

Village of Round Lake Beach, Illinois

Comprehensive Annual Financial Report
For the Fiscal Year Ended April 30, 2016



Village of Round Lake Beach, Illinois

Comprehensive Annual Financial Report
For the Fiscal Year Ended April 30, 2016

Prepared by:

Kevin Bueso
Finance Director

INTRODUCTORY SECTION

Village of Round Lake Beach, Illinois

Comprehensive Annual Financial Report

Year Ended April 30, 2016

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

April 30, 2016

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

Department of Economic Development

John Wildenberg, Economic
Development Director

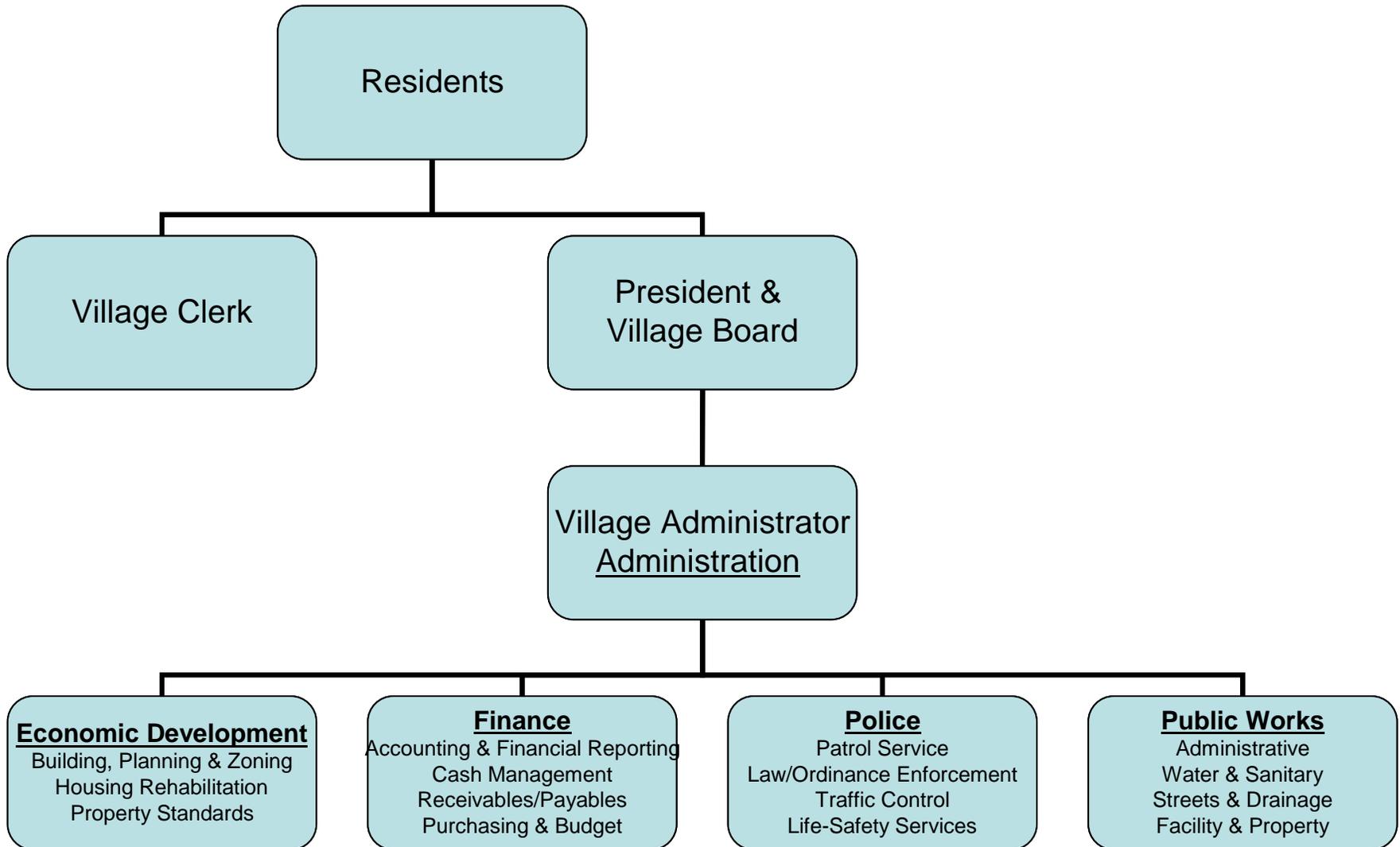
Public Works Department

Scott Hilts, Public Works Director

Police Department

David Hare, Police Chief

VILLAGE OF ROUND LAKE BEACH



MAYOR
RICHARD H. HILL

VILLAGE CLERK
MARGIE CLEVELAND

MEMBER OF
THE ILLINOIS MUNICIPAL LEAGUE

VILLAGE OF ROUND LAKE BEACH

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TRUSTEES
LINETTE BENES
SUSAN J. BUTLER
CHUCK HUSK
SCOTT NICKLES
SYLVIA VALADEZ
KEVIN WALLACE

October 31, 2016

To the Mayor and Members of the Village Board:

Transmittal of the Comprehensive Annual Financial Report

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the Village of Round Lake Beach, Illinois for the fiscal year ended April 30, 2016. This letter of transmittal is designed to complement and be read in conjunction with the Management's Discussion and Analysis (MD&A) which immediately follows the independent auditor's report and begins on page 3.

The Comprehensive Annual Financial Report (CAFR) of the Village of Round Lake Beach for the year ended April 30, 2016 is submitted herewith. The CAFR is the management's annual report to its taxpayers, governing board, oversight bodies, investors and creditors.

The CAFR was prepared generally in accordance with Standards prescribed by the Governmental Accounting Standards Board (GASB), the Government Finance Officers Association (GFOA) of the United States and Canada, the State Auditor's Office, State of Illinois and Village Ordinances.

Village management is responsible for all financial transactions of the Village of Round Lake Beach and for the content of this CAFR. We believe the data, as presented, is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village of Round Lake Beach's financial activities have been included.

Management is responsible for its system of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: 1) the safeguarding of assets against loss from unauthorized use or disposition; and 2) the reliability of financial records for preparing financial reports and maintaining accountability for assets. The concept of reasonable assurance recognizes that: 1) the cost of control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

The modified accrual basis of accounting is utilized for general governmental operations such as the General, Special Revenue and Capital Improvement Funds; while the Enterprise Funds (Water & Sewer) are accounted for on an accrual basis.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The accounting firm of RSM US, LLP was selected for this purpose. RSM US LLP audited the Village's records and their opinion is included in this report.

Profile of the Village of Round Lake Beach

The Village (Aa2, Moody's) is a home rule municipality under Illinois law, by virtue of the 2000 U.S. Census. The Village is located approximately 53 miles northwest of Chicago and encompasses approximately 5.10 square miles of which 5.0 square miles are land and 0.1 square mile is water; it currently serves a population of 28,175. The Village is located approximately six (6) miles west of the TriState Tollway (Interstate 94). Commuter rail service is provided by METRA (the North Central Line) with a rail station located in Round Lake Beach.

The Village has one business district: (I) Rollins Crossing. The Rollins Crossing Business District was established in 1993 in order to assist in the land assembly and site preparation required by the developers of the Rollins Crossing Shopping Center. The center is located immediately west of the Mallard Creek Shopping Center and includes approximately 200,000 square feet of retail space including general merchandise and restaurant uses. An 18-screen theater was added in 1998. In 2009, the Village worked with developers to open up retail space at the corner of Route 83 and Hook Drive; the retail space is now occupied by several stores including a full-service Starbucks, Chipotle Mexican Grill, Little Caesars, and T-Mobile. The Rollins Gateway project is nearing completion (99% according to Lake County Department of Transportation); the \$33-million project has been the largest undertaken by Lake County Department of Transportation. The goal of this project is to reduce traffic congestion at the intersection of Rollins Road and IL Route 83, while maintaining traffic flow for area businesses and residents.

Component Unit(s) and Joint Ventures

There are no component units included on the Village's financial reports; however, the Village does participate in four joint ventures, which are: Central Lake County Joint Action Water Agency (CLCJAWA), CenCom E-9-1-1 Joint Emergency Telephone System, CenCom E-9-1-1 Public Safety Communications Center, and the Solid Waste Agency of Lake County (SWALCO). Summary of their most recent published Financial Information is included in the Notes to Financial Statements.

Factors Affecting Financial Condition

The slow economic recovery and lack of new growth continues to pressure traditional revenue streams and limit new revenue. Operating costs related to personnel continue to outpace revenue growth. The result has been less available resources to support or expand ongoing operations, and maintain and replace critical Village infrastructure. Coupled with other short term budget challenges, the pace of the economic recovery will continue to present a challenge to Village leaders to find innovative ways to continue to provide services at a high level while keeping costs down.

The economic climate provided an opportunity for Village leaders to re-evaluate and commit to long-term financial and capital plans. The Village completed a Multi-Year Financial Forecast and redesigned a Multi-Year Capital Plan.

Village Management has adopted a sustainable model to manage the Village's operations; as part of this model, the Village has identified the appropriate level of personnel to maintain core services while partnering with the business community to perform auxiliary services. During the current fiscal year, some of the identified financial challenges include the effect of regional transportation projects such as the Rollins Gateway managed by the County. The Rollins Gateway project has influenced business owners to take a wait-and-see approach to opening businesses in the Village's main business corridor. The Village continues to see its equalized assessed value of real estate property decline. Lastly, the financial demands to replace capital infrastructure and the increase of personnel benefit costs continue to outpace current growth.

While it is expected that the Village will remain fiscally pressured, the commitment throughout the Village's management to increased accountability, transparency and professionalism has contributed to lean operations and healthy fund balances in the Village's operating funds.

Awards

The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) to encourage local governments to go beyond minimum reporting requirements and to prepare comprehensive annual financial reports that provide for increased transparency and disclosure. In order to be awarded a Certificate of Achievement, the government must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The Village of Round Lake Beach has not participated in the GFOA Certificate of Achievement for Excellence in Financial Reporting program. Obtaining such an award would further bolster the Village's efforts to strive toward enhanced transparency in financial reporting. We believe that our current comprehensive annual financial report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for a certificate.

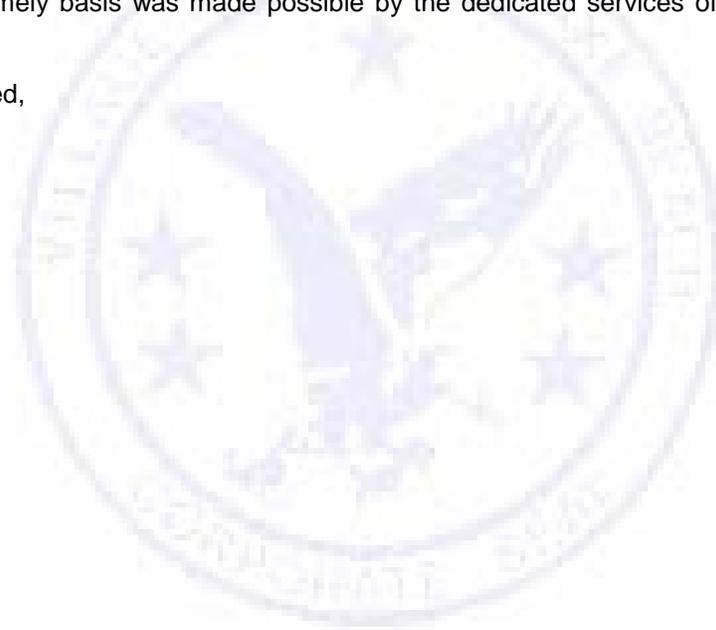
Acknowledgements

On behalf of the entire Finance Department staff, I would like to thank the Mayor, the members of the Village Board, Village Administrator and Department Heads for their interest and support in planning and conducting the financial operations of the Village in a responsible and proactive manner. The preparation of the CAFR on a timely basis was made possible by the dedicated services of the staff, auditors and consultants.

Respectfully submitted,



Kevin Bueso
Finance Director



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

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 (the "Village"), as of and for the year ended April 30, 2016, 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 97 percent, 97 percent, and 62 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, 2016, 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 15 to the financial statements, during the year ended April 30, 2016, the Village implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pension – An Amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No 68*. The implementation of GASB Statement No. 68 and No. 71 resulted in a restatement of opening May 1, 2015 net position. 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 65), and pension and OPEB information (pages 66 - 71) 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 and other auditors 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 for the year ended April 30, 2016 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The Supplementary Information as listed in the table of contents and the Introductory Section and Statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information 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 and Statistical Section have 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
October 31, 2016

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis
April 30, 2016**

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, 2016. It is intended to be read in conjunction with the financial statements.

Financial Highlights

- The Village reported a combined fund balance of the governmental funds of \$18,010,547; \$628,817 Non-spendable; \$6,210,386 Restricted; \$3,837,687 Assigned; and \$7,333,657 Unassigned. The increase of 43% from prior year was due to the issuance of 2016 G.O. Series A Bonds (Aa2, Moody's) to fund FY2017 Capital Projects.
- The Village's General Fund actual revenues and other financing sources exceeded budgeted amounts by 3.8% and actual expenditures were under the budgeted amounts by 3.4% (excluding planned use of fund balance and inter-fund transfers).
- The governmental activities net position increased by \$463,307 (1%) to \$89,074,547. Business-type activities net position decreased by (\$307,652) (-2%) to \$18,178,357. Please refer to Note 15 (Restatement for Implementation of New Accounting Standard) for more information about the change in Beginning Net Position. Overall, the Village's net position amounts to \$107,252,904 as of April 30, 2016.
- The Village's General Fund ended at \$9,005,310 (\$7,333,657 Unassigned).
- Current operations funded by the Village's General Fund cost \$565,789 (-5%) less than in Fiscal Year 2015, while General Fund revenues increased by 6% or \$775,731 compared to the prior fiscal year. The increase relates to higher collection in sales taxes, income taxes, and licenses and permits.

