obligation benefits	187,065	12,890	-	199,955	-
Claims and judgments	1,125	-	1,125	-	-
	<u>\$ 1,987,076</u>	<u>\$ 122,478</u>	<u>\$ 246,618</u>	<u>\$ 1,862,936</u>	<u>\$ 203,728</u>

Payments on the General Obligation Bonds are made by the Bond Fund with sales and utility tax allocations from the General Fund except for the series 2009 issue. Payments on the series 2009 bonds are made exclusively from Motor Fuel Tax allotments. Payments on the TIF Revenue Bonds Series 2003 are made by the TIF #1 Debt Service Fund with real estate taxes and sales taxes. Payments on the Series 1994 Sales Tax Revenue Notes Payable are made by the General Fund with incremental sales tax revenues from retailers in the district.

General Obligation Bonds Payable

The Village issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. All bonds are direct obligations and pledge the full faith and credit of the Village.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending April 30,	Principal	Interest	Total
2016	\$ 1,385,000	\$ 741,361	\$ 2,126,361
2017	1,420,000	684,024	2,104,024
2018	1,460,000	621,960	2,081,960
2019	1,505,000	551,646	2,056,646
2020	1,555,000	484,623	2,039,623
2021-2025	6,285,000	1,250,643	7,535,643
2026-2030	1,170,000	232,430	1,402,430
2031	195,000	11,700	206,700
	<u>\$ 14,975,000</u>	<u>\$ 4,578,387</u>	<u>\$ 19,553,387</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

General Obligation Bonds Payable (Continued)

The Village issued General Obligation Refunding Bonds, Series 2013 dated April 19, 2013, in the original principal amount of \$5,135,000, with interest rates varying from 2.00% to 2.50%, payable January 1 and July 1 of each year. The proceeds of this issue were used to advance refund \$2,700,000 and \$2,200,000 of the outstanding General Obligation Bonds, Series 2004 and 2004A, respectively. The bonds mature on 1/1/2024.

The Village issued General Obligation Refunding Bonds, Series 2011 dated September 8, 2011, in the original principal amount of \$3,815,000, with interest rates varying from 2.00% to 4.00%, payable June 15 and December 15 of each year. The proceeds of this issue were used to advance refund the outstanding General Obligation Bonds, Series 2001. The bonds mature on 1/1/2022.

The Village issued Taxable General Obligation Bonds, Series 2010 (Recovery Zone Economic Development Bonds) dated August 12, 2010, in the original principal amount of \$3,000,000, with interest rates varying from 0.4% to 3.00%, payable July 1 and January 1 of each year. The proceeds of this issue were used to provide funds for street and other capital improvements. The bonds mature on 1/1/2031.

The Village issued General Obligation Bonds, Series 2009 (Build America Bonds) dated August 1, 2009, in the original principal amount of \$3,695,000, with interest rates varying from 1.4% to 5.25%, payable July 1 and January 1 of each year. The proceeds of this issue were used to provide funds for street and other capital improvements. The bonds mature on 1/1/2024.

The Village issued General Obligation Bonds, Series 2006, dated August 1, 2006, in the original amount of \$3,635,000, with interest rates varying from 4.15% to 4.3%, payable July 1 and January 1 of each year. The proceeds of this issue were used to provide funds for certain channel dredging and stream bank stabilization of the Village and to provide funds for the improvement to the public safety and public works facilities. The bonds mature on 1/1/2026.

In April 2004, the Village issued General Obligation Bonds, Series 2004, in the original amount of \$4,875,000, with interest rates varying from 2% to 4.15%, payable July 1 and January 1 of each year. The proceeds of this issue are to be used for certain water improvements and related street improvements. The bonds were paid off in 2015.

Notes Payable

During fiscal year 2013, the Village issued a \$2,350,000 promissory note to provide financing for the purchase of a property in the Village. The Village held title for two years. The Village was responsible for two years of debt service payments (maximum exposure). After the two-year holding period, the property was conveyed to a private developer, who is redeveloping the entire shopping center as a commercial/retail center. The Village's obligations ended as of February 15, 2015.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Notes Payable (Continued)

The Incremental Sales Tax Revenue Note, Series 1994, was issued under an agreement with Tucker Operating Limited Partnership to finance the development of property within the Round Lake Beach Rollins Crossing business district. The note in the amount of \$6,000,000 will be repaid with incremental sales tax revenue from retailers within the district. The original note called for quarterly payments of \$136,135 over 20 years starting in 1996, with interest at 6.5%.

Through calendar year 1999, the incremental sales tax revenue received was insufficient to cover the principal and interest payments, thus causing a note deficit, as defined in the note agreement. The note deficit accrued interest at 6.5%. An amendment to the note, dated November 5, 1999, eliminated the deficit requirements and all accrued interest through December 31, 1999. The original loan amount of \$6,000,000 will be repaid over 20 years at 6.5% interest with an annual payment of \$544,538. In any year where the sales tax is not sufficient to make the annual payment, the shortage will be accumulated and paid during a five-year period. The estimated sales tax revenues collected during the five-year extension period is \$1,750,000, which is the maximum liability that the Village will have on the accumulated note deficit, and is included in accrued interest payable in the Statement of Net Position.

Annual debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2016	\$ 403,906	\$ 140,632	\$ 544,538
2017	430,160	114,378	544,538
2018	458,120	86,418	544,538
2019	487,885	56,653	544,538
2020	383,504	336,034	719,538
2021-2025*	-	1,662,500	1,662,500
	<u>\$ 2,163,575</u>	<u>\$ 2,396,615</u>	<u>\$ 4,560,190</u>

*Interest amount includes the deficit balance related to the series 1994 Note.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. Long-Term Debt (Continued)

Capital Lease Obligations

At April 30, 2015, the Village is obligated for future payments under non-cancellable vehicle leases as follows:

Year Ending April 30,	Payment on Capital Lease Obligation
2016	\$ 42,680
2017	27,875
2018	27,248
2019	27,248
	<u>125,051</u>
Less interest portion	<u>8,218</u>
	<u><u>\$ 116,833</u></u>

The cost of the capital assets acquired through capital lease is \$1,045,279, with accumulated depreciation of \$697,497 at April 30, 2015.

Loan Payable – Drinking Water Project IEPA Loan

The Village obtained a State of Illinois Environmental Protection Agency Drinking Water Project loan for the construction of an elevated water storage tank. The principal loan amount for which the Village is approved is \$2,603,807, with an interest rate of 2.5%, to be repaid over a 20-year term starting in October 2006. The total loan drawn down as of April 30, 2015, including accrued construction period interest, is \$2,603,807 and the principal outstanding at April 30, 2015, is \$1,558,209.

Annual debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
2016	\$ 131,512	\$ 38,138	\$ 169,650
2017	134,820	34,830	169,650
2018	138,212	31,438	169,650
2019	141,688	27,962	169,650
2020	145,253	24,397	169,650
2021-2025	782,946	65,303	848,249
2026	83,778	1,047	84,825
	<u>\$ 1,558,209</u>	<u>\$ 223,115</u>	<u>\$ 1,781,324</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 10. Risk Management

Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; employee health claims and natural disasters. The Village is self-insured for general liability, auto, property, and workers' compensation risks. Commercial insurance is carried for amounts in excess of the self-insured amounts. For all insured programs, settlement amounts have not exceeded insurance coverage for the current or three prior periods.