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 deferred outflows of resources and liabilities and deferred inflows of resources, 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, 2016

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, Bond Capital Projects Fund, General Capital Improvements Fund, and the G.O. Bond Debt Service Fund. Other fund(s) 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 74 - 91.

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 95.

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 - 64.

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 and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$107,252,904 at the end of the most recent fiscal year.

Ninety-seven percent of total net position is the net investment in capital assets while 1% is restricted in its use by external sources. The remaining 2% 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, 2016

The following table reflects the condensed Statement of Net Position, comparing April 30, 2015, to April 30, 2016.

Village of Round Lake Beach – Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Assets						
Current and Other Assets	\$ 22,991,914	\$ 18,003,035	\$ 4,720,684	\$ 5,069,927	\$ 27,712,598	\$ 23,072,962
Capital Assets	108,390,077	108,486,912	17,592,458	17,469,651	125,982,535	125,956,563
Total Assets	131,381,991	126,489,947	22,313,142	22,539,578	153,695,133	149,029,525
Deferred Outflows	1,843,003	349,845	252,867	-	2,095,870	349,845
Liabilities						
Current Liabilities	3,639,553	4,123,909	2,163,821	2,146,152	5,803,374	6,270,061
Non-current Liabilities	35,646,134	19,101,432	2,100,397	1,862,936	37,746,531	20,964,368
Total Liabilities	39,285,687	23,225,341	4,264,218	4,009,088	43,549,905	27,234,429
Deferred Inflows	4,864,760	2,780,731	123,434	-	4,988,194	2,780,731
Net Position						
Net Investment						
in Capital Assets	82,359,634	91,366,717	16,165,760	15,911,442	98,525,394	107,278,159
Restricted	6,210,386	1,327,074	-	-	6,210,386	1,327,074
Unrestricted	504,527	8,139,929	2,012,597	2,619,048	2,517,124	10,758,977
Total Net Position	\$ 89,074,547	\$ 100,833,720	\$ 18,178,357	\$ 18,530,490	\$ 107,252,904	\$ 119,364,210

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2016**

The following table shows the revenues and expenses of the Village's activities, broken out by type, comparing Fiscal Year 2015 to Fiscal Year 2016.

**Village of Round Lake Beach
Changes in Net Position for the Fiscal Years ended April 30, 2016 and 2015**

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Revenues						
Program Revenues						
Charges for Service	\$ 2,059,721	\$ 1,673,109	\$ 6,093,157	\$ 6,159,060	\$ 8,152,878	\$ 7,832,169
Operating Grants	909,508	1,319,302	-	-	909,508	1,319,302
Capital Grants/Contributions	-	-	10,117	75,888	10,117	75,888
Taxes						
Property Taxes	2,766,804	2,491,458	-	-	2,766,804	2,491,458
Sales Taxes	4,706,363	4,647,935	-	-	4,706,363	4,647,935
Other Revenue	5,667,258	5,491,728	2,089	196	5,669,347	5,491,924
Total Revenues	16,109,654	15,623,532	6,105,363	6,235,144	22,215,017	21,858,676
Expenses						
General Government	3,294,477	3,593,903	-	-	3,294,477	3,593,903
Public Safety	6,712,474	7,040,316	-	-	6,712,474	7,040,316
Economic Development	1,524,181	640,703	-	-	1,524,181	640,703
Public Works	3,569,364	3,506,417	-	-	3,569,364	3,506,417
Debt Service	545,850	596,031	-	-	545,850	596,031
Water	-	-	6,413,015	6,700,095	6,413,015	6,700,095
Total Expenses	15,646,347	15,377,370	6,413,015	6,700,095	22,059,362	22,077,465
Transfers	-	-	-	-	-	-
Excess (Deficiency)	463,307	246,162	(307,652)	(464,951)	155,655	(218,789)
Net Position						
Beginning of Year	100,833,720	100,587,558	18,530,490	18,995,441	119,364,210	119,582,999
Restatement of beginning of year net position	(12,222,480)	-	(44,481)	-	(12,266,961)	-
Beginning, as restated	88,611,240	100,587,558	18,486,009	18,995,441	107,097,249	119,582,999
Total Net Position - End of Year	\$ 89,074,547	\$ 100,833,720	\$ 18,178,357	\$ 18,530,490	\$ 107,252,904	\$ 119,364,210

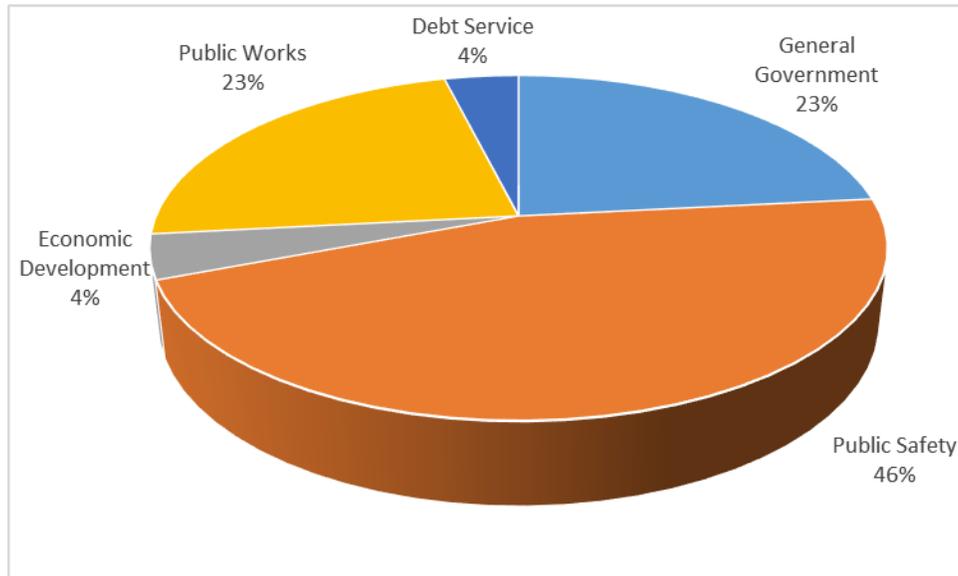
In the governmental activities, total revenues increased by \$491,302 (3%) compared to Fiscal Year 2015. The most significant increases included Charges for Services (23% or \$391,792) and Other Revenue (15% or \$509,304). The most significant decrease was in Operating Grants (-31% or -\$409,794); there are fewer grants the Village can apply for since the State and Federal government continue to limit those.

Governmental activity expenses increased by \$274,157 compared to Fiscal Year 2015, or 2%. A significant increase in the Economic Development category of \$883,439 or 138% accounts for the majority of the increase. This increase was due to capital outlays such as street improvements, building and land improvements classified as Economic Development and non-capitalized based on being improvements to existing assets.

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2016**

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 -2% while total expenses decreased -4% compared with Fiscal Year 2015.

The detailed revenues and expenditures/expenses compared to their budgeted amounts can be found in the Supplementary Information section on pages 74 - 95.

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, 2016, the governmental funds reported a combined fund balance of \$18,010,547, which is a 43% increase over Fiscal Year 2015.

Of the total fund balance, \$7,333,657 is unassigned, meaning that it is available for ongoing Village services. Of the remaining fund balance, \$3,837,687 is assigned for debt service, risk management and equipment replacement; \$6,210,386 is restricted for capital projects; and \$628,817 is non-spendable (prepaid items and property held for resale).

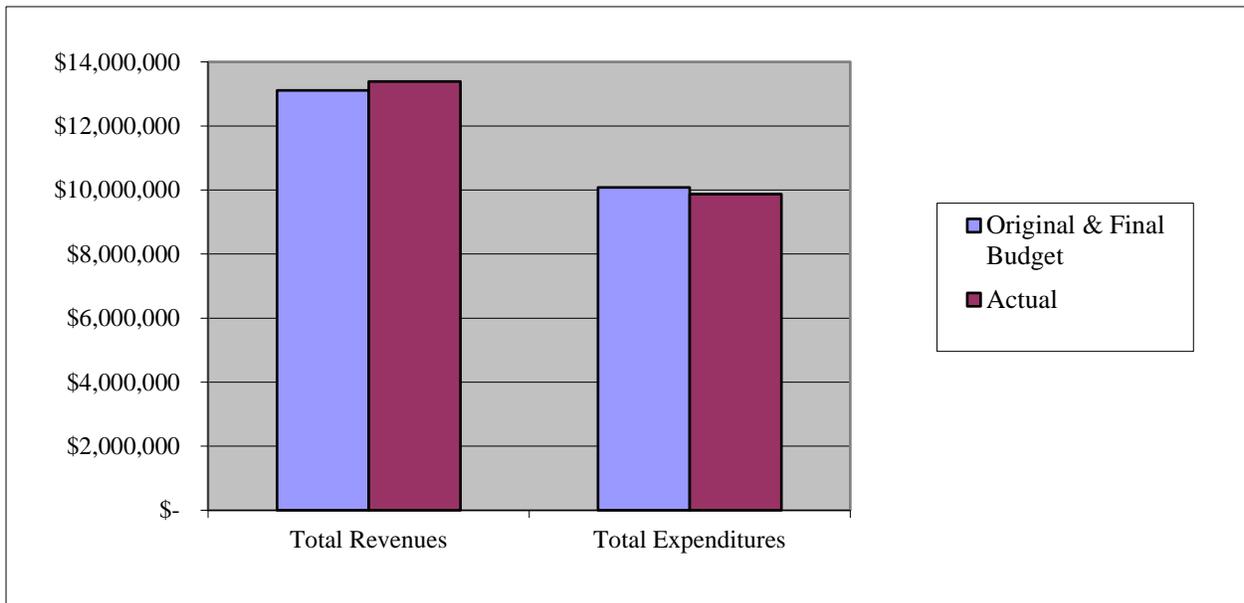
The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The General Fund total fund balance decreased by \$182,131 or 2%. The unassigned General Fund, fund balance decreased by \$965,363 or 12%; this decrease is part of the Village's plan to move fund balance in excess of the Village's fund balance policy requirement and assign it to prefund the Capital Plan.

**Village of Round Lake Beach, Illinois
 Management's Discussion and Analysis (Continued)
 April 30, 2016**

General Fund Budgetary Highlights

The chart below shows how the Fiscal Year 2016 actual revenues and expenditures compared to the approved budget (excludes use of fund balance and transfers out).

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 \$422,131 for Fiscal Year 2016.

The General Fund's total actual expenditures were \$330,926 under budget; the two largest functions, by budgeted amount and staffing, in the General Fund include Public Safety and Public Works. Public Safety was under budget by \$257,367; and Public Works was under budget by \$315,511.

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, 2016, amounts to \$125,982,535 (Note 4). This is a \$25,972 (>1%) increase over Fiscal Year 2015.

**Village of Round Lake Beach, Illinois
Management's Discussion and Analysis (Continued)
April 30, 2016**

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

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Land	\$ 38,999,984	\$ 38,998,053	\$ 79,258	\$ 79,258	\$ 39,079,242	\$ 39,077,311
Buildings	8,435,519	8,461,352	228,355	241,411	8,663,874	8,702,763
Wells and pumping stations	-	-	965,998	1,017,066	965,998	1,017,066
Sewer and water system	-	-	14,408,710	14,981,174	14,408,710	14,981,174
Infrastructure	53,371,367	54,614,028	-	-	53,371,367	54,614,028
Equipment, furniture, vehicles	772,657	926,135	74,548	98,571	847,205	1,024,706
Land improvements	4,984,224	5,217,068	-	-	4,984,224	5,217,068
Construction in progress	1,826,326	270,276	1,835,589	1,052,171	3,661,915	1,322,447
Net Capital Assets	\$ 108,390,077	\$ 108,486,912	\$ 17,592,458	\$ 17,469,651	\$ 125,982,535	\$ 125,956,563

Debt Outstanding

Excluding the effect of new accounting standards (see Note 15 – Restatement for Implementation of New Accounting Standards), the Village had a total of \$24,497,480 in debt outstanding as of April 30, 2016. This is a \$3,882,957 (19%) increase over last year. The increase is due to the issuance of General Obligation bonds during the Fiscal 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 \$18,505,000 represents 6.37% of the Village's equalized assessed valuation of \$290,378,658.

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

**Village of Round Lake Beach
Long-Term Liabilities as of April 30, 2016 and April 30, 2015**

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 18,505,000	\$ 14,975,000	\$ -	\$ -	\$ 18,505,000	\$ 14,975,000
Notes Payable	1,759,669	2,163,575	-	-	1,759,669	2,163,575
Deferred refunding costs	(328,935)	(349,845)	-	-	(328,935)	(349,845)
Unamortized premium on debt issuance	721,640	214,632	-	-	721,640	214,632
Leases payable	78,384	116,833	-	-	78,384	116,833
Compensated absences	280,745	263,640	68,709	72,216	349,454	335,856
Net Pension Liabilities	12,501,762	136,593	418,354	32,556	12,920,116	169,149
Net other postemployment obligation benefits	979,846	828,387	186,636	199,955	1,166,482	1,028,342
Illinois EPA loan payable	-	-	1,426,698	1,558,209	1,426,698	1,558,209
Claims and judgments	819,088	402,772	-	-	819,088	402,772
Total Outstanding Debt	\$ 35,317,199	\$ 18,751,587	\$ 2,100,397	\$ 1,862,936	\$ 37,417,596	\$ 20,614,523

Additional information regarding the Village's outstanding debt is available in Note 8.

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 completed; additionally, Meijer has opened its door and it is expected to 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 2017 includes a total in all funds of \$29,869,283 in revenues and expenses. This is a 0.35% decrease over the Fiscal Year 2016 amended 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, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and investments	\$ 16,398,740	\$ 3,147,411	\$ 19,546,151
Receivables			
Property taxes	2,786,539	-	2,786,539
Accounts	92,698	1,503,410	1,596,108
Other	854,214	69,863	924,077
Prepaid items	191,282	-	191,282
Due from other governments	2,230,906	-	2,230,906
Property held for resale	437,535	-	437,535
Capital assets			
Capital assets not being depreciated	40,826,310	1,914,847	42,741,157
Capital assets (net of accumulated depreciation)	67,563,767	15,677,611	83,241,378
Total assets	131,381,991	22,313,142	153,695,133
Deferred Outflows of Resources			
Deferred loss on refunding	328,935	-	328,935
Deferred outflows due to pensions	1,514,068	252,867	1,766,935
Total deferred outflows of resources	1,843,003	252,867	2,095,870
Liabilities			
Accounts payable	691,122	969,564	1,660,686
Claims payable	523,415	-	523,415
Sewer fees payable to Lake County	-	472,906	472,906
Accrued payroll	100,233	14,322	114,555
Internal balances - advances	27,725	(27,725)	-
Accrued interest payable	1,930,089	-	1,930,089
Other payables and accrued liabilities	233,205	19,634	252,839
Line of credit payable	133,764	-	133,764
Refundable deposits	-	715,120	715,120
Long-term obligations			
Due within one year	3,275,216	203,529	3,478,745
Due in more than one year	32,370,918	1,896,868	34,267,786
Total liabilities	39,285,687	4,264,218	43,549,905
Deferred Inflows of Resources			
Property tax levies intended to finance FY17	2,786,539	-	2,786,539
Deferred inflows due to pensions	2,078,221	123,434	2,201,655
Total deferred inflows of resources	4,864,760	123,434	4,988,194
Net Position			
Net investment in capital assets	82,359,634	16,165,760	98,525,394
Restricted for:			
Roads (motor fuel tax allotments)	465,534	-	465,534
Police grants, donations and fines	139,794	-	139,794
Economic development (TIF Funds)	310,373	-	310,373
Capital projects	5,294,685	-	5,294,685
Unrestricted	504,527	2,012,597	2,517,124
Total net position	\$ 89,074,547	\$ 18,178,357	\$ 107,252,904

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Activities
Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 3,294,477	\$ 1,494,763	\$ 2,915	\$ -
Public safety	6,712,474	431,962	-	-
Economic development	1,524,181	131,506	18,470	-
Public works	3,569,364	1,490	888,123	-
Interest	545,850	-	-	-
Total governmental activities	15,646,347	2,059,721	909,508	-
Business-type activities				
Water and sewer	6,413,015	6,093,157	-	10,117
Total	\$ 22,059,362	\$ 8,152,878	\$ 909,508	\$ 10,117

General revenues

Taxes

Property

Local sales tax

Telecommunications

Utility

Amusement

Intergovernmental

Income tax

Sales tax

Use tax

Personal property replacement tax

Investment income

Miscellaneous

Total general revenues

Change in net position

Net position - beginning, as restated

Net position - ending

See Notes to Financial Statements.

Net (Expense), Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (1,796,799)	\$ -	\$ (1,796,799)
(6,280,512)	-	(6,280,512)
(1,374,205)	-	(1,374,205)
(2,679,751)	-	(2,679,751)
(545,850)	-	(545,850)
<u>(12,677,118)</u>	<u>-</u>	<u>(12,677,118)</u>
-	(309,741)	(309,741)
<u>(12,677,118)</u>	<u>(309,741)</u>	<u>(12,986,859)</u>
2,766,804	-	2,766,804
3,505,656	-	3,505,656
483,894	-	483,894
784,601	-	784,601
285,979	-	285,979
2,881,930	-	2,881,930
1,200,707	-	1,200,707
650,392	-	650,392
16,634	-	16,634
18,375	2,089	20,464
545,453	-	545,453
<u>13,140,425</u>	<u>2,089</u>	<u>13,142,514</u>
463,307	(307,652)	155,655
<u>88,611,240</u>	<u>18,486,009</u>	<u>107,097,249</u>
<u>\$ 89,074,547</u>	<u>\$ 18,178,357</u>	<u>\$ 107,252,904</u>

Village of Round Lake Beach, Illinois

Balance Sheet - Governmental Funds
April 30, 2016

	General Fund	Bond Capital Projects Fund	General Capital Improvements Fund	G.O. Bond Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 7,198,239	\$ 5,304,223	\$ 1,096,318	\$ 2,315,939	\$ 484,021	\$ 16,398,740
Receivables						
Property taxes	2,786,539	-	-	-	-	2,786,539
Accounts	92,698	-	-	-	-	92,698
Other	807,692	-	-	27,397	19,125	854,214
Due from other governments	2,166,776	-	-	-	64,130	2,230,906
Advances to other funds	93,427	-	10,674	-	9,827	113,928
Prepaid items	191,282	-	-	-	-	191,282
Property held for resale	437,535	-	-	-	-	437,535
Total assets	\$ 13,774,188	\$ 5,304,223	\$ 1,106,992	\$ 2,343,336	\$ 577,103	\$ 23,105,842
Liabilities						
Accounts payable	\$ 588,465	\$ 9,538	\$ 93,119	\$ -	\$ -	\$ 691,122
Accrued payroll	100,233	-	-	-	-	100,233
Advances from other funds	-	-	41,653	-	100,000	141,653
Claims payable	523,415	-	-	-	-	523,415
Deposits payable	151,098	-	1,024	-	-	152,122
Retention payable	-	-	81,083	-	-	81,083
Line of credit payable	133,764	-	-	-	-	133,764
Total liabilities	1,496,975	9,538	216,879	-	100,000	1,823,392
Deferred Inflows of Resources						
Unavailable sales, use and other taxes	485,364	-	-	-	-	485,364
Property tax levies intended to finance FY17	2,786,539	-	-	-	-	2,786,539
	3,271,903	-	-	-	-	3,271,903
Fund Balances						
Non-spendable	628,817	-	-	-	-	628,817
Restricted	450,167	5,294,685	-	-	465,534	6,210,386
Assigned	592,669	-	890,113	2,343,336	11,569	3,837,687
Unassigned	7,333,657	-	-	-	-	7,333,657
Total fund balances	9,005,310	5,294,685	890,113	2,343,336	477,103	18,010,547
Total liabilities, deferred inflows of resources and fund balances	\$ 13,774,188	\$ 5,304,223	\$ 1,106,992	\$ 2,343,336	\$ 577,103	\$ 23,105,842

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, 2016**

Total fund balances-governmental funds	\$ 18,010,547
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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.	485,364
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	108,390,077
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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	(18,505,000)
Unamortized premium	(721,640)
Deferred refunding costs	328,935
Notes payable	(1,759,669)
Leases payable	(78,384)
Compensated absences	(280,745)
Net other postemployment benefits obligation	(979,846)
Net pension liability	(12,501,762)
Deferred outflows from pension	1,514,068
Deferred inflows from pension	(2,078,221)
Claims and judgments	(819,088)
Accrued interest payable	(1,930,089)

Net position of governmental activities	<u>\$ 89,074,547</u>
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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, 2016

	General Fund	Bond Capital Projects Fund	General Capital Improvements Fund	G.O. Bond Debt Service Fund	Nonmajor Governmental Fund	Total Governmental Funds
Revenues						
Taxes	\$ 5,522,955	\$ -	\$ -	\$ -	\$ -	\$ 5,522,955
Intergovernmental	7,524,976	-	51,082	54,648	782,393	8,413,099
Licenses and permits	693,845	-	-	-	-	693,845
Fines	404,275	-	-	-	-	404,275
Interest	13,779	930	36	1,340	2,290	18,375
Charges for services	446,698	-	-	-	-	446,698
Rental income	64,229	-	-	-	-	64,229
Miscellaneous	84,276	1,713	55,558	-	-	141,547
Total revenues	14,755,033	2,643	106,676	55,988	784,683	15,705,023
Expenditures						
Current						
General government	2,468,162	-	23,648	8,926	-	2,500,736
Public safety	6,040,457	-	-	-	-	6,040,457
Economic development	672,372	4	1,646	-	-	674,022
Public works	1,734,839	-	-	-	-	1,734,839
Debt service						
Principal	38,449	-	-	1,385,000	-	1,423,449
Interest and fiscal services	4,232	-	-	554,103	-	558,335
Bond issue costs	-	97,865	-	37,865	-	135,730
Capital outlay	223,967	9,538	2,392,651	-	-	2,626,156
Total expenditures	11,182,478	107,407	2,417,945	1,985,894	-	15,693,724
Excess (deficiency) of revenues over expenditures	3,572,555	(104,764)	(2,311,269)	(1,929,906)	784,683	11,299
Other financing sources (uses)						
Transfers in	1,456,111	-	3,318,417	1,912,904	-	6,687,432
Transfers out	(5,210,797)	-	-	-	(1,476,635)	(6,687,432)
Proceeds from bond issuance	-	5,000,000	-	2,265,000	-	7,265,000
Bond premium	-	399,449	-	146,867	-	546,316
Transfer to escrow	-	-	-	(2,374,001)	-	(2,374,001)
Total other financing sources (uses)	(3,754,686)	5,399,449	3,318,417	1,950,770	(1,476,635)	5,437,315
Net change in fund balances	(182,131)	5,294,685	1,007,148	20,864	(691,952)	5,448,614
Fund balances - beginning	9,187,441	-	(117,035)	2,322,472	1,169,055	12,561,933
Fund balances - ending	\$ 9,005,310	\$ 5,294,685	\$ 890,113	\$ 2,343,336	\$ 477,103	\$ 18,010,547

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, 2016**

Net change in fund balances-total governmental funds	\$	5,448,614
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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	\$ 1,929,694	
Depreciation expense	<u>(2,026,529)</u>	
Capital outlay in excess of depreciation net adjustment		(96,835)

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. 725

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:

Debt issued:

Issuance of general obligation bonds		(7,265,000)
Premiums on debt issued		(546,316)

Principal repayments and retirements

Payment to escrow agent for refunding		2,374,001
Principal repayments		1,423,449
Deferred amount on debt refunding		403,906
Amortization of bond premium		39,308
Amortization of deferred refunding costs		(44,911)

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 increase in compensated absences		(17,105)
Net increase in net pension liability		(91,799)
Net increase in net deferred pension amounts		(615,043)
Net increase in other postemployment benefits		(151,459)
Net increase in claims and judgments		(416,316)
Decrease in accrued interest on debt		<u>18,088</u>

Change in net position of governmental activities	\$	<u><u>463,307</u></u>
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See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Net Position - Proprietary Fund - Waterworks and Sewerage Fund
 April 30, 2016

Assets	
Current	
Cash and cash equivalents	\$ 3,147,411
Receivables	
Accounts - billed	200,426
Accounts - unbilled	1,302,984
Other	69,863
Total current assets	<u>4,720,684</u>
Noncurrent assets	
Advances to other funds	70,000
Capital assets, net of accumulated depreciation	
Land	79,258
Construction in progress	1,835,589
Wells and pumping stations	965,998
Sewer and water system	14,408,710
Buildings	228,355
Other equipment	74,548
Total noncurrent assets	<u>17,662,458</u>
Total assets	<u>22,383,142</u>
Deferred Outflows of Resources	
Deferred outflows due to pensions	<u>252,867</u>
Liabilities	
Current	
Accounts payable	969,564
Sewer fees payable to Lake County	472,906
Accrued payroll	14,322
Advances from other funds	42,275
Refundable deposits	715,120
Retention payable	19,634
Compensated absences payable	68,709
Current portion of loan payable	134,820
Total current liabilities	<u>2,437,350</u>
Noncurrent	
Loan payable	1,291,878
Other postemployment obligation	186,636
Net pension liability	418,354
Total noncurrent liabilities	<u>1,896,868</u>
Total liabilities	4,334,218
Deferred Inflows of Resources	
Deferred inflows due to pensions	<u>123,434</u>
Net Position	
Net investment in capital assets	16,165,760
Unrestricted	2,012,597
Total net position	<u>\$ 18,178,357</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, 2016**

Operating revenues	
Charges for services	\$ 6,075,432
Tap on fees	17,725
Total operating revenues	<u>6,093,157</u>
Operating expenses excluding depreciation	
Administration	724,381
Operations	5,069,817
Total operating expenses excluding depreciation	<u>5,794,198</u>
Operating income before depreciation	298,959
Depreciation	<u>689,111</u>
Operating loss	<u>(390,152)</u>
Nonoperating revenues (expenses)	
Interest income	2,089
Interest expense	(38,139)
Grant revenue	10,117
Miscellaneous revenue	108,433
Total nonoperating revenues (expenses)	<u>82,500</u>
Change in net position	(307,652)
Net position - beginning, as restated	<u>18,486,009</u>
Net position - ending	<u>\$ 18,178,357</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, 2016

Cash flows from operating activities	
Receipts from customers and users	\$ 6,246,121
Payments to suppliers	(4,801,535)
Payments to employees	(633,661)
Net cash flows from operating activities	<u>810,925</u>
Cash flows from noncapital financing activities	
Advances from other funds	42,275
Cash flows from capital and related financing activities	
Capital assets purchased	(811,918)
Capital grants	10,117
Repayments on loan payable	(131,511)
Interest paid on capital debt	(38,139)
Net cash flows from capital and related financing activities	<u>(971,451)</u>
Cash flows from investing activities	
Interest on investments	<u>2,089</u>
Net cash flows from investing activities	<u>2,089</u>
Net increase in cash and equivalents	(116,162)
Cash and equivalents - beginning	<u>3,263,573</u>
Cash and equivalents - ending	<u>\$ 3,147,411</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, 2016

Reconciliation of operating loss to net cash flows from operating activities	
Operating loss	\$ (390,152)
Adjustments to reconcile operating loss to net cash flows from operating activities	
Depreciation	689,111
Miscellaneous expense	108,433
Changes in assets, liabilities and deferrals	
Accounts receivable and other receivables	163,081
Accounts payable	68,699
Sewer fees payable to Lake County	(33,513)
Refundable deposits	(4,015)
Unearned revenue	(10,117)
Accrued payroll	4,706
Compensated absences payable	(3,507)
Other postemployment obligation payable	(13,319)
Net pension liability	313,139
Net deferrals due to pension	<u>(101,255)</u>
Total adjustments	<u>1,201,077</u>
Net cash flows from operating activities	<u>\$ 810,925</u>

See Notes to Financial Statements.