The estimated incurred but not reported (IBNR) insurance claim liabilities for governmental type activities and business-type activities at April 30, 2015, total \$402,772 and \$0, respectively.

Claims and Judgments - IBNR

	2015	2014
Beginning Balance	\$ 401,994	\$ 240,671
Additions	405,753	384,460
Reductions	404,975	223,137
Ending Balance	<u>\$ 402,772</u>	<u>\$ 401,994</u>

Note 11. Contingent Liabilities

Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal or state 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.

Litigation

The Village is party to various matters involving disputes and/or litigation. While it is not possible at this time to determine the outcome of these matters, management believes that the ultimate liability, if any, will not be material to the financial statements.

Note 12. Joint Ventures

Central Lake County Joint Action Water Agency (CLCJAWA)

The Village is a member of CLCJAWA, which consists of 9 municipalities. CLCJAWA is a municipal corporation and public body politic established pursuant to the Constitution of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the Act).

The purpose and objectives of the Agency are:

To provide water to member municipalities on a wholesale basis.

To plan, construct, acquire, develop, operate, maintain or contract for facilities for receiving, storing and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and their water users.

To provide adequate supplies of such water on an economical and efficient basis for the municipalities.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

Central Lake County Joint Action Water Agency (CLCJAWA) (Continued)

Summary of Financial Information for CLAJAWA as of April 30, 2015, is as follows.

Non restricted current assets	\$ 9,435,204
Restricted assets	24,768,322
Capital assets (net of accumulated depreciation)	101,427,416
Unamortized charges (net of amortization)	<u>17,895</u>
Total assets	135,648,837
Deferred outflows of resources - Unamortized loss on defeasance	<u>3,786,014</u>
Total assets and deferred outflows of resources	<u>\$ 139,434,851</u>
Current liabilities	\$ 14,929,116
Long-term liabilities, net	<u>88,373,670</u>
Total liabilities	103,302,786
Deferred inflows of resources - property taxes	<u>3,349,981</u>
Total liabilities and deferred inflows of resources	<u>106,652,767</u>
Net investment in capital assets	7,739,162
Restricted - bond covenants	11,485,906
Restricted - debt retirement	910,946
Restricted - rate stabilization	1,328,972
Unrestricted	<u>11,317,098</u>
Total net position	<u>32,782,084</u>
Total liabilities, deferred inflows and net position	<u>\$ 139,434,851</u>

Summary of revenues, expenses and net income for CLCJAWA for the year ended April 30, 2015:

Total revenues	\$ 21,517,923
Total expenses	<u>13,782,666</u>
Net income	<u>\$ 7,735,257</u>

Complete audited financial statements for CLCJAWA can be obtained from CLCJAWA's administrative office at 200 Rockland Road, Lake Bluff, Illinois 60044.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

CenCom E9-1-1 Joint Emergency Telephone System

CenCom E9-1-1 Joint Emergency Telephone System (CenCom) is a unit of local government formed by an intergovernmental agreement effective September 3, 1989. The purpose of the joint agreement is to implement and operate an E9-1-1 emergency telephone system as provided by Illinois statutes. CenCom's primary sources of revenue are monthly surcharge fees to telephone customers within the service area of the joint agreement participants, and dispatch fees collected from participants based on the dispatch services that they receive. Members may withdraw from CenCom upon written notice at least 365 days prior to termination and upon approval of the Illinois Commerce Commission to operate as an independent E9-1-1 emergency telephone system.

Summary Financial Information (prepared on a modified cash basis) as of April 30, 2015 (most recent information available), is as follows.

Current assets	\$	408,337
Construction in Progress		12,141
Capital assets (net of accumulated depreciation)		<u>129,956</u>
Total assets	\$	<u><u>550,434</u></u>
Net position		
Net Investment in Capital Assets	\$	142,097
Restricted for E9-1-1 purposes		394,264
Unrestricted		<u>14,073</u>
Total net position	\$	<u><u>550,434</u></u>

Summary of revenues, expenses and changes in net position for CenCom for the year ended April 30, 2013:

Total revenues	\$	383,822
Total expenses		<u>303,825</u>
Change in net position	\$	<u><u>79,997</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

CenCom E9-1-1 Public Safety Communications Center

On May 1, 2005, CenCom separated the operations portion of this entity to a new entity, CenCom E9-1-1 Public Safety Communications Center. Initial operating capital of \$320,783 and assets with a net book value of \$72,671 was transferred by the CenCom E9-1-1 Joint Emergency Telephone System Board.

Summary Financial Information (prepared on a modified cash basis) as of April 30, 2015 (most recent information available), is as follows.

Current assets	\$ 1,042,364
Capital assets (net of accumulated depreciation)	<u>383,980</u>
Total assets	<u><u>\$ 1,426,344</u></u>
Net position	
Net investment in capital assets	\$ 383,980
Unrestricted	<u>1,042,364</u>
Total net position	<u><u>\$ 1,426,344</u></u>

Summary of revenues, expenses and changes in net position for CenCom E9-1-1 Public Safety Communications Center for the year ended April 30, 2015:

Total revenues	\$ 2,069,051
Total expenses	<u>2,164,388</u>
Change in net position	<u><u>\$ (95,337)</u></u>

Complete audited financial statements for CenCom can be obtained from CenCom's administrative office at 911 N. Lotus Dr., Round Lake Beach, Illinois 60073.

Solid Waste Agency of Lake County

Solid Waste Agency of Lake County (SWALCO) is a municipal corporation formed by Lake County and 28 municipalities within Lake County for the purpose of implementing a regional approach to solid waste management by addressing economic, political and environmental issues. SWALCO's primary sources of revenue are surcharge fees imposed at sanitary landfills and host fees from these landfills which are then transferred to Lake County.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Joint Ventures (Continued)

Solid Waste Agency of Lake County (Continued)

Summary Financial Information for SWALCO as of November 30, 2014 (most recent information available) is as follows.

Current assets	\$ 2,588,628
Capital assets (net of accumulated depreciation)	<u>1,130,004</u>
Total assets	<u>\$ 3,718,632</u>
Liabilities	
Current liabilities	<u>\$ 76,448</u>
Net position	
Net investment in capital assets	1,130,004
Unrestricted	<u>2,512,180</u>
Total net position	<u>3,642,184</u>
Total liabilities and net position	<u>\$ 3,718,632</u>

Summary of revenues, expenses and changes in net position for SWALCO for the year ended November 30, 2014:

Total revenues	\$ 1,187,138
Total expenses	<u>1,038,665</u>
Change in net position	<u>\$ 148,473</u>

Complete audited financial statements for SWALCO can be obtained from SWALCO's administrative office at 1311 N. Estes St., Gurnee, Illinois 60031.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems

Illinois Municipal Retirement Fund

Plan Description

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), which provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer public retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. All employees, except those covered by the police pension plan, hired in positions that meet or exceed the prescribed annual hourly standard, must be enrolled in IMRF as participating members. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Funding Policy

As set by statute, employer regular plan members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village contribution rates for calendar years 2014 and 2015 used were 11.73 and 10.91%, respectively, of annual covered payroll. The Village annual required contribution rates for calendar years 2014 and 2015 were 11.73 and 10.91%, respectively. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost

The following table shows the components of the Village's annual pension cost for the fiscal year ended April 30, 2015, the amount actually contributed to the plan and changes in the Village's net pension obligation to the plan:

Annual required contribution (ARC)	\$ 252,225
Interest on net pension obligation	6,143
Adjustment to annual required contribution	<u>(4,575)</u>
Annual pension cost	253,793
Contribution made	<u>(252,225)</u>
Increase in net pension obligation	1,568
Net pension obligation beginning of year	<u>81,908</u>
Net pension obligation end of year	<u><u>\$ 83,476</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Annual Pension Cost (Continued)

The required contributions for 2015 and 2014 were determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 30-year basis.

Three-Year Trend Information for the Regular Plan

Three-Year Trend Information for the Regular Plan			
Year Ended April 30,	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset (Obligation)
2015	\$ 253,793	99.4 %	\$ (83,476)
2014	251,869	97.8	(81,908)
2013	232,312	94.1	(76,369)

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 87.86% funded. The actuarial accrued liability for benefits was \$7,824,400 and the actuarial value of assets was \$6,400,243, resulting in underfunded actuarial accrued liability (UAAL) of \$884,157. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$2,155,556 and the ratio of the UAAL to the covered payroll was 41%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Police Pension Fund

Plan Description

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. Administrative costs are financed through investment earnings. The Village accounts for the plan as a pension trust fund. The Pension Plan issues a stand-alone financial report which may be obtained by writing to Round Lake Beach Police Pension, 1947 N. Municipal Way, Round Lake Beach, IL 60073.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Plan Description (Continued)

At April 30, 2015 (Actuarial Valuation Date), the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	21
Members entitled to benefits but not yet receiving them	2
Active plan members	<u>36</u>
Total	<u><u>59</u></u>

The following is a summary of the Police Pension Plan as provided for in the Illinois Compiled 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 equal to 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 annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least eight 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% simple interest annually thereafter. Effective January 1, 1993, the second and subsequent pension increases (other than disability pension increases) will be computed on the current pension rather than the original pension.

Funding Policy

State-mandated police employees are required to contribute 9.91% of their base salary to the 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 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 plan is fully funded.

Basis of Accounting

The Police Pension Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. The employer contributions (property taxes) are recognized when due and when the Village has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Annual Pension Cost and Net Pension Obligation

The Village's annual pension cost and net pension benefits to the Police Pension Funds were obtained from the fund's most recent actuarial valuations and are as follows:

Annual required contribution (ARC)	\$ 1,000,484
Interest on net pension obligation	5,460
Adjustment to net pension obligation	<u>(7,372)</u>
Annual pension cost (APC)	998,572
Contributions made	<u>(990,893)</u>
Increase in net pension obligation	7,679
Net pension obligation	
Beginning of year	<u>77,994</u>
End of year	<u><u>\$ 85,673</u></u>

Schedule of Employer Contributions

Year Ended April 30,	Annual Pension Cost	Percentage of APC Contributed	Net Pension (Asset) Obligation
2015	\$ 1,000,484	100.2 %	\$ 85,673
2014	1,030,951	100.2	77,994
2013	975,574	106.2	(19,042)

Funded Status and Funding Progress

The funded status of the Police Pension Plan as of latest actuarial valuation is as follows:

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
05/01/2014	\$ 17,557,293	\$ 27,591,363	\$ 10,034,070	63.63 %	\$ 3,040,170	330.05 %

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Significant Actuarial Assumptions

Additional information as of the latest valuation follows:

Actuarial valuation date	April 30, 2015
Actuarial cost method	Entry age normal cost
Asset valuation method	Market
Amortization method	Level Percentage of Payroll, closed
Amortization period remaining	26 Years
Mortality rate assumptions	RHCB 2000 Mortality Table (CHBCA)
Decrement assumption	Experience tables
Other actuarial assumptions:	
a) Investment rate of return	7.00%
b) Projected salary increases	5.50%
Includes inflation at:	3.00%
Cost of living adjustments:	Tier 1: 3.00% per year, compounded Tier 2: 2.00% per year, simple

Note 14. Other Postemployment Benefits (OPEB)

Plan Description

The Village's Health Insurance Plan for Retired Employees (the Plan) is a single-employer defined benefit healthcare plan administered by the Village. The Plan provides healthcare coverage at 100% of the active premium rate. The state of Illinois requires IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled members, retirees, and surviving spouses at the same premium rate for active employees. Therefore, an implicit rate subsidy exists for retirees (that is, the difference between the premium rate charged to retirees for the benefit and the estimated rate that would be applicable to those retirees if that benefit were acquired for them as a separate group) resulting from the participation in postemployment healthcare plans that cover both active employees and retirees. The Plan operates on a pay-as-you-go funding basis. No assets are accumulated or dedicated to funding the retiree health plan benefits.

At April 30, 2015, membership in the Plan consisted of the following:

	Members
Retirees and beneficiaries receiving benefits	4
Active plan members	72
Total membership	76

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 14. Other Postemployment Benefits (OPEB) (Continued)

Plan Description (Continued)

Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Annual OPEB Cost and Net OPEB Obligation

The Village's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities or funding excess over a period not to exceed thirty years. The following table shows the components of the Village's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation to the Village's Health Insurance Plan for Retired Employees.

Annual required contribution (ARC)	\$	59,826
Interest on net OPEB obligation		38,481
Adjustment to annual required contribution		(32,016)
Annual OPEB cost		66,291
Contribution made		-
Increase in net OPEB obligation		66,291
Net OPEB obligation beginning of year		962,051
Net OPEB obligation end of year	\$	1,028,342

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2015 is as follows:

Trend Information – Other Postemployment Benefits

Year Ended April 30,	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 66,291	\$ -	0.0 %	\$ 1,028,342
2014	65,898	15,992	24.3	962,051
2013	189,391	23,278	12.3	962,051
2012	209,593	23,014	11.0	746,032

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 14. Other Postemployment Benefits (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Funding Status and Funding Progress

The funded status and funding progress of the Plan as of April 30, 2015 was as follows:

Actuarial accrued liability (AAL)	\$ 1,232,588
Actual value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,232,588</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.00%</u>
Covered payroll (active plan members)	<u>\$ 4,790,435</u>
UAAL as a percentage of covered payroll	<u>25.73%</u>

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the 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 the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial assumptions included (a) 4.00% investment rate of return and, (b) an initial healthcare cost trend of 8% decreasing and leveling off at 6% after 4 years. Other actuarial information included (a) valuation date of April 30, 2013, (b) entry age actuarial cost method, (c) amortization method of level percentage of pay, open, (d) remaining amortization period of 30 years, and (e) asset valuation method of market.

Note 15. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) has issued the following statements:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, will be effective for the Village beginning with its year ended April 30, 2016. This statement requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI).

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* will be effective for the Village beginning with its year ended April 30, 2015. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 15. New Governmental Accounting Standards (Continued)

GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will be effective for the Village with its year ended April 30, 2015. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement is to improve accounting and financial reporting by addressing an issue in Statement No. 68, *Accounting and Financial Reporting for Pensions*, concerning transition provisions related to certain pension contributions made to defined benefit pension plans prior to implementation of that Statement by employers and non-employer contributing entities. The provisions of this Statement should be applied simultaneously with the provisions of GASB Statement No. 68 (FY16).