Village of Round Lake Beach, Illinois

Statement of Fiduciary Net Position - Police Pension Fund

April 30, 2016

Assets

Cash and cash equivalents \$ 1,075,825

Investments, at fair value

 Mutual funds - fixed income 8,716,323

 Mutual funds - equities 9,071,975

17,788,298

Total assets

18,864,123

Liabilities

Accounts payable

3,740

Net Position

Net position restricted for pensions

\$ 18,860,383

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, 2016

Additions	
Contributions	
Employer	\$ 956,749
Employee	314,933
	<u>1,271,682</u>
Investment income	
Net depreciation in fair value of investments	(442,967)
Interest income	435,288
Less investment expenses	(38,877)
	<u>(46,556)</u>
Total additions	<u>1,225,126</u>
Deductions	
Administration	61,187
Pension benefits and refunds	1,023,860
Total deductions	<u>1,085,047</u>
Change in net position	140,079
Net position - beginning	<u>18,720,304</u>
Net position - ending	<u>\$ 18,860,383</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 11. 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.

Bond Capital Projects Fund – This fund is to finance capital improvements (streets) within the Village which are funded by bond issuances.

General Capital Improvements Fund – This fund is to finance ongoing road maintenance within the Village as well as for projects which are funded by other funds within the Village.

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 2009, 2010, 2011, 2013, 2016A, 2016B 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.

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 less costs to sell.

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 (nonunion 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)

Inventory and Prepaid Items

Inventory is accounted for at cost, using the first-in, first-out method. Inventories of governmental funds are accounted for under the consumption method, whereby acquisitions are recorded in inventory accounts initially and charged to expenditures when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

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, 2016, the Village had the following fund balance classifications for various purposes as follows:

	General Fund	Bond Capital Projects Fund	General Capital Improvements Fund	G.O. Bond Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non-spendable:						
Prepaid Items	\$ 191,282	\$ -	\$ -	\$ -	\$ -	\$ 191,282
Property Held for Resale	437,535	-	-	-	-	437,535
Total Non-spendable	628,817	-	-	-	-	628,817
Restricted:						
Housing and Redevelopment	2,898	-	-	-	-	2,898
Public Safety	136,896	-	-	-	-	136,896
Capital Projects	310,373	5,294,685	-	-	465,534	6,070,592
Total Restricted	450,167	5,294,685	-	-	465,534	6,210,386
Assigned:						
Housing and Redevelopment	37,857	-	-	-	-	37,857
Debt Service	-	-	-	2,343,336	-	2,343,336
Risk Management	194,194	-	-	-	-	194,194
Equipment Replacement	360,618	-	-	-	-	360,618
Capital Projects	-	-	890,113	-	11,569	901,682
Total Assigned	592,669	-	890,113	2,343,336	11,569	3,837,687
Unassigned	7,333,657	-	-	-	-	7,333,657
Total Fund Balances	\$ 9,005,310	\$ 5,294,685	\$ 890,113	\$ 2,343,336	\$ 477,103	\$ 18,010,547

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

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)

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

- 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, 2016, 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, \$310,349 deposits in the Police Pension Fund were not properly covered by federal depository insurance or by collateral held by the Police Pension Fund, or its agent, in the Fund's name.

Investments

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

	<u>Village</u>
Illinois funds	\$ 9,792,507
Deposits	9,752,027
Cash on hand	<u>1,617</u>
Total deposits and investments per the entity-wide statement of net position	<u>\$ 19,546,151</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.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 2. Deposits and Investments (Continued)

As of April 30, 2016, the Police Pension Fund has mutual fund investments totaling \$17,788,298.

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.

As of April 30, 2016 the Police Pension Fund has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			Greater than 10
		Less Than 1	1 - 5	6 - 10	
Mutual Funds - fixed income	\$ 8,716,323	\$ -	\$ 1,730,828	\$ 6,985,495	\$ -

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 admirals, Intermediate-term investment grade admirals and Total bond market index admirals are not rated. As of April 30, 2016 the Pension Fund fixed income mutual 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, 2016, the Pension Fund owns only mutual funds which are not subject to concentration of credit risk and therefore, the Fund does not have any investment greater than 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, 2016, 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.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 3. Receivables (Continued)

Property Taxes (Continued)

The 2015 property tax levy is recorded as a receivable and a deferred inflow of resources because it was levied to finance FY 2017 operations. Based upon collection histories, at April 30, 2016 the Village does not deem it necessary to provide an allowance for uncollectible property taxes.

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	\$ -	\$ 978,847
Sewer fees	-	524,563
Amusement tax	15,567	-
Escrow receivable	94,883	-
Utility tax	180,897	-
Parking Ticket, net allowance	109,222	-
Miscellaneous	453,645	69,863
	<hr/>	<hr/>
Total other receivables	<u>\$ 854,214</u>	<u>\$ 1,573,273</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	\$ 2,203,938
Lake County	<hr/> 26,968
Total due from other governments	<u>\$ 2,230,906</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 4. Capital Assets

Capital asset activity for the year ended April 30, 2016 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	\$ 1,931	\$ -	\$ 38,999,984
Construction in progress	270,276	1,830,265	274,215	1,826,326
Total capital assets not being depreciated	39,268,329	1,832,196	274,215	40,826,310
Capital assets being depreciated:				
Buildings	11,818,832	274,215	-	12,093,047
Equipment, furniture and vehicles	3,798,971	97,498	72,061	3,824,408
Land improvements	6,855,284	-	-	6,855,284
Infrastructure	78,431,633	-	-	78,431,633
	100,904,720	371,713	72,061	101,204,372
Less accumulated depreciation for:				
Buildings	3,357,480	300,048	-	3,657,528
Equipment, furniture and vehicles	2,872,836	250,976	72,061	3,051,751
Land improvements	1,638,216	232,844	-	1,871,060
Infrastructure	23,817,605	1,242,661	-	25,060,266
	31,686,137	2,026,529	72,061	33,640,605
Total capital assets being depreciated, net	69,218,583	(1,654,816)	-	67,563,767
Governmental activities capital assets, net	\$ 108,486,912	\$ 177,380	\$ 274,215	\$ 108,390,077

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	1,052,171	783,418	-	1,835,589
Total capital assets not being depreciated	<u>1,131,429</u>	<u>783,418</u>	<u>-</u>	<u>1,914,847</u>
Capital assets being depreciated:				
Buildings	522,257	-	-	522,257
Wells and pumping stations	2,983,416	28,500	-	3,011,916
Sewer and water system	21,672,035	-	-	21,672,035
Equipment	740,255	-	-	740,255
	<u>25,917,963</u>	<u>28,500</u>	<u>-</u>	<u>25,946,463</u>
Less accumulated depreciation for:				
Buildings	280,846	13,056	-	293,902
Wells and pumping stations	1,966,350	79,568	-	2,045,918
Sewer and water system	6,690,861	572,464	-	7,263,325
Other equipment	641,684	24,023	-	665,707
	<u>9,579,741</u>	<u>689,111</u>	<u>-</u>	<u>10,268,852</u>
Total capital assets being depreciated, net	<u>16,338,222</u>	<u>(660,611)</u>	<u>-</u>	<u>15,677,611</u>
Business-type activities capital assets, net	<u>\$ 17,469,651</u>	<u>\$ 122,807</u>	<u>\$ -</u>	<u>\$ 17,592,458</u>

Depreciation Expense

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

Governmental activities	
Economic development	\$ 2,285
General government	219,781
Public safety	173,366
Public works	<u>1,631,097</u>
Total depreciation expense - governmental activities	<u>\$ 2,026,529</u>
Business-type activities	
Water	\$ 689,111

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 5. Interfund Advances (Internal Balances)

As of April 30, 2016, the Village reported the following interfund advances:

Fund	Advance From	Advance To
General Fund	\$ -	\$ 93,427
Water and Sewer Fund	42,275	70,000
General Capital Improvements Fund	41,653	10,674
Non-Major Governmental Fund	100,000	9,827
Total interfund advances	\$ 183,928	\$ 183,928

Note 6. Interfund Transfers

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

Fund	Transfers In	Transfers Out
General fund	\$ 1,456,111	\$ -
GO Bond Debt Service Fund	1,912,904	-
General Capital Improvements Fund	3,318,417	-
General fund	-	5,210,797
Non-Major Governmental Fund	-	1,476,635
Total all funds	\$ 6,687,432	\$ 6,687,432

Note 7. 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 \$79,225 of the \$500,000 line of credit during the year to purchase and rehabilitate homes by the Affordable Housing Corporation and paid off \$164,461 during the fiscal year related to the purchases.

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

	Beginning Balance	Borrowing	Payments	Ending Balance
Line of credit	\$ 219,000	\$ 79,225	\$ 164,461	\$ 133,764

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 8. Long-Term Debt

Changes in Long-term Liabilities

Long-term liability activity for the year ended April 30, 2016 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
Series 2016A	\$ -	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 295,000
Series 2016B	-	2,265,000	-	2,265,000	210,000
Series 2013	4,820,000	-	490,000	4,330,000	500,000
Series 2011	2,735,000	-	355,000	2,380,000	365,000
Series 2010	2,510,000	-	130,000	2,380,000	130,000
Series 2009	2,375,000	-	225,000	2,150,000	235,000
Series 2006	2,535,000	-	2,535,000	-	-
Total general obligation bonds payable	14,975,000	7,265,000	3,735,000	18,505,000	1,735,000
Incremental sales tax revenue notes payable Series 1994***	2,163,575	-	403,906	1,759,669	430,160
Unamortized premium on issued debt	214,632	546,316	39,308	721,640	83,998
Capital lease payable	116,833	-	38,449	78,384	25,898
Compensated absences*	263,640	401,808	384,703	280,745	280,745
Net Pension Liability	12,409,963	1,549,955	1,458,156	12,501,762	-
Net other postemployment obligation benefits*	828,387	151,459	-	979,846	-
Claims and judgments - IBNR	402,772	1,183,926	767,610	819,088	719,415
Total governmental activities	\$ 33,538,377	\$ 11,098,464	\$ 7,231,038	\$ 37,405,803	\$ 3,705,376

*These liabilities are liquidated primarily by the General Fund.

***The Village did not make any payments toward principal reduction and the \$403,906 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 8. 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	\$ 1,558,209	\$ -	\$ 131,511	\$ 1,426,698	\$ 134,820
Compensated absences	72,216	90,644	94,151	68,709	68,709
Net pension liability	105,215	453,071	139,932	418,354	-
Net other postemployment obligation benefits	199,955	-	13,319	186,636	-
	<u>\$ 1,935,595</u>	<u>\$ 543,715</u>	<u>\$ 378,913</u>	<u>\$ 2,100,397</u>	<u>\$ 203,529</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 G.O. Bond 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
2017	\$ 1,735,000	\$ 779,062	\$ 2,514,062
2018	1,740,000	749,830	2,489,830
2019	1,790,000	678,216	2,468,216
2020	1,840,000	610,113	2,450,113
2021	1,890,000	533,248	2,423,248
2022-2026	6,645,000	1,448,030	8,093,030
2027-2031	2,865,000	408,080	3,273,080
	<u>\$ 18,505,000</u>	<u>\$ 5,206,579</u>	<u>\$ 23,711,579</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 8. Long-Term Debt (Continued)

General Obligation Bonds Payable (Continued)

The Village issued General Obligation Bonds, Series 2016A dated February 26, 2016, in the original principal amount of \$5,000,000, with interest rates varying from 0.85% to 2.85%, payable January 1 and July 1 of each year. The proceeds of this issue are to provide funds for capital improvements. The bonds mature on January 1, 2031.

The Village issued General Obligation Refunding Bonds, Series 2016B dated February 26, 2016, in the original principal amount of \$2,265,000, with interest rates varying from 0.85% to 2.40%, payable January 1 and July 1 of each year. The proceeds of this issue were used to advance refund the outstanding General Obligation Bonds, Series 2006. The bonds mature on January 1, 2026.