GASB Statement No. 72, *Fair Value Measurement and Application*, will be effective for the Village beginning with its year ended April 30, 2017. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

GASB Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*, will be effective for the Village beginning with its year ended April 30, 2017, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for the Village beginning with its year ended April 30, 2018. This statement will establish requirements for those pension and pension plans that are not administered through a trust meeting specified criteria.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2018. This statement will establish rules on reporting by OPEB plans that administer benefits on behalf of governments.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (Employer)*, will be effective for the Village beginning with its year ended April 30, 2019. This statement outlines reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments.

Management has not currently determined what impact, if any, these Statements may have on its financial statements; however, GASB 68 and 75 are expected to have a material impact when implemented.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

Village of Round Lake Beach, Illinois

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –
 Budget and Actual – General Fund
 Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ 5,439,485	\$ 5,302,189	\$ (137,296)
Intergovernmental	6,516,075	6,879,052	362,977
Licenses and permits	479,850	546,084	66,234
Fines	539,000	405,627	(133,373)
Interest	10,000	7,722	(2,278)
Charges for services	79,000	174,787	95,787
Rental income	38,130	39,083	953
Miscellaneous	5,300	32,624	27,324
Total revenues	13,106,840	13,387,168	280,328
Expenditures			
General government			
Legislative	359,760	466,021	(106,261)
Boards and commissions	32,500	25,882	6,618
Administration	247,340	215,377	31,963
Village clerk	14,150	16,910	(2,760)
Finance	262,940	272,611	(9,671)
Village president's office	28,870	29,919	(1,049)
Insurance	95,000	374,294	(279,294)
Public safety	6,486,762	6,044,654	442,108
Economic development	678,100	616,016	62,084
Public works	1,873,743	1,809,518	64,225
Total expenditures	10,079,165	9,871,202	207,963
Excess of revenues over expenditures	<u>3,027,675</u>	<u>3,515,966</u>	<u>488,291</u>
Other financing sources (uses)			
Transfer out	(3,007,515)	(3,005,362)	2,153
Note proceeds	200,000	-	(200,000)
	<u>(2,807,515)</u>	<u>(3,005,362)</u>	<u>(200,000)</u>
Net change in fund balance	<u>\$ 220,160</u>	510,604	<u>\$ 288,291</u>
Fund balance - beginning		<u>9,721,272</u>	
Fund balance - ending		<u>\$ 10,231,876</u>	

See Notes to Required Supplementary Information.

Village of Round Lake Beach, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2015

Illinois Municipal Retirement Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) (Overfunded) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	(Overfunded) Underfunded UAAL as a Percentage of Annual Covered Payroll ((2-1)/3)
12/31/2014	\$ 6,400,243	\$ 7,284,400	\$ 884,157	87.86 %	\$ 2,155,556	41.02 %
12/31/2013	5,633,317	6,562,263	928,946	85.84	2,127,075	43.67
12/31/2012	4,675,644	5,918,371	1,242,727	79.00	2,179,788	57.01

Village of Round Lake Beach, Illinois

Required Supplementary Information
Analysis of Funding Progress

April 30, 2015

Police Pension Fund

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(2)-(1) Unfunded AAL (UAAL)	(1)/(2) Funded Ratio	(3) Covered Payroll	UAAL as a Percentage of Covered Payroll ((2-1)/3)
05/01/2014	\$ 17,557,293	\$ 27,591,363	\$ 10,034,070	63.63 %	\$ 3,040,170	330.05 %
05/01/2013	16,032,865	26,608,551	10,575,686	60.25	3,149,890	335.75
05/01/2012	14,079,647	23,995,026	9,915,379	58.68	2,957,386	335.28
05/01/2011	12,930,415	22,904,999	9,974,584	56.45	3,058,078	326.17
05/01/2010	11,364,253	21,711,924	10,347,671	52.34	2,893,925	357.57

Village of Round Lake Beach, Illinois

**Other Post-Employment Benefits
Required Supplementary Information
Year Ended April 30, 2015**

Analysis of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll ((b - a) / c)
4/30/2015	\$ -	\$ 1,232,588	\$1,232,588	- %	\$ 4,790,435	25.73 %
4/30/2014	-	1,232,588	1,232,588	-	4,998,857	24.66
4/30/2013	-	1,232,588	1,232,588	-	5,814,745	21.20
4/30/2012			No Valuation Available			
4/30/2011			No Valuation Available			
4/30/2010	-	2,053,349	2,053,349	-	4,885,292	42.03
4/30/2009	-	2,313,623	2,313,623	-	5,137,560	45.03

The Village has presented as many years as is available.

Village of Round Lake Beach, Illinois

Notes to Required Supplementary Information

Note 1. Illinois Municipal Retirement Fund Schedule of Funding Progress Digest of Changes

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$7,464,402. On a market basis, the funded ratio would be 102.47%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Village of Round Lake Beach. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

Note 2. Budgets

All governmental and proprietary fund types have legally adopted annual budgets except for the Police Pension Fund. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- (a) The Village Administrator submits to the Village President the proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- (b) The Village President reviews the proposed budget and makes changes as necessary. The Administrator then holds workshops with support staff and one or two trustees at a time where the budget is reviewed and recommendations are collected. The Trustees' suggestions are incorporated in the budget draft for final review by the Village President, who may make additional changes.
- (c) A public hearing is conducted to obtain taxpayer comments on the proposed fiscal year appropriation ordinance.
- (d) The fiscal year appropriation ordinance, which incorporates the budget decisions of the Village Board, is legally enacted for the General Fund, Special Revenue Funds, Capital Projects Funds and Proprietary Fund Types.
- (e) The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is at the department level, per fund. The Department head may modify the department budget by spending less in one line item when another will go over budget. Modifications to the budget beyond the department-per-fund level can only be made by the Village Board of Trustees. Village management does not have the authority to modify the budget beyond the department-per-fund level.
- (f) All appropriations lapse at year-end. No supplemental appropriations were made by the Village Board of Trustees during fiscal year 2015.

Village of Round Lake Beach, Illinois

Notes to Required Supplementary Information

Note 2. Budgets (Continued)

All governmental fund type budgets are generally prepared on a modified accrual basis, except that the Village budgets the planned use of available fund balance as well as the planned increase of fund balance reserves. Proprietary fund type budgets, which are prepared for management control purposes, are generally prepared on the accrual basis except that depreciation and amortization are not budgeted. The budgetary authority to spend lapses at April 30 of each year.

The Budget and Actual schedules reported for the General Fund do not include budget and actual information for the Police Special Revenues, Housing and Redevelopment, Metra Operations, TIF #4, Civic Center, Risk Management and Equipment Replacement accounts which are combined as shown in the General Fund Combining Balance Sheet, by Account and reported in aggregate as the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

Note 3. Actual Expenditures in Excess of Budget / Department in Individual Funds

Fund / Department	Budget	Actual	Excess
General:			
Legislative	\$ 359,760	\$ 466,021	\$ (106,261)
Village Clerk	14,150	16,910	(2,760)
Finance	262,940	272,611	(9,671)
Village President's Office	28,870	29,919	(1,049)
Financing and Insurance	95,000	374,294	(279,294)
General Improvement Fund	1,081,020	1,391,297	(310,277)
Waterworks and Sewerage Fund	5,330,465	6,059,132	(728,667)

In the General Fund, the excess expenditures over budgeted amounts in the Legislative Department is due to the way Legal expenses were accounted for during the Fiscal Year. In the Village Clerk department, the excess expenditures over budgeted amounts is due to an increase in codification services. In the Finance Department, the excess expenditures over budgeted amounts is due to software subscriptions implemented throughout the fiscal year. In the Village President's Office, the excess expenditures over budgeted amounts is due to the way Liquor License Background checks were accounted for during the fiscal year. In the Financing and Insurance Department, the excess expenditures over budgeted amounts is due to accounting for bad debt expenses for liens.