The net proceeds of \$2,374,001 (including a reoffering premium of \$146,867, less issuance costs of \$37,865) were transferred to the paying agent in order to refund the Series 2006 on February 26, 2016.

The Village refunded the Series 2006 in order to take advantage of more favorable interest rates which provide the Village with cost savings. The Village reduced its total debt service payments for 2006 ten years by approximately \$265,319 and achieved an economic gain of approximately \$240,505 (difference between the net present value of the debt service payments on the old and the new debt).

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 January 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 January 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 January 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 January 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 were refunded by the issuance of General Obligation Refunding Bonds, Series 2016B, in 2016.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 8. Long-Term Debt (Continued)

Notes Payable

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
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
2022	-	350,000	350,000
2023-2025*	-	1,312,500	1,312,500
	<u>\$ 1,759,669</u>	<u>\$ 2,255,983</u>	<u>\$ 4,015,652</u>

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

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 8. Long-Term Debt (Continued)

Capital Lease Obligations

At April 30, 2016, the Village is obligated for future payments under non-cancellable vehicle leases as follows:

Year Ending April 30,	Payment on Capital Lease Obligation
2017	\$ 27,875
2018	27,248
2019	<u>27,248</u>
Total payments	82,371
Less interest portion	<u>3,987</u>
Future minimum lease obligations	<u><u>\$ 78,384</u></u>

The cost of the capital assets acquired through capital lease is \$1,043,362, with accumulated depreciation of \$721,003 at April 30, 2016.

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, 2016, including accrued construction period interest, is \$2,603,807 and the principal outstanding at April 30, 2016, is \$1,426,698.

Annual debt service requirements to maturity are as follows:

Year Ending April 30,	Principal	Interest	Total
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	148,907	20,743	169,650
2022-2026	<u>717,818</u>	<u>45,606</u>	<u>763,424</u>
	<u><u>\$ 1,426,698</u></u>	<u><u>\$ 184,976</u></u>	<u><u>\$ 1,611,674</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 9. 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, 2016, total \$819,088 and \$0, respectively.

Claims and Judgments - IBNR

	2016	2015
Beginning Balance	\$ 402,772	\$ 401,994
Additions	1,183,926	405,753
Reductions	767,610	404,975
Ending Balance	<u>\$ 819,088</u>	<u>\$ 402,772</u>

Note 10. 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 11. 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 11. Joint Ventures (Continued)

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

Summary of Financial Information for CLAJAWA as of April 30, 2016, is as follows.

Non restricted current assets	\$ 10,496,181
Restricted assets	24,875,738
Capital assets (net of accumulated depreciation)	101,654,104
Unamortized charges (net of amortization)	<u>16,892</u>
Total assets	<u>137,042,915</u>
Deferred outflows of resources - Unamortized loss on defeasance	3,430,087
Deferred outflows of resources - IMRF Pension	<u>604,324</u>
Total deferred outflows of resources	4,034,411
Total assets and deferred outflows of resources	<u>\$ 141,077,326</u>
Total liabilities	96,057,720
Deferred inflows of resources - Property taxes	3,367,668
Deferred inflows of resources - IMRF Pension	<u>194,936</u>
Total deferred inflows of resources	<u>3,562,604</u>
Total liabilities and deferred inflows of resources	<u>99,620,324</u>
Net investment in capital assets	15,873,812
Restricted - bond covenants	11,407,912
Restricted - debt retirement	901,445
Restricted - rate stabilization	1,333,241
Unrestricted	<u>11,940,592</u>
Total net position	<u>41,457,002</u>
Total liabilities, deferred inflows and net position	<u>\$ 141,077,326</u>
Summary of revenues, expenses and net income for CLCJAWA for the year ended April 30, 2016:	
Total revenues	\$ 23,240,150
Total expenses	<u>13,897,170</u>
Net income	<u>\$ 9,342,980</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 11. 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, 2016 (most recent information available), is as follows.

Current assets	\$ 385,200
Construction in Progress	34,953
Capital assets (net of accumulated depreciation)	<u>142,948</u>
Total assets	<u>563,101</u>
Net position	
Net Investment in Capital Assets	177,901
Restricted for E9-1-1 purposes	370,953
Unrestricted	<u>14,247</u>
Total net position	<u><u>\$ 563,101</u></u>

Summary of revenues, expenses and changes in net position for CenCom for the year ended April 30, 2016:

Total revenues	\$ 354,051
Total expenses	<u>341,384</u>
Change in net position	<u><u>\$ 12,667</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 11. 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, 2016 (most recent information available), is as follows.

Current assets	\$ 1,171,158
Capital assets (net of accumulated depreciation)	<u>318,550</u>
Total assets	<u>1,489,708</u>
Net position	
Net investment in capital assets	318,550
Unrestricted	<u>1,171,158</u>
Total net position	<u><u>\$ 1,489,708</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, 2016:

Total revenues	\$ 2,266,149
Total expenses	<u>2,202,785</u>
Change in net position	<u><u>\$ 63,364</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 11. Joint Ventures (Continued)

Solid Waste Agency of Lake County (Continued)

Summary Financial Information for SWALCO as of November 30, 2015 (most recent information available) is as follows.

Current assets	\$ 1,989,494
Other noncurrent assets	1,173,832
Capital assets (net of accumulated depreciation)	1,067,960
Total assets	4,231,286
Deferred outflows related to pension	<u>86,424</u>
Liabilities	
Current liabilities	<u>45,832</u>
Deferred inflows related to pension	<u>79,563</u>
Net position	
Net investment in capital assets	1,067,960
Restricted for pension	673,832
Unrestricted	<u>2,450,523</u>
Total net position	<u>4,192,315</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 4,317,710</u>

Summary of revenues, expenses and changes in net position for SWALCO for the year ended November 30, 2015:

Total revenues	\$ 1,109,700
Total expenses	<u>1,359,936</u>
Change in net position	<u>\$ (250,236)</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 12. Employee Retirement Systems

Illinois Municipal Retirement Fund

Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit payable monthly for life in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the final last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Employers Covered by Benefit Terms

As of December 31, 2015, the following employees were covered by the benefit terms:

	<u>Membership</u>
Inactive employees or their beneficiaries currently receiving benefits	60
Inactive employees entitled to but not yet receiving benefits	90
Active employees	<u>41</u>
Total membership	<u><u>191</u></u>

Contributions

As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2016 and 2015 was 10.47% and 10.91% respectively. For the fiscal year ended April 30, 2016, the Village contributed \$214,886 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The Village's Net Pension Liability was measured as of December 31, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The following are the methods and assumptions used to determine total pension liability at December 31, 2015:

- The Actuarial Cost Method used was Entry Age Normal.
- The Asset Valuation Method used was Market Value of Assets.
- The Inflation Rate was assumed to be 3.5%.
- Salary Increases were expected to be 3.75% to 14.50%, including inflation.
- The Investment Rate of Return was assumed to be 7.50%.
- Projected Retirement Age was from the Experienced-based Table of Rates, specific to the type of eligibility condition, last updated for the 2014 valuation according to an experience study from the years 2011 to 2013.
- The IMRF-specific rates for Mortality (for non-disabled retirees) were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience.
- For Disabled Retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives.
- For Active Members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Real Rate of Return</u>
Domestic Equity	38.00%	7.39%
International Equity	17.00%	7.59%
Fixed Income	27.00%	3.00%
Real Estate	8.00%	6.00%
Alternative Investments	9.00%	2.75 - 8.15%
Cash Equivalents	<u>1.00%</u>	2.25%
Total	<u><u>100.00%</u></u>	

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Single Discount Rate

A Single Discount Rate of 7.49% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the differences between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.56% and the resulting single discount rate is 7.49%.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at April 30, 2015	\$ 11,954,499	\$ 11,678,955	\$ 275,544
Changes for the year:			
Service cost	234,270	-	234,270
Interest	887,974	-	887,974
Differences between expected and actual experience	(558,767)	-	(558,767)
Changes of assumptions	15,945	-	15,945
Contributions - employer	-	222,792	(222,792)
Contributions - employee	-	92,148	(92,148)
Net investment income	-	58,022	(58,022)
Benefit payments, including refunds of employee contributions	(463,968)	(463,968)	-
Administrative expense	-	-	-
Other changes	-	(691,909)	691,909
Net changes	115,454	(782,915)	898,369
Balances at April 30, 2016	\$ 12,069,953	\$ 10,896,040	\$ 1,173,913

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.49%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Decrease (6.49%)	Current Discount Rate (7.49%)	1% Increase (8.49%)
Village's net pension liability	\$ 2,912,959	\$ 1,173,913	\$ (226,884)

The Village's net pension liability of \$1,173,913 as of April 30, 2016 is reported on the financial statements as follows:

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total
Net Pension Liability	\$ 755,559	\$ 418,354	\$ 1,173,913

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$817,093. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 334,570
Changes of assumptions	9,547	-
Net differences between projected and actual earnings on pension plan investments	629,091	-
Changes in component proportion between governmental, business and component unit	4,202	4,202
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 642,840</u>	<u>\$ 338,772</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions (Continued)

The deferred inflows of resources and deferred outflows of resources as of April 30, 2016 are reported on the financial statements as follows:

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total
Deferred Outflows of Resources	\$ 415,245	\$ 227,595	\$ 642,840
Deferred Inflows of Resources	215,338	123,434	338,772

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

<u>Year ended April 30:</u>	
2017	\$ (60,526)
2018	50,049
2019	157,273
2020	157,272
2021	-
Thereafter	-
	<u>\$ 304,068</u>

The Village's contribution to IMRF subsequent to the measurement date of the net pension liability (December 31, 2015) amount to \$70,916 are reported as deferred outflows of resources as follows:

	Governmental Activities	Business-Type Activities Water and Sewer Fund	Total
Deferred Outflows of Resources	\$ 45,643	\$ 25,273	\$ 70,916

These amounts will be included in pension expense in fiscal year 2017.

The schedule of changes in net pension liability, total pension liability and related ratios and investment returns and the schedule of contributions are presented as Required Supplementary Information (RSI) following the notes to the financial statements.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Police Pension Fund

Summary of Significant Accounting Policies

Basis of Accounting:

The financial statements are prepared using the accrual basis of accounting.

Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed through investment earnings. Detailed information about the pension plan's fiduciary net position is available in the separately issued Police Pension Plan financial report which may be obtained by writing to the Round Lake Beach Police Pension, 1947 N. Municipal Way, Round Lake Beach, IL 60073.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Village's Police Pension Fund (Pension Fund) and additions to/deductions from the Pension Fund's fiduciary net position have been determined on the same basis as they are reported by the Pension Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description

Plan administration:

Police-sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan administered by the Village of Round Lake Beach. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Article 3 of the Illinois Pension Code and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Fund is governed by a five-member Board of Trustees. Two members of the Board are appointed by the Board of Trustees, one member is elected by pension beneficiaries and two members are elected by active police employees. An actuarial valuation was performed as of April 30, 2016, and, accordingly, the most recent available information has been presented.

Employees Covered by Benefit Terms:

At April 30, 2016, the following employees were covered by the benefit terms:

	<u>Membership</u>
Retirees or beneficiaries currently receiving benefits	18
Inactive Plan members entitled to but not yet receiving benefits	2
Active Plan members	<u>40</u>
Total membership	<u><u>60</u></u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Plan Description (Continued)

Benefits Provided:

The Illinois Pension Code (40 ILCS 5/Art. 3) is the authority under which pension benefit terms are established. The Police Pension Plan provides retirement benefits as well as death and disability benefits.