The excess of expenditures over budgeted amounts in the General Improvement Fund is related to costs associated with building improvements at the Cultural & Civic Center.

In the Waterworks and Sewerage Fund, the significant excess in expenditures over budget was caused by the way the pass-through Lake County Sewer charges are accounted for.

SUPPLEMENTARY INFORMATION

Village of Round Lake Beach, Illinois

**General Fund
Combining Balance Sheet, by Account
April 30, 2015**

	General Fund	Police Special Revenues	Housing and Redevelopment	Metra Operations
Assets				
Cash and investments	\$ 7,069,551	\$ 115,264	\$ -	\$ 3,440
Receivables				
Property taxes	2,508,058	-	-	-
Accounts	-	-	235,336	-
Other	698,434	-	75,269	-
Due from other governments	2,226,790	-	-	-
Advances to other funds	1,313,286	2,768	19,326	-
Prepaid items	35,246	-	-	-
Property held for resale	-	-	374,198	-
Total assets	\$ 13,851,365	\$ 118,032	\$ 704,129	\$ 3,440
Liabilities				
Accounts payable	\$ 307,546	\$ 722	\$ 1,970	\$ 4,525
Accrued payroll	103,020	-	-	-
Advances from other funds	9,701	-	903,861	41,573
Claims payable	-	-	-	-
Deposits payable	206,525	-	1,800	-
Line of credit payable	-	-	219,000	-
Total liabilities	626,792	722	1,126,631	46,098
Deferred Inflows of Resources				
Unavailable sales, use and other taxes	484,639	-	-	-
Property tax levies intended to finance FY16	2,508,058	-	-	-
	2,992,697	-	-	-
Fund Balances				
Non-spendable	35,246	-	374,198	-
Restricted	-	117,310	-	-
Assigned	-	-	-	-
Unassigned	10,196,630	-	(796,700)	(42,658)
Total fund balances	10,231,876	117,310	(422,502)	(42,658)
Total liabilities, deferred inflow of resources and fund balances	\$ 13,851,365	\$ 118,032	\$ 704,129	\$ 3,440

General Fund

TIF #4	Civic Center	Risk Management	Equipment Replacement	Eliminations	Total
\$ 56,128	\$ 3,829	\$ -	\$ 191,917	\$ -	\$ 7,440,129
272,673	-	-	-	-	2,780,731
-	-	373	-	-	235,709
-	20,582	-	-	-	794,285
-	-	-	-	-	2,226,790
-	(90,000)	-	-	(1,191,334)	54,046
-	-	200,446	59,249	-	294,941
-	-	-	-	-	374,198
<u>\$ 328,801</u>	<u>\$ (65,589)</u>	<u>\$ 200,819</u>	<u>\$ 251,166</u>	<u>\$ (1,191,334)</u>	<u>\$ 14,200,829</u>
\$ 5,465	\$ 6,050	\$ -	\$ 105,304	\$ -	\$ 431,582
-	1,258	-	-	-	104,278
45,000	52,029	45,292	93,878	(1,191,334)	-
-	-	772,423	-	-	772,423
-	12,410	-	-	-	220,735
-	-	-	-	-	219,000
<u>50,465</u>	<u>71,747</u>	<u>817,715</u>	<u>199,182</u>	<u>(1,191,334)</u>	<u>1,748,018</u>
-	-	-	-	-	484,639
272,673	-	-	-	-	2,780,731
<u>272,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,265,370</u>
-	-	200,446	59,249	-	669,139
49,988	-	-	-	-	167,298
-	-	-	51,984	-	51,984
(44,325)	(137,336)	(817,342)	(59,249)	-	8,299,020
<u>5,663</u>	<u>(137,336)</u>	<u>(616,896)</u>	<u>51,984</u>	<u>-</u>	<u>9,187,441</u>
<u>\$ 328,801</u>	<u>\$ (65,589)</u>	<u>\$ 200,819</u>	<u>\$ 251,166</u>	<u>\$ (1,191,334)</u>	<u>\$ 14,200,829</u>

Village of Round Lake Beach, Illinois

**General Fund
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, by Account
Year Ended April 30, 2015**

	General Fund	Police Special Revenues	Housing and Redevelopment	Metra Operations
Revenues				
Taxes	\$ 5,302,189	\$ -	\$ -	\$ -
Intergovernmental	6,879,052	4,523	-	-
License and permits	546,084	-	-	-
Fines	405,627	31,660	-	-
Interest	7,722	7	4,186	1
Charges for services	174,787	-	-	26,741
Rental income	39,083	-	12,700	-
Miscellaneous	32,624	26,754	1,164	-
Total revenues	13,387,168	62,944	18,050	26,742
Expenditures				
Current				
General government	1,334,994	-	-	-
Public Safety	6,044,654	30,868	-	-
Economic development	616,016	-	16,368	-
Public Works	1,809,518	-	-	48,125
Debt service				
Principal	66,020	-	-	-
Interest and fiscal services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	9,871,202	30,868	16,368	48,125
Excess (deficiency) of revenues over expenditures	3,515,966	32,076	1,682	(21,383)
Other financing sources				
Transfers in	-	-	-	-
Transfers out	(3,005,362)	-	-	-
Disposal of Land	-	-	(2,350,000)	-
Proceeds from capital leases	-	-	-	-
Total other financing sources (uses)	(3,005,362)	-	(2,350,000)	-
Net change in fund balances	510,604	32,076	(2,348,318)	(21,383)
Fund balances - beginning	9,721,272	85,234	1,925,816	(21,275)
Fund balances - ending	\$ 10,231,876	\$ 117,310	\$ (422,502)	\$ (42,658)

General Fund

TIF #4	Civic Center	Risk Management	Equipment Replacement	Total
\$ 52,576	\$ -	\$ -	\$ -	\$ 5,354,765
-	-	200,490	125,000	7,209,065
-	-	-	-	546,084
-	-	-	-	437,287
5	1	-	41	11,963
-	103,265	-	-	304,793
-	-	-	-	51,783
-	1,079	-	1,941	63,562
52,581	104,345	200,490	126,982	13,979,302
-	154,325	1,421,286	-	2,910,605
-	-	-	-	6,075,522
5,465	-	-	-	637,849
-	-	-	-	1,857,643
-	-	-	60,108	126,128
-	-	-	1,124	1,124
-	-	-	633,712	633,712
5,465	154,325	1,421,286	694,944	12,242,583
47,116	(49,980)	(1,220,796)	(567,962)	1,736,719
-	-	333,800	350,000	683,800
-	-	-	-	(3,005,362)
-	-	-	-	(2,350,000)
-	-	-	129,654	129,654
-	-	333,800	479,654	(5,355,362)
47,116	(49,980)	(886,996)	(88,308)	(2,805,189)
(41,453)	(87,356)	270,100	140,292	11,992,630
\$ 5,663	\$ (137,336)	\$ (616,896)	\$ 51,984	\$ 9,187,441