Covered employees hired before January 1, 2011 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.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of services after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or one half of the consumer price index. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions:

Covered 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 Illinois Pension Code (40 ILCS 5/Art. 3) establishes the contribution requirements of the Village. The annual requirement is equal to (1) the normal cost of the pension fund for the year plus (2) an amount sufficient to bring the total assets of the pension fund up to 90% of the actuarial liabilities of the pension fund by the year 2040. Only the State legislature can amend the contribution requirements. For the year ended April 30, 2016, the statutory minimum which the Village was required to contribute was 28.73% of covered payroll, to the Police Pension Fund.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Net Pension Liability and Changes in the Village's Net Pension Liability

The Village's net pension liability was measured as of April 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a) - (b)
Balances at beginning of year measurement date	\$ 30,959,939	\$ 18,720,304	\$ 12,239,635
Changes for the year:			
Service cost	692,768	-	692,768
Interest	2,055,241	-	2,055,241
Differences between expected and actual experience	(1,651,016)	-	(1,651,016)
Changes of assumptions	(426,486)	-	(426,486)
Contributions - employer	-	956,749	(956,749)
Contributions - employee	-	314,933	(314,933)
Net investment income	-	(46,556)	46,556
Benefit payments, including refunds of employee contributions	(1,023,860)	(1,023,860)	-
Administrative expense	-	(61,187)	61,187
Net changes	(353,353)	140,079	(493,432)
Balances at end of year measurement date	<u>\$ 30,606,586</u>	<u>\$ 18,860,383</u>	<u>\$ 11,746,203</u>

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Target Asset Allocation
Fixed Income	1.00% - 5.10%	50.00%
Domestic Equities	7.30%	35.00%
International Equities	5.00%	15.00%
Cash and Cash Equivalents	0.00%	0.00%
Total		100.00%

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed the employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current and inactive employees. Therefore, the long-term expected rate of return of 6.75% was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Village, calculated using the discount rate of 6.75%, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Village's net pension liability	\$ 17,072,977	\$ 11,746,203	\$ 7,490,908

Actuarial Assumptions

The total pension liability in the April 30, 2016 actuarial valuation was determined using the Entry Age Normal actuarial cost method and using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	April 30, 2016
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Payroll Closed
Discount Rate used for the Total Pension Liability	6.75%
Long-Term Expected Rate of Return on Plan Assets	6.75%
High Quality 20-Year Tax-Exempt G.O. Bond Rate (based on the Bond Buyer 20-Bond GO Index)	3.32%
Projected Individual Salary Increases	4.00% - 12.87%
Projected Increase in Total Payroll	3.25%
Inflation	2.50%
Mortality Table	Lauterbach and Amen (L&A) 2016 Illinois Police
Retirement Rates	L&A 2016 Illinois Police capped at age 65
Disability Rates	L&A 2016 Illinois Police
Termination Rates	L&A 2016 Illinois Police
Percent Married	80.00%

The actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial assumption study for the period including various municipal years including 2010-2015.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 12. Employee Retirement Systems (Continued)

Police Pension Fund (Continued)

The study was performed by Lauterbach and Amen LLP (L&A), which provides a variety of accounting and actuarial services to Police and Firefighter Pension Funds across the State of Illinois.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$306,416. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,480,456
Changes of assumptions	-	382,427
Net differences between projected and actual earnings on pension plan investments	<u>1,053,180</u>	<u>-</u>
Total deferred amounts to be recognized in pension expense in future periods	<u>\$ 1,053,180</u>	<u>\$ 1,862,883</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended April 30:</u>	
2017	\$ 48,676
2018	48,676
2019	48,676
2020	48,676
2021	(214,619)
Thereafter	<u>(789,788)</u>
	<u>\$ (809,703)</u>

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. 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, 2016, membership in the Plan consisted of the following:

	<u>Members</u>
Retirees and beneficiaries receiving benefits	4
Active plan members	<u>71</u>
Total membership	<u><u>75</u></u>

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.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 13. Other Postemployment Benefits (OPEB) (Continued)

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)	\$ 131,285
Interest on net OPEB obligation	41,134
Adjustment to annual required contribution	<u>(34,278)</u>
Annual OPEB cost	138,141
Contribution made	<u>-</u>
Increase in net OPEB obligation	138,141
Net OPEB obligation beginning of year	<u>1,028,342</u>
Net OPEB obligation end of year	<u><u>\$ 1,166,483</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year 2016 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
2016	\$ 138,141	\$ -	0.0 %	\$ 1,166,483
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 13. 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, 2016 was as follows:

Actuarial accrued liability (AAL)	\$ 1,926,255
Actual value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 1,926,255</u>
Funded ratio (actuarial value of plan assets/AAL)	<u>0.00%</u>
Covered payroll (active plan members)	\$ 4,676,202
UAAL as a percentage of covered payroll	41.19%

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, 2016, (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 14. New Governmental Accounting Standards

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

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.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 14. New Governmental Accounting Standards (Continued)

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. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits (OPEB)) included in the general purpose external financial reports of state and local government OPEB plans for making decisions and assessing accountability. The Village has not yet determined the impact of this Statement.

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. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits (OPEB)). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The Village has not yet determined the impact of this Statement but it is expected to have a material impact when implemented.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective for the Village beginning with its year ended April 30, 2017. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP Hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity within GAAP and the framework for selecting those principles. This Statement reduces the GAAP Hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

GASB Statement No. 77, *Tax Abatement Disclosures*, will be effective for the Village beginning with its year ended April 30, 2017. Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts and others with information they need to evaluate the financial health of governments, make decisions and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The Village has not yet determined the impact of this Statement.

GASB Statement No. 78, *Pensions Provided through Multiple Employer Defined Benefit Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2017. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The Village does not fall within the scope of Statement No. 78, therefore no impact is expected on the financial statements.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 14. New Governmental Accounting Standards (Continued)

GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*, will be effective for the Village beginning with its year ended April 30, 2017. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The Village has not yet determined the impact of this Statement.

GASB issued Statement No. 80, *Blending Requirements for Certain Component Units*, will be effective for the Village beginning with its year ended April 30, 2018. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The Village has not yet determined the impact of this Statement.

GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, will be effective for the Village beginning with its year ended April 30, 2018. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Village has not yet determined the impact of this Statement.

GASB issued Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, No.68 and No. 73*, will be effective for the Village beginning with its year ended April 30, 2018. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within The Scope of GASB Statement 68*, and amendments to certain provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The Village has not yet determined the impact of this Statement.

Village of Round Lake Beach, Illinois

Notes to Financial Statements

Note 15. Restatement for Implementation of New Accounting Standard

The Village's Net Position has been restated as of April 30, 2015. The restatement is a result of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. The restatement is to record the effect of the net pension liability, deferred inflows of resources and deferred outflows of resources. The effect of the restatement on April 30, 2015 is shown below:

	Governmental Activities	Business-Type Activities Water and Sewer Fund
Net Position, April 30, 2015, as previously reported	\$ 100,833,720	\$ 18,530,490
Implementation of GASB Statement No. 68 and 71:		
Beginning deferred outflows of resources pension contributions subsequent to the measurement date	50,890	28,178
Beginning net pension liability	(12,409,963)	(105,215)
Write-off the net pension obligation	136,593	32,556
Net Position, April 30, 2015 as restated	<u>\$ 88,611,240</u>	<u>\$ 18,486,009</u>

The impact of the restatement on the fiscal year 2015 change in Net Position for Governmental Activities was (\$12,222,480) and Business-Type Activities (Water and Sewer Fund) was (\$44,481).

The restatement of the beginning net position adjusts the beginning deferred outflow of resources for pension contributions made subsequent to the measurement date of the beginning net pension liability. Restatement of the beginning balances for deferred outflows of resources related to pensions was not done because it was not practical to determine all such amounts.

**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 Operating Fund
 Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ 5,482,138	\$ 5,250,701	\$ (231,437)
Intergovernmental	6,709,450	7,052,917	343,467
Licenses and permits	520,225	693,845	173,620
Fines	467,000	372,220	(94,780)
Interest	10,000	9,995	(5)
Charges for services	104,000	292,561	188,561
Rental income	40,060	40,060	-
Miscellaneous	5,351	48,056	42,705
Total revenues	13,338,224	13,760,355	422,131
Expenditures			
General government			
Legislative	372,898	329,287	43,611
Boards and commissions	27,930	22,809	5,121
Administration	173,623	188,791	(15,168)
Village clerk	16,617	10,493	6,124
Finance	279,637	317,142	(37,505)
Village president's office	28,630	32,370	(3,740)
Insurance	15,000	262,713	(247,713)
Public safety	6,264,480	6,007,113	257,367
Economic development	647,881	640,563	7,318
Public works	2,003,627	1,688,116	315,511
Total expenditures	9,830,323	9,499,397	330,926
Excess of revenues over expenditures	3,507,901	4,260,958	753,057
Other financing sources (uses)			
Transfer out	(5,207,901)	(5,210,797)	(2,896)
Note proceeds	500,000	-	(500,000)
	(4,707,901)	(5,210,797)	(500,000)
Net change in fund balance	\$ (1,200,000)	(949,839)	\$ 253,057
Fund balance - beginning		10,231,876	
Fund balance - ending		\$ 9,282,037	

See Notes to Required Supplementary Information.

Village of Round Lake Beach, Illinois

Required Supplementary Information - Illinois Municipal Retirement Fund (IMRF)
 Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios

Fiscal years ending April 30,	2016
Total pension liability	
Service cost	\$ 234,270
Interest on the total pension liability	887,974
Differences between expected and actual experience	(558,767)
Changes in assumptions	15,945
Benefit payments	<u>(463,968)</u>
Net change in total pension liability	115,454
Total pension liability—beginning	<u>11,954,499</u>
Total pension liability—ending (a)	<u><u>\$ 12,069,953</u></u>
Plan fiduciary net position	
Contributions - Employer	\$ 222,792
Contributions - Member	92,148
Pension plan net investment income	58,022
Benefit payments	(463,968)
Pension plan administrative expense	<u>(691,909)</u>
Net change in plan fiduciary net position	(782,915)
Plan fiduciary net position—beginning	<u>11,678,955</u>
Plan fiduciary net position—ending (b)	<u><u>\$ 10,896,040</u></u>
Net pension liability - ending (a) - (b)	\$ 1,173,913
Plan fiduciary net position as a percentage of the total pension liability	90.27%
Covered-Employee Payroll	\$ 2,042,092
Employer net pension liability as a percentage of covered-employee payroll	57.49%

Note to Schedule:

The Village implemented GASB 68 in FY 2016. Information is not available prior to fiscal year 2016. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

Village of Round Lake Beach, Illinois

Required Supplementary Information
Schedule of Contributions

<u>Illinois Municipal Retirement Fund (IMRF)</u>	<u>12/31/2015</u>
Actuarially Determined Contribution	\$ 222,792
Contributions in Relation to the Actuarial Determined Contribution	<u>222,792</u>
Contribution Deficiency (excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 2,042,092
Contributions as a Percentage of Covered-Employee Payroll	10.91%

Notes to Schedule:

The Village implemented GASB 68 in FY 2016. Information is not available prior to 2016. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

Summary of Actuarial Methods and Assumptions used to in Calculation of the 2015 Contribution Rate*

Valuation Date:	Actuarially determined contribution rates are calculated as of December 31, each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.
Actuarial cost method	Aggregate Entry Age Normal
Actuarial value of assets	5 Year Smoothed Market Value; 20% Corridor
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	28 Year closed period until remaining period reaches 15 years (then 15-year rolling period)
Investment rate of return	7.50%
Salary increases	4.40% to 16%, including inflation
Projected Increase in Total Payroll	None, Level Dollar Amortization
Consumer Price Index (Utilities)	3.00%
Inflation Rate Included	3.00%
Mortality Table	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates were used. For women, 92% of the table rates were used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

*Based on the valuation assumptions used in the December 31, 2013 actuarial valuation.

Village of Round Lake Beach, Illinois

Required Supplementary Information - Police Pension Fund
 Schedule of Changes in Net Pension Liability, Total Pension Liability and Related Ratios

Fiscal years ending April 30,	2016
Total pension liability	
Service cost	\$ 692,768
Interest on the total pension liability	2,055,241
Differences between expected and actual experience	(1,651,016)
Changes in assumptions	(426,486)
Benefit payments	<u>(1,023,860)</u>
Net change in total pension liability	(353,353)
Total pension liability—beginning	<u>30,959,939</u>
Total pension liability—ending (a)	<u><u>\$ 30,606,586</u></u>
Plan fiduciary net position	
Contributions - Employer	\$ 956,749
Contributions - Member	314,933
Pension plan net investment income	(46,556)
Benefit payments	(1,023,860)
Pension plan administrative expense	<u>(61,187)</u>
Net change in plan fiduciary net position	140,079
Plan fiduciary net position—beginning	<u>18,720,304</u>
Plan fiduciary net position—ending (b)	<u><u>\$ 18,860,383</u></u>
Net pension liability - ending (a) - (b)	\$ 11,746,203
Plan fiduciary net position as a percentage of the total pension liability	61.62%
Covered-Employee Payroll	\$ 3,329,746
Employer net pension liability as a percentage of covered-employee payroll	352.77%

Note to Schedule:

The Village implemented GASB 68 in FY 2016. Information is not available prior to fiscal year 2016. Additional years will be added to future reports as schedules are required to show 10 years of historical data.

Village of Round Lake Beach, Illinois

Required Supplementary Information
Schedule of Contributions

<u>Police Pension Fund</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially Determined Contribution	\$ 962,273	\$ 1,000,484	\$ 1,057,725	\$ 957,046
Contributions in Relation to the Actuarial Determined Contribution	<u>956,749</u>	<u>990,893</u>	<u>931,860</u>	<u>1,036,120</u>
Contribution Deficiency (excess)	<u>\$ 5,524</u>	<u>\$ 9,591</u>	<u>\$ 125,865</u>	<u>\$ (79,074)</u>
Covered-Employee Payroll	\$ 3,329,746	\$ 2,974,941	\$ 3,040,170	\$ 2,957,386
Contributions as a Percentage of Covered-Employee Payroll	28.73%	33.31%	30.65%	35.03%

2012	2011	2010	2009	2008	2007
\$ 974,266	\$ 839,794	\$ 758,833	\$ 684,447	\$ 714,985	\$ 591,903
963,253	890,599	753,235	685,150	601,521	591,903
\$ 11,013	\$ (50,805)	\$ 5,598	\$ (703)	\$ 113,464	\$ -
\$ 3,058,078	\$ 2,893,925	\$ 2,750,717	\$ 2,775,802	\$ 2,587,978	\$ 2,356,890
31.50%	30.77%	27.38%	24.68%	23.24%	25.11%

Village of Round Lake Beach, Illinois

**Other Post-Employment Benefits
Required Supplementary Information
Year Ended April 30, 2016**

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)
4/30/2016	\$ -	\$ 1,926,255	\$1,926,255	\$ - %	\$5,377,151	35.82 %
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. Pension Contributions

The Schedule of Contributions shows the difference between the actual contributions and the actuarially determined contributions (ADC). The actuarial valuation and assumptions utilized to measure the ADC differ from those disclosed in Note 12 of the Financial Statements and reflects the Village's informal funding policy, which results in a contribution greater than the State's statutory minimum contribution. The following methods and assumptions were utilized to measure the ADC for the Police Pension Plan.