Village of Round Lake Beach, Illinois

General Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes			
Property tax			
Corporate fund	\$ 977,350	\$ 968,400	\$ (8,950)
Liability insurance	365,000	361,501	(3,499)
IMRF	100,000	99,041	(959)
Road and bridge	16,650	19,047	2,397
Police pension	1,000,485	990,893	(9,592)
Total property tax	2,459,485	2,438,882	(20,603)
Other taxes			
Home rule	1,190,000	1,183,628	(6,372)
Telecommunications	560,000	509,234	(50,766)
Gas	325,000	366,365	41,365
Electric	575,000	538,342	(36,658)
Amusement	330,000	265,738	(64,262)
Total other taxes	2,980,000	2,863,307	(116,693)
Total taxes	5,439,485	5,302,189	(137,296)
Intergovernmental - Revenue from other agencies			
Sales tax	3,400,000	3,453,273	53,273
Use	490,000	569,262	79,262
Personal property replacement tax	10,725	17,756	7,031
Income tax	2,615,000	2,838,511	223,511
Charitable game tax/license	350	250	(100)
Total intergovernmental-revenue from other agencies	6,516,075	6,879,052	362,977

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues (Continued)			
Licenses and permits			
Business certificates	\$ 60,250	\$ 78,875	\$ 18,625
Liquor	30,000	40,221	10,221
Billboard licenses	1,350	800	(550)
Contractor application fee	7,000	8,500	1,500
Rental certification	73,000	87,075	14,075
Occupancy permits	23,000	27,759	4,759
Building permits	70,000	87,063	17,063
Video gaming fee and licenses	10,250	33,738	23,488
Cable TV franchise fee	165,000	140,874	(24,126)
Nicor gas franchise fee	35,000	33,288	(1,712)
Annex/ZBA/Plan	5,000	7,891	2,891
Total licenses and permits	479,850	546,084	66,234
Fines			
Police fines	475,000	356,622	(118,378)
Tobacco enforcement	1,000	-	(1,000)
Towing revenues	50,000	24,900	(25,100)
False alarm	12,000	12,650	650
Building fines	1,000	11,455	10,455
Total fines	539,000	405,627	(133,373)
Interest	10,000	7,722	(2,278)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Revenues - Budget and Actual (Continued)
Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Revenues (Continued)			
Charges for services			
Police photocopy service	\$ 4,000	\$ 4,344	\$ 344
Liens	50,000	144,209	94,209
Police security services	-	1,832	1,832
Recycling SWALCO	25,000	23,577	(1,423)
Community event	-	25	25
Elevator inspections	-	800	800
Total charges for services	79,000	174,787	95,787
Miscellaneous			
Rental income	38,130	39,083	953
Miscellaneous	5,300	32,624	27,324
Total miscellaneous	43,430	71,707	28,277
Use of fund balance			
	-	-	-
Total revenues	13,106,840	13,387,168	280,328
Total revenues	\$ 13,106,840	\$ 13,387,168	\$ 280,328

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
General government			
Legislative			
Salaries - full time	\$ 28,800	\$ 28,800	\$ -
IMRF	3,500	2,750	750
FICA	1,790	1,786	4
Medicare	420	418	2
Village building stipend	3,600	3,600	-
Training	2,000	2,392	(392)
Travel/food	7,000	8,140	(1,140)
Dues and subscriptions	19,850	18,576	1,274
Employee recognition	2,500	2,210	290
Printing, advertising, publishing	1,500	3,030	(1,530)
Video service	4,800	3,395	1,405
Legal	263,000	369,099	(106,099)
Community events	15,000	14,910	90
Dollars for scholars	6,000	6,000	-
Miscellaneous	-	915	(915)
Total Legislative	359,760	466,021	(106,261)
Salaries - part time	3,720	2,500	1,220
FICA	165	116	49
Medicare	75	27	48
Training	1,000	940	60
Travel/food	700	768	(68)
Planning/consulting	1,200	448	752
Dues and subscriptions	375	375	-
Office supplies	265	113	152
Printing, advertising, publishing	1,000	1,310	(310)
Tech services	7,500	10,617	(3,117)
Legal	16,500	8,668	7,832
Total Boards and Commissions	32,500	25,882	6,618

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
General Government (Continued)			
Administration			
Salaries - full time	\$ 154,500	\$ 128,053	\$ 26,447
Salaries - part time	15,000	22,789	(7,789)
Health insurance	27,150	23,568	3,582
IMRF	21,000	17,601	3,399
FICA	10,750	8,289	2,461
Medicare	2,500	2,055	445
Training	2,500	563	1,937
Travel/food	595	201	394
Dues and subscriptions	1,115	1,653	(538)
Office supplies	450	679	(229)
Telephone	1,455	1,279	176
Cellular phone	905	1,017	(112)
Postage	350	243	107
Printing, advertising, publishing	275	-	275
Village newsletter	1,000	973	27
Web page maintenance	1,330	640	690
Network support	3,930	3,656	274
Payroll processing	570	436	134
Equipment maintenance/rental	315	-	315
Fuel/oil	1,650	1,502	148
Pre-employment background and testing	-	180	(180)
Total Administration	247,340	215,377	31,963
Village Clerk			
Salaries - full time	4,800	4,800	-
IMRF	600	550	50
FICA	300	298	2
Medicare	75	70	5
Training	300	305	(5)
Travel/food	1,400	1,346	54
Dues and subscriptions	175	115	60
Office supplies	150	-	150
Printing, advertising, publishing	50	56	(6)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
General Government (Continued)			
Village Clerk (Continued)			
Codification	\$ 5,000	\$ 8,770	\$ (3,770)
Archiving	700	-	700
Village board stipend	600	600	-
Total Village Clerk	14,150	16,910	(2,760)
Finance			
Salaries - full time	108,000	134,788	(26,788)
Salaries - part time	24,150	21,767	2,383
Health insurance	27,625	31,546	(3,921)
IMRF	14,750	16,845	(2,095)
FICA	8,200	9,436	(1,236)
Medicare	1,950	2,206	(256)
Training	1,650	656	994
Travel/food	1,000	392	608
Due and subscriptions	1,185	3,587	(2,402)
Office supplies	460	309	151
Telephone	1,480	1,293	187
Postage	850	275	575
Printing, advertising, publishing	2,500	2,862	(362)
Network support	3,990	3,685	305
Web page maintenance	2,000	-	2,000
Data processing	8,000	-	8,000
Payroll processing	580	403	177
Cafeteria plan	1,450	1,330	120
Equipment	450	219	231
Equipment maintenance	6,320	5,862	458
Liens	4,500	4,229	271
Auditor/financial consultant	41,850	30,441	11,409
Miscellaneous	-	480	(480)
Total Finance	262,940	272,611	(9,671)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
General Government (Continued)			
Village President's Office			
Salaries - full time	\$ 20,000	\$ 20,110	\$ (110)
IMRF	2,500	2,300	200
FICA	1,250	1,247	3
Medicare	295	292	3
Village building stipend	1,200	1,200	-
Training	600	679	(79)
Travel/food	2,750	3,662	(912)
Printing, advertising, publishing	-	87	(87)
Liquor license background check	275	342	(67)
Total Village President's Office	28,870	29,919	(1,049)
Financing and Insurance			
Unemployment insurance	15,000	20,322	(5,322)
Bank fees	-	7,227	(7,227)
Principal	80,000	66,020	13,980
Bad debt expense	-	280,725	(280,725)
Total Financing and Insurance	95,000	374,294	(279,294)
Total General Government	1,040,560	1,401,014	(360,454)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Public Safety			
Salaries - full time	\$ 3,465,500	\$ 3,242,085	\$ 223,415
Salaries - part time	9,000	-	9,000
Overtime	165,000	209,942	(44,942)
Court pay	5,000	14,211	(9,211)
Health insurance	678,620	571,510	107,110
Police pension contribution	1,000,485	990,893	9,592
IMRF	21,500	19,499	2,001
FICA	11,700	11,118	582
Medicare	50,600	48,334	2,266
Training	18,025	19,681	(1,656)
Travel/food	3,700	1,184	2,516
Clothing	25,540	26,416	(876)
Dues and subscriptions	22,785	22,816	(31)
Safety equipment	5,255	-	5,255
Medical	2,945	2,782	163
Office supplies	11,180	6,647	4,533
Telephone	36,330	31,610	4,720
Cellular phone	7,310	6,198	1,112
Wi-Fi services	8,255	7,965	290
Postage	8,450	8,111	339
Printing, advertising, publishing	3,450	4,938	(1,488)
Tech services	99,170	90,043	9,127
Web page maintenance	4,000	-	4,000
Data processing	28,515	29,262	(747)
Payroll processing	14,250	9,166	5,084
Equipment purchase	1,000	920	80
Equipment maintenance	15,655	7,275	8,380
Vehicle accessories	775	305	470
Vehicle maintenance	66,000	56,152	9,848
Fuel/oil	117,500	68,006	49,494