Methods and Assumptions:

Valuation Date	April 30, 2014
Actuarial cost method	Entry Age Normal
Actuarial Value of Assets	5 Year Average Market Value
Amortization method	Level Percentage of Payroll Closed
Remaining Amortization Period	27 Years
Investment rate of return	7.00%
Projected Individual Salary Increases	5.50%
Projected Increase in Total Payroll	None, Level Dollar Amortization
Consumer Price Index (Utilities)	2.50%
Inflation Rate Included	2.50%
Mortality Table	RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment and with a 200% load for participants under age 50 and 125% for participants age 50 and over

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.

Village of Round Lake Beach, Illinois

Notes to Required Supplementary Information

Note 2. Budgets (Continued)

- (f) The fiscal year 2016 budget was amended in March 2016 due to the Village issuing general obligation bonds series 2016A to finance the fiscal year 2017 capital plan.
- (g) All appropriations lapse at year-end. No supplemental appropriations were made by the Village Board of Trustees during fiscal year 2016.

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	Final Budget	Actual	Excess
General:			
Administration	\$ 173,623	\$ 188,791	\$ (15,168)
Finance	279,637	317,142	(37,505)
Village President's Office	28,630	32,370	(3,740)
Financing and Insurance	15,000	262,713	(247,713)
GO Bond Debt Service Fund	1,939,103	1,985,894	(46,791)
Waterworks and Sewerage Fund	5,681,801	5,794,198	(112,397)

In the General Fund, the excess expenditures over budgeted amounts in the Administration Department is due to Cost of health insurance for employees higher than expected based on changes in coverage throughout the fiscal year. In the Finance Department, the excess expenditures over budgeted amounts is due to change in staffing model from original budget as a result of employee departures. In the Village President's Office, the excess in expenditures over budgeted amounts is due to a change in the processing of background checks for liquor license renewals. In the Financing and Insurance Department, the excess in expenditures over budgeted amounts is due to bad debt expense related to property maintenance liens; this is an unbudgeted item since there is no cash outflow.

The excess expenditures over budgeted amounts in the GO Bond Debt Service Fund is due to the Village moving its plan to issue bonds two fiscal years to FY2016 to fund its capital projects (road program for FY2017) in order to take advantage of low interest rates, low per-unit pricing on capital projects.

In the Waterworks and Sewerage Fund, the significant excess in expenditures over budgeted 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, 2016

	General Operating Fund	Police Special Revenues	Housing and Redevelopment	Metra Operations
Assets				
Cash and investments	\$ 6,226,122	\$ 134,297	\$ -	\$ -
Receivables				
Property taxes	2,530,002	-	-	-
Accounts	-	-	92,325	-
Other	682,075	-	92,709	-
Due from other governments	2,166,776	-	-	-
Advances to other funds	1,398,230	2,768	19,326	-
Prepaid items	37,791	-	-	-
Property held for resale	-	-	437,535	-
Total assets	\$ 13,040,996	\$ 137,065	\$ 641,895	\$ -
Liabilities				
Accounts payable	\$ 499,581	\$ 169	\$ -	\$ 1,179
Accrued payroll	98,894	-	-	-
Advances from other funds	12,595	-	888,978	58,618
Claims payable	-	-	-	-
Deposits payable	132,523	-	900	-
Line of credit payable	-	-	133,764	-
Total liabilities	743,593	169	1,023,642	59,797
Deferred Inflows of Resources				
Unavailable sales, use and other taxes	485,364	-	-	-
Property tax levies intended to finance FY16	2,530,002	-	-	-
	3,015,366	-	-	-
Fund Balances				
Non-spendable	37,791	-	437,535	-
Restricted	-	136,896	2,898	-
Assigned	-	-	37,857	-
Unassigned	9,244,246	-	(860,037)	(59,797)
Total fund balances	9,282,037	136,896	(381,747)	(59,797)
Total liabilities, deferred inflow of resources and fund balances	\$ 13,040,996	\$ 137,065	\$ 641,895	\$ -

General Fund						
TIF #4	Civic Center	Risk Management	Equipment Replacement	Eliminations	Total	
\$ 311,048	\$ 530	\$ 41,551	\$ 484,691	\$ -	\$ 7,198,239	
256,537	-	-	-	-	2,786,539	
-	-	373	-	-	92,698	
-	32,908	-	-	-	807,692	
-	-	-	-	-	2,166,776	
-	(90,000)	-	-	(1,236,897)	93,427	
-	-	139,109	14,382	-	191,282	
-	-	-	-	-	437,535	
\$ 567,585	\$ (56,562)	\$ 181,033	\$ 499,073	\$ (1,236,897)	\$ 13,774,188	
\$ -	\$ 7,931	\$ 35,028	\$ 44,577	\$ -	\$ 588,465	
-	1,339	-	-	-	100,233	
45,000	92,536	45,292	93,878	(1,236,897)	-	
-	-	523,415	-	-	523,415	
-	17,675	-	-	-	151,098	
-	-	-	-	-	133,764	
45,000	119,481	603,735	138,455	(1,236,897)	1,496,975	
-	-	-	-	-	485,364	
256,537	-	-	-	-	2,786,539	
256,537	-	-	-	-	3,271,903	
-	-	139,109	14,382	-	628,817	
310,373	-	-	-	-	450,167	
-	-	194,194	360,618	-	592,669	
(44,325)	(176,043)	(756,005)	(14,382)	-	7,333,657	
266,048	(176,043)	(422,702)	360,618	-	9,005,310	
\$ 567,585	\$ (56,562)	\$ 181,033	\$ 499,073	\$ (1,236,897)	\$ 13,774,188	

Village of Round Lake Beach, Illinois

**General Fund
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances, by Account
Year Ended April 30, 2016**

	General Operating Fund	Police Special Revenues	Housing and Redevelopment	Metra Operations
Revenues				
Taxes	\$ 5,250,701	\$ -	\$ -	\$ -
Intergovernmental	7,052,917	2,915	18,470	-
License and permits	693,845	-	-	-
Fines	372,220	32,055	-	-
Interest	9,995	65	3,097	4
Charges for services	292,561	-	-	22,631
Rental income	40,060	-	24,169	-
Miscellaneous	48,056	13,335	10,591	-
Total revenues	13,760,355	48,370	56,327	22,635
Expenditures				
Current				
General government	1,163,605	-	-	-
Public safety	6,007,113	28,784	-	-
Economic development	640,563	-	15,572	-
Public works	1,688,116	-	-	39,774
Debt service				
Principal	-	-	-	-
Interest and fiscal services	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	9,499,397	28,784	15,572	39,774
Excess (deficiency) of revenues over expenditures	4,260,958	19,586	40,755	(17,139)
Other financing sources				
Transfers in	-	-	-	-
Transfers out	(5,210,797)	-	-	-
Total other financing sources (uses)	(5,210,797)	-	-	-
Net change in fund balances	(949,839)	19,586	40,755	(17,139)
Fund balances - beginning	10,231,876	117,310	(422,502)	(42,658)
Fund balances - ending	\$ 9,282,037	\$ 136,896	\$ (381,747)	\$ (59,797)

General Fund					
TIF #4	Civic Center	Risk Management	Equipment Replacement	Total	
\$ 272,254	\$ -	\$ -	\$ -	\$ 5,522,955	
-	-	282,361	168,313	7,524,976	
-	-	-	-	693,845	
-	-	-	-	404,275	
372	5	-	241	13,779	
-	131,506	-	-	446,698	
-	-	-	-	64,229	
-	172	-	12,122	84,276	
<u>272,626</u>	<u>131,683</u>	<u>282,361</u>	<u>180,676</u>	<u>14,755,033</u>	
-	186,390	1,118,167	-	2,468,162	
-	-	-	4,560	6,040,457	
12,241	-	-	3,996	672,372	
-	-	-	6,949	1,734,839	
-	-	-	38,449	38,449	
-	-	-	4,232	4,232	
-	-	-	223,967	223,967	
<u>12,241</u>	<u>186,390</u>	<u>1,118,167</u>	<u>282,153</u>	<u>11,182,478</u>	
<u>260,385</u>	<u>(54,707)</u>	<u>(835,806)</u>	<u>(101,477)</u>	<u>3,572,555</u>	
-	16,000	1,030,000	410,111	1,456,111	
-	-	-	-	(5,210,797)	
-	16,000	1,030,000	410,111	(3,754,686)	
260,385	(38,707)	194,194	308,634	(182,131)	
5,663	(137,336)	(616,896)	51,984	9,187,441	
<u>\$ 266,048</u>	<u>\$ (176,043)</u>	<u>\$ (422,702)</u>	<u>\$ 360,618</u>	<u>\$ 9,005,310</u>	

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Revenues - Budget and Actual
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Taxes				
Property tax				
Corporate fund	\$ 1,011,240	\$ 1,011,240	\$ 1,005,777	\$ (5,463)
Liability insurance	365,000	365,000	363,027	(1,973)
IMRF	150,000	150,000	149,191	(809)
Road and bridge	20,000	20,000	19,484	(516)
Police pension	962,273	962,273	957,071	(5,202)
Total property tax	2,508,513	2,508,513	2,494,550	(13,963)
Other taxes				
Home rule	1,210,000	1,210,000	1,201,677	(8,323)
Telecommunications	537,000	537,000	483,894	(53,106)
Gas	340,625	340,625	256,765	(83,860)
Electric	556,000	556,000	527,836	(28,164)
Amusement	330,000	330,000	285,979	(44,021)
Total other taxes	2,973,625	2,973,625	2,756,151	(217,474)
Total taxes	5,482,138	5,482,138	5,250,701	(231,437)
Intergovernmental - Revenue from other agencies				
Sales tax	3,465,000	3,465,000	3,503,961	38,961
Use	500,600	500,600	650,392	149,792
Personal property replacement tax	10,000	10,000	16,634	6,634
Income tax	2,733,500	2,733,500	2,881,930	148,430
Charitable game tax/license	350	350	-	(350)
Total intergovernmental-revenue from other agencies	6,709,450	6,709,450	7,052,917	343,467

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Revenues - Budget and Actual (Continued)

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues (Continued)				
Licenses and permits				
Business certificates	\$ 65,250	\$ 65,250	\$ 61,643	\$ (3,607)
Liquor	32,975	32,975	57,915	24,940
Billboard licenses	1,350	1,350	700	(650)
Contractor application fee	7,000	7,000	10,550	3,550
Rental certification	80,000	80,000	110,565	30,565
Occupancy permits	30,000	30,000	31,720	1,720
Building permits	75,000	75,000	138,456	63,456
Video gaming fee and licenses	18,650	18,650	52,771	34,121
Cable TV franchise fee	175,000	175,000	192,764	17,764
Nicor gas franchise fee	30,000	30,000	33,061	3,061
Annex/ZBA/Plan	5,000	5,000	3,700	(1,300)
Total licenses and permits	520,225	520,225	693,845	173,620
Fines				
Police fines	415,000	415,000	338,365	(76,635)
Tobacco enforcement	1,000	1,000	500	(500)
Towing revenues	36,000	36,000	25,605	(10,395)
False alarm	14,000	14,000	7,750	(6,250)
Building fines	1,000	1,000	-	(1,000)
Total fines	467,000	467,000	372,220	(94,780)
Interest	10,000	10,000	9,995	(5)

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Revenues - Budget and Actual (Continued)

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues (Continued)				
Charges for services				
Police photocopy service	\$ 4,000	\$ 4,000	\$ 4,292	\$ 292
Liens	75,000	75,000	285,015	210,015
Police security services	-	-	764	764
Recycling SWALCO	25,000	25,000	1,490	(23,510)
Elevator inspections	-	-	1,000	1,000
Total charges for services	104,000	104,000	292,561	188,561
Miscellaneous				
Rental income	40,060	40,060	40,060	-
Miscellaneous	5,351	5,351	48,056	42,705
Total miscellaneous	45,411	45,411	88,116	42,705
Total revenues	\$ 13,338,224	\$ 13,338,224	\$ 13,760,355	\$ 422,131

Village of Round Lake Beach, Illinois

General Operating Fund

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
General government				
Legislative				
Salaries - full time	\$ 28,800	\$ 28,800	\$ 26,766	\$ 2,034
IMRF	3,142	3,142	1,691	1,451
FICA	1,786	1,786	1,789	(3)
Medicare	420	420	418	2
Village building stipend	3,600	3,600	3,600	-
Training	2,500	2,500	2,707	(207)
Travel/food	14,000	14,000	8,853	5,147
Dues and subscriptions	19,850	19,850	20,564	(714)
Employee recognition	2,500	2,500	1,787	713
Printing, advertising, publishing	1,500	1,500	2,272	(772)
Video service	4,800	4,800	5,385	(585)
Legal	269,000	269,000	226,136	42,864
Community events	15,000	15,000	20,607	(5,607)
Dollars for scholars	6,000	6,000	6,000	-
Miscellaneous	-	-	712	(712)
Total Legislative	372,898	372,898	329,287	43,611
Boards and Commissions				
Salaries - part time	3,720	3,720	2,200	1,520
FICA	231	231	90	141
Medicare	54	54	21	33
Training	1,000	1,000	905	95
Travel/food	700	700	344	356
Planning/consulting	1,200	1,200	672	528
Dues and subscriptions	375	375	375	-
Office supplies	150	150	56	94
Printing, advertising, publishing	1,000	1,000	863	137
Tech services	7,500	7,500	6,264	1,236
Legal	12,000	12,000	11,019	981
Total Boards and Commissions	27,930	27,930	22,809	5,121

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government (Continued)				
Administration				
Salaries - full time	\$ 112,000	\$ 112,000	\$ 111,817	\$ 183
Salaries - part time	6,970	6,970	16,092	(9,122)
Health insurance	17,000	17,000	25,428	(8,428)
IMRF	14,129	14,129	13,960	169
FICA	8,029	8,029	6,878	1,151
Medicare	1,878	1,878	1,745	133
Training	2,500	2,500	841	1,659
Travel/food	595	595	540	55
Dues and subscriptions	1,500	1,500	1,184	316
Office supplies	450	450	297	153
Telephone	1,400	1,400	897	503
Cellular phone	915	915	976	(61)
Postage	350	350	280	70
Printing, advertising, publishing	275	275	40	235
Village newsletter	1,000	1,000	1,315	(315)
Web page maintenance	-	-	720	(720)
Network support	2,397	2,397	3,491	(1,094)
Payroll processing	480	480	467	13
Equipment maintenance/rental	315	315	485	(170)
Fuel/oil	1,440	1,440	1,133	307
Pre-employment background and testing	-	-	205	(205)
Total Administration	173,623	173,623	188,791	(15,168)
Village Clerk				
Salaries - full time	4,800	4,800	4,800	-
IMRF	524	524	517	7
FICA	298	298	298	-
Medicare	70	70	70	-
Training	300	300	5	295
Travel/food	1,400	1,400	1,537	(137)
Dues and subscriptions	175	175	115	60
Office supplies	-	-	9	(9)
Printing, advertising, publishing	50	50	427	(377)

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government (Continued)				
Village Clerk (Continued)				
Codification	\$ 8,400	\$ 8,400	\$ 2,088	\$ 6,312
Village board stipend	600	600	600	-
Miscellaneous	-	-	27	(27)
Total Village Clerk	16,617	16,617	10,493	6,124
Finance				
Salaries - full time	110,700	110,700	132,551	(21,851)
Salaries - part time	20,000	20,000	56,689	(36,689)
Health insurance	30,000	30,000	29,136	864
IMRF	14,838	14,838	18,442	(3,604)
FICA	8,432	8,432	13,169	(4,737)
Medicare	1,972	1,972	3,080	(1,108)
Training	2,000	2,000	1,088	912
Travel/food	1,000	1,000	548	452
Due and subscriptions	1,200	1,200	390	810
Office supplies	500	500	227	273
Telephone	1,400	1,400	969	431
Postage	500	500	345	155
Printing, advertising, publishing	2,500	2,500	2,614	(114)
Network support	4,195	4,195	3,634	561
Payroll processing	600	600	431	169
Pre-employment screening	-	-	65	(65)
Cafeteria plan	1,450	1,450	1,950	(500)
Equipment	500	500	-	500
Equipment maintenance	6,000	6,000	5,287	713
Liens	4,500	4,500	7,213	(2,713)
Auditor/financial consultant	67,350	67,350	39,314	28,036
Total Finance	279,637	279,637	317,142	(37,505)

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

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

	Original Budget	Final Budget	Actual	Variance with Final Budget
General Government (Continued)				
Village President's Office				
Salaries - full time	\$ 20,000	\$ 20,000	\$ 20,110	\$ (110)
IMRF	2,200	2,200	2,162	38
FICA	1,240	1,240	1,247	(7)
Medicare	290	290	291	(1)
Village building stipend	1,200	1,200	1,200	-
Training	600	600	540	60
Travel/food	2,750	2,750	5,221	(2,471)
Office supplies	-	-	(12)	12
Printing, advertising, publishing	-	-	109	(109)
Liquor license background check	350	350	1,398	(1,048)
Miscellaneous	-	-	104	(104)
Total Village President's Office	28,630	28,630	32,370	(3,740)
Financing and Insurance				
Liability insurance	-	-	48,699	(48,699)
Unemployment insurance	15,000	15,000	-	15,000
Bank fees	-	-	-	-
Principal	-	-	-	-
Bad debt expense	-	-	214,014	(214,014)
Total Financing and Insurance	15,000	15,000	262,713	(247,713)
Total General Government	914,335	914,335	1,163,605	(249,270)

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Expenditures - Budget and Actual (Continued)
 Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Safety				
Salaries - full time	\$ 3,384,400	\$ 3,384,400	\$ 3,311,832	\$ 72,568
Salaries - part time	9,000	9,000	-	9,000
Overtime	166,000	166,000	196,250	(30,250)
Court pay	10,000	10,000	21,889	(11,889)
Health insurance	679,500	679,500	583,398	96,102
Police pension contribution	962,273	962,273	956,749	5,524
IMRF	20,183	20,183	18,403	1,780
FICA	19,933	19,933	11,143	8,790
Medicare	53,229	53,229	49,274	3,955
Training	20,495	20,495	22,305	(1,810)
Travel/food	4,115	4,115	3,197	918
Clothing	24,610	24,610	36,604	(11,994)
Dues and subscriptions	28,840	28,840	18,488	10,352
Safety equipment	1,425	1,425	-	1,425
Medical	2,154	2,154	5,480	(3,326)
Office supplies	7,280	7,280	6,738	542
Telephone	33,880	33,880	22,495	11,385
Cellular phone	6,785	6,785	7,287	(502)
Wi-Fi services	8,119	8,119	8,210	(91)
Postage	8,450	8,450	9,714	(1,264)
Printing, advertising, publishing	1,950	1,950	2,109	(159)
Tech services	103,070	103,070	87,996	15,074
Data processing	28,519	28,519	11,919	16,600
Payroll processing	9,830	9,830	9,909	(79)
Equipment purchase	1,375	1,375	-	1,375
Equipment maintenance	7,965	7,965	7,666	299
Vehicle maintenance	53,480	53,480	28,877	24,603
Fuel/oil	81,500	81,500	53,095	28,405

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Safety (Continued)				
Operating supplies	\$ 3,315	\$ 3,315	\$ 3,066	\$ 249
Community service	5,450	5,450	4,697	753
Weapons supplies	12,315	12,315	12,286	29
Jail expenditures	25,074	25,074	18,885	6,189
GenCom	477,666	477,666	474,188	3,478
Warning siren	2,300	2,300	2,100	200
Miscellaneous	-	-	864	(864)
Total Public Safety	6,264,480	6,264,480	6,007,113	257,367
Economic Development				
Salaries - full time	285,400	285,400	258,049	27,351
Salaries - part time	13,000	13,000	19,126	(6,126)
Health insurance	85,000	85,000	79,014	5,986
IMRF	32,675	32,675	27,000	5,675
FICA	18,569	18,569	16,765	1,804
Medicare	4,343	4,343	3,921	422
Training	1,500	1,500	806	694
Travel/food	500	500	849	(349)
Clothing	1,850	1,850	754	1,096
Due and subscriptions	800	800	538	262
Office supplies	1,000	1,000	833	167
Telephone	4,000	4,000	2,610	1,390
Cellular phone	2,400	2,400	2,572	(172)
Postage	1,000	1,000	840	160
Printing, advertising, publishing	5,000	5,000	8,138	(3,138)
Data processing	1,200	1,200	1,293	(93)

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Economic Development (Continued)				
Pre-employment screening	\$ 400	\$ 400	\$ 203	\$ 197
Equipment purchase	300	300	27	273
Equipment maintenance	2,714	2,714	2,677	37
Fuel/oil	5,000	5,000	3,392	1,608
Planning/consulting	67,300	67,300	106,174	(38,874)
Engineering	4,800	4,800	2,919	1,881
Subcontract plumbing inspector	6,000	6,000	7,240	(1,240)
Elevator inspections	2,145	2,145	3,217	(1,072)
Board-ups	3,000	3,000	850	2,150
Professional services	-	-	594	(594)
Tax rebates	86,000	86,000	80,001	5,999
Network support	11,985	11,985	10,161	1,824
Total Economic Development	647,881	647,881	640,563	7,318
Public Works				
Salaries - full time	572,500	572,500	490,874	81,626
Salaries - part time	16,500	16,500	13,692	2,808
Overtime	15,000	15,000	10,183	4,817
Health insurance	144,000	144,000	124,979	19,021

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Expenditures - Budget and Actual (Continued)

Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Works (Continued)				
IMRF	\$ 65,788	\$ 65,788	\$ 53,348	\$ 12,440
FICA	37,386	37,386	31,567	5,819
Medicare	8,744	8,744	7,383	1,361
Medical expenses	1,365	1,365	1,426	(61)
Training	630	630	444	186
Travel/food	120	120	57	63
Clothing	4,510	4,510	3,774	736
Dues and subscriptions	7,125	7,125	12,283	(5,158)
Safety equipment	2,800	2,800	1,246	1,554
Office supplies	2,300	2,300	1,590	710
Telephone	8,025	8,025	4,969	3,056
Cellular phone	5,990	5,990	5,648	342
Natural gas	22,500	22,500	22,522	(22)
Network support	22,771	22,771	19,319	3,452
Postage	1,500	1,500	1,549	(49)
Printing, advertising, publishing	5,216	5,216	5,050	166
Payroll processing	2,000	2,000	2,155	(155)
Pre-employment screening	275	275	-	275
Janitorial services	18,532	18,532	18,835	(303)
Janitorial supplies	3,000	3,000	2,241	759
Debris disposal	1,500	1,500	-	1,500
Equipment purchase	32,268	32,268	16,964	15,304
Equipment maintenance	19,800	19,800	6,173	13,627
Vehicle accessories	500	500	127	373
Vehicle maintenance	50,157	50,157	34,909	15,248

(Continued)

Village of Round Lake Beach, Illinois

General Operating Fund

Schedule of Expenditures - Budget and Actual (Continued)
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget
Public Works (Continued)				
Fuel/oil	\$ 36,400	\$ 36,400	\$ 12,927	\$ 23,473
Engineering	44,600	44,600	29,896	14,704
Park maintenance	33,507	33,507	15,871	17,636
Storm sewer maintenance	8,515	8,515	6,538	1,977
Building maintenance	33,305	33,305	36,941	(3,636)
Street light maintenance	89,100	89,100	90,107	(1,007)
Traffic signal maintenance	43,000	43,000	38,047	4,953
Lifeguards	25,000	25,000	29,689	(4,689)
Pest control	40,553	40,553	41,077	(524)
Mowing contract	72,345	72,345	88,109	(15,764)
Tree replacement	100,000	100,000	85,194	14,806
Graffiti removal	298,695	298,695	209,031	89,664
Contractual services	104,805	104,805	111,330	(6,525)
Miscellaneous	1,000	1,000	52	948
Total Public Works	2,003,627	2,003,627	1,688,116	315,511
Total Expenditures	\$ 9,830,323	\$ 9,830,323	\$ 9,499,397	\$ 330,926

NONMAJOR GOVERNMENTAL FUND

SPECIAL REVENUE FUND

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.

MAJOR 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 Special Revenue Fund
Motor Fuel Tax Fund**

**Balance Sheet
April 30, 2016**

Assets

Cash and investments	\$	484,021
Receivables		
Other		19,125
Due from other governments		64,130
Advances to other funds		<u>9,827</u>
Total assets	\$	<u><u>577,103</u></u>

Liabilities

Advances from other funds	\$	<u>100,000</u>
Total liabilities		<u>100,000</u>

Fund Balance

Restricted		465,534
Assigned		11,569
Unassigned		<u>-</u>
Total fund balance		<u>477,103</u>
Total liabilities and fund balance	\$	<u><u>577,103</u></u>

Village of Round Lake Beach, Illinois

Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Motor Fuel Tax Fund
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental			
Allotments from state of Illinois	\$ 810,346	\$ 810,346	\$ 744,229
Federal subsidy	35,312	35,312	38,164
Interest on investments	-	-	2,290
Total revenues	<u>845,658</u>	<u>845,658</u>	<u>784,683</u>
Expenditures			
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues over expenditures	<u>845,658</u>	<u>845,658</u>	<u>784,683</u>
Other financing sources (uses)			
Transfer in	-	-	-
Transfer out	(1,479,530)	(1,479,530)	(1,476,635)
Total other financing sources (uses)	<u>\$ (1,479,530)</u>	<u>\$ (1,479,530)</u>	<u>(1,476,635)</u>
Net change in fund balance			(691,952)
Fund balance - beginning			<u>1,169,055</u>
Fund balance - ending			<u>\$ 477,103</u>

Village of Round Lake Beach, Illinois

Capital Projects Funds

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - Bond Capital Projects Fund
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Revenues			
Interest on investments	\$ -	\$ -	\$ 930
Miscellaneous	-	-	1,713
Total revenues	-	-	2,643
Expenditures			
Economic development	-	-	4
Debt service			
Bond issue cost	-	97,865	97,865
Capital outlay	-	-	9,538
Total expenditures	-	97,865	107,407
Deficiency of revenues over expenditures	-	(97,865)	(104,764)
Other financing sources (uses)			
Proceeds from bond issuance	-	5,399,449	5,000,000
Bond premium	-	-	399,449
Total other financing sources	-	5,399,449	5,399,449
Net change in fund balance	\$ -	\$ 5,301,584	5,294,685
Fund balance - beginning			-
Fund balance - ending			\$ 5,294,685

Village of Round Lake Beach, Illinois

Capital Projects Funds

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - General Capital Improvement Fund
Year Ended April 30, 2016

	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 144,866	\$ 144,866	\$ 51,082
Interest on investments	-	-	36
Miscellaneous