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Public Safety (Continued)			
Operating supplies	\$ 3,675	\$ 1,821	\$ 1,854
Community service	4,600	3,230	1,370
Weapons supplies	12,650	11,944	706
Jail expenditures	25,320	24,773	547
CenCom	490,685	491,781	(1,096)
Payroll contingency	40,037	-	40,037
Warning siren	2,300	1,600	700
Miscellaneous	-	2,436	(2,436)
Total Public Safety	6,486,762	6,044,654	442,108
Economic Development			
Salaries - full time	277,500	270,672	6,828
Salaries - part time	13,000	11,906	1,094
Health insurance	78,900	74,888	4,012
IMRF	33,100	30,053	3,047
FICA	18,500	16,619	1,881
Medicare	4,300	3,887	413
Training	2,710	1,116	1,594
Travel/food	500	768	(268)
Clothing	1,850	1,195	655
Due and subscriptions	900	695	205
Office supplies	1,300	861	439
Telephone	4,225	3,665	560
Cellular phone	2,580	1,963	617
Postage	1,000	1,038	(38)
Printing, advertising, publishing	5,000	5,665	(665)
Data processing	1,660	1,209	451

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Economic Development (Continued)			
Film/batteries	-	102	(102)
Equipment purchase	300	-	300
Equipment maintenance	3,010	3,756	(746)
Fuel/oil	6,000	3,567	2,433
Planning/consulting	64,620	65,018	(398)
Engineering	5,000	1,440	3,560
Subcontract plumbing inspector	7,600	5,120	2,480
Elevator inspections	2,145	2,645	(500)
Board-ups	6,000	1,168	4,832
Tax rebates	121,000	96,530	24,470
Network support	11,400	10,470	930
Web page maintenance	4,000	-	4,000
Total Economic Development	678,100	616,016	62,084
Public Works			
Salaries - full time	552,000	570,363	(18,363)
Salaries - part time	16,500	12,744	3,756
Overtime	15,000	13,693	1,307
Health insurance	150,000	132,009	17,991

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Public Works (Continued)			
IMRF	\$ 65,900	\$ 61,825	\$ 4,075
FICA	35,500	34,337	1,163
Medicare	8,400	8,031	369
Medical expenses	1,365	1,000	365
Medical supplies	50	-	50
Training	630	319	311
Travel/food	120	114	6
Clothing	4,510	3,701	809
Dues and subscriptions	8,675	8,268	407
Safety equipment	4,385	1,072	3,313
Office supplies	2,770	1,578	1,192
Telephone	8,025	6,921	1,104
Cellular phone	5,990	4,691	1,299
Natural gas	22,500	42,336	(19,836)
Network support	21,660	19,856	1,804
Web page maintenance	2,000	-	2,000
Postage	1,850	1,327	523
Printing, advertising, publishing	5,520	4,909	611
Payroll processing	3,150	2,014	1,136
Pre-employment screening	275	286	(11)
Janitorial services	26,620	25,557	1,063
Janitorial supplies	3,000	5,106	(2,106)
Debris disposal	1,500	-	1,500
Equipment purchase	9,045	8,599	446
Equipment maintenance	18,230	20,238	(2,008)
Vehicle accessories	400	379	21
Vehicle maintenance	47,160	47,196	(36)

(Continued)

Village of Round Lake Beach, Illinois

General Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
Public Works (Continued)			
Fuel/oil	\$ 33,800	\$ 22,006	\$ 11,794
Engineering	34,600	101,592	(66,992)
Park maintenance	70,507	32,519	37,988
Storm sewer maintenance	10,015	2,994	7,021
Building maintenance	25,070	58,902	(33,832)
Street light maintenance	104,200	68,945	35,255
Traffic signal maintenance	43,000	27,538	15,462
Lifeguards	25,000	21,147	3,853
Pest control	40,686	40,660	26
Mowing contract	72,345	68,217	4,128
Tree replacement	5,750	8,275	(2,525)
Graffiti removal	275,160	232,380	42,780
Contractual services	89,880	85,335	4,545
Miscellaneous	1,000	539	461
Total Public Works	1,873,743	1,809,518	64,225
Total Expenditures	\$ 10,079,165	\$ 9,871,202	\$ 207,963

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund – to account for the activities involved with street maintenance and construction. Financing is provided by the Village's share of state gasoline taxes. State law requires these gasoline taxes to be used to maintain streets.

TIF #3 Fund – to account for the resources generated by the TIF #3 area and their use in improving the area's infrastructure and economic development.

CAPITAL PROJECTS FUNDS

Bond Capital Projects Fund – to provide an accounting for the revenue and expenditures relating to the capital projects financed by the issuance of bonds.

General Improvement Fund – to provide an accounting of the general capital improvements for the Village such as purchases of vehicles, major equipment and parkland development.

Village of Round Lake Beach, Illinois

Nonmajor Governmental Funds
 Combining Balance Sheet
 April 30, 2015

	Special Revenue		
	Motor Fuel Tax	TIF #3	Total
Assets			
Cash and investments	\$ 1,269,556	\$ -	\$ 1,269,556
Receivables			
Grants	-	-	-
Due from other governments	65,529	-	65,529
Advances to other funds	6,933	-	6,933
Total assets	<u>\$ 1,342,018</u>	<u>\$ -</u>	<u>\$ 1,342,018</u>
Liabilities			
Accounts payable	\$ 72,963	\$ -	\$ 72,963
Advances from other funds	100,000	-	100,000
Deposits payable	-	-	-
Retention payable	-	-	-
Unearned revenue	-	-	-
Total liabilities	<u>172,963</u>	<u>-</u>	<u>172,963</u>
Fund Balances			
Restricted	1,159,776	-	1,159,776
Assigned	9,279	-	9,279
Unassigned	-	-	-
Total fund balances	<u>1,169,055</u>	<u>-</u>	<u>1,169,055</u>
Total liabilities and fund balances	<u>\$ 1,342,018</u>	<u>\$ -</u>	<u>\$ 1,342,018</u>

Capital Projects			Total Nonmajor Governmental Funds
Bond Fund	General Improvement	Total	
\$ -	\$ 118,895	\$ 118,895	\$ 1,388,451
-	75,000	75,000	75,000
-	-	-	65,529
-	10,674	10,674	17,607
<u>\$ -</u>	<u>\$ 204,569</u>	<u>\$ 204,569</u>	<u>\$ 1,546,587</u>
\$ -	\$ 209,310	\$ 209,310	\$ 282,273
-	41,653	41,653	141,653
-	1,024	1,024	1,024
-	18,535	18,535	18,535
-	51,082	51,082	51,082
-	321,604	321,604	494,567
-	-	-	1,159,776
-	-	-	9,279
-	(117,035)	(117,035)	(117,035)
-	(117,035)	(117,035)	1,052,020
<u>\$ -</u>	<u>\$ 204,569</u>	<u>\$ 204,569</u>	<u>\$ 1,546,587</u>

Village of Round Lake Beach, Illinois

**Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended April 30, 2015**

	Special Revenue		
	Motor Fuel Tax	TIF #3	Total
Revenues			
Intergovernmental	\$ 1,225,553	\$ -	\$ 1,225,553
Interest	166	-	166
Rental income	-	-	-
Miscellaneous	-	-	-
Total revenues	1,225,719	-	1,225,719
Expenditures			
Current			
General government	-	-	-
Capital outlay	24,596	-	24,596
Total expenditures	24,596	-	24,596
Excess (deficiency) of revenues over expenditures	1,201,123	-	1,201,123
Other financing sources (uses)			
Transfers in	6,933	914	7,847
Transfers out	(346,113)	-	(346,113)
Total other financing sources (uses)	(339,180)	914	(338,266)
Net change in fund balances	861,943	914	862,857
Fund balances - beginning	307,112	(914)	306,198
Fund balances - ending	\$ 1,169,055	\$ -	\$ 1,169,055

		Capital Projects		Total Nonmajor Governmental Funds	
Bond Fund	General Improvement	Total			
\$ -	\$ 33,011	\$ 33,011	\$	1,258,564	
-	161	161		327	
-	7,672	7,672		7,672	
-	2,701	2,701		2,701	
-	43,545	43,545		1,269,264	
-	449,868	449,868		449,868	
-	941,429	941,429		966,025	
-	1,391,297	1,391,297		1,415,893	
-	(1,347,752)	(1,347,752)		(146,629)	
4,836	762,520	767,356		775,203	
-	(4,836)	(4,836)		(350,949)	
4,836	757,684	762,520		424,254	
4,836	(590,068)	(585,232)		277,625	
(4,836)	473,033	468,197		774,395	
\$ -	\$ (117,035)	\$ (117,035)	\$	1,052,020	

Village of Round Lake Beach, Illinois

Special Revenue Funds

Schedules of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Motor Fuel Tax Fund		TIF #3 Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Intergovernmental				
Allotments from state of Illinois	\$ 804,960	\$ 938,584	\$ -	\$ -
Federal subsidy	35,312	40,939	-	-
Grants	100,000	246,030	-	-
Interest on investments	-	166	-	-
Use of fund balance	250,000	-	-	-
Total revenues	1,190,272	1,225,719	-	-
Expenditures				
Capital outlay	844,159	24,596	-	-
Total expenditures	844,159	24,596	-	-
Excess of revenues over expenditures	346,113	1,201,123	-	-
Other financing uses				
Transfer in	-	6,933	-	-
Transfer out	(346,113)	(346,113)	-	914
Total other financing sources (uses)	(346,113)	(339,180)	-	914
Net change in fund balance	\$ -	861,943	\$ -	914
Fund balance - beginning		307,112		(914)
Fund balance - ending		\$ 1,169,055		\$ -

Village of Round Lake Beach, Illinois

Debt Service Funds

Schedules of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	G.O. Bond Debt Service Fund	
	Original and Final Budget	Actual
Revenues		
Intergovernmental	\$ 50,953	\$ 55,965
Interest on investments	500	538
Total revenues	<u>51,453</u>	<u>56,503</u>
Expenditures		
General Government	3,500	16,735
Debt service		
Principal	1,350,000	1,350,000
Interest and fiscal services	595,261	595,260
Total expenditures	<u>1,948,761</u>	<u>1,961,995</u>
Deficiency of revenues over expenditures	(1,897,308)	(1,905,492)
Other financing sources		
Transfer in	1,897,308	1,897,308
Total other financing sources	<u>1,897,308</u>	<u>1,897,308</u>
Net change in fund balance	<u>\$ -</u>	(8,184)
Fund balance - beginning		<u>2,330,656</u>
Fund balance - ending		<u>\$ 2,322,472</u>

Village of Round Lake Beach, Illinois

Capital Projects Funds

Schedules of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2015

	Bond Capital Projects Fund		General Improvement Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Intergovernmental	\$ -	\$ -	\$ 318,000	\$ 33,011
Interest on investments	-	-	500	161
Rental income	-	-	-	7,672
Miscellaneous	-	-	-	2,701
Total revenues	-	-	318,500	43,545
Expenditures				
Current				
General government	-	-	5,000	449,868
Capital outlay	-	-	1,076,020	941,429
Total expenditures	-	-	1,081,020	1,391,297
Deficiency of revenues over expenditures	-	-	(762,520)	(1,347,752)
Other financing sources (uses)				
Transfer in	-	4,836	762,520	762,520
Transfer out	-	-	-	(4,836)
Total other financing sources	-	4,836	762,520	757,684
Net change in fund balance	\$ -	4,836	\$ -	(590,068)
Fund balance - beginning		(4,836)		473,033
Fund balance - ending		\$ -		\$ (117,035)

Village of Round Lake Beach, Illinois

Waterworks and Sewerage Fund

Schedule of Revenues, Expenses and Changes in Net Position
 - Budget and Actual
 Year Ended April 30, 2015

	Original and Final Budget	Actual
Operating revenues		
Charges for services	\$ 4,657,770	\$ 6,132,405
Tap on fees	10,000	26,655
Total operating revenues	<u>4,667,770</u>	<u>6,159,060</u>
Operating expenses		
Administration	586,660	539,986
Operations	4,743,805	5,519,146
Total operating expenses	<u>5,330,465</u>	<u>6,059,132</u>
Operating income (loss) before depreciation	(662,695)	99,928
Depreciation	-	691,823
Operating loss	<u>(662,695)</u>	<u>(591,895)</u>
Nonoperating revenues (expenses)		
Interest income	1,000	196
Interest expense	(41,366)	(41,366)
Grant revenue	25,000	75,888
Miscellaneous	110,460	92,226
Use of reserved transfer	803,851	-
Total nonoperating revenues	<u>898,945</u>	<u>126,944</u>
Income (loss) before transfers	<u>236,250</u>	<u>(464,951)</u>
Transfers	<u>(236,250)</u>	-
Change in net position	<u>\$ -</u>	<u>(464,951)</u>
Net position		
Beginning		<u>18,995,441</u>
Ending		<u>\$ 18,530,490</u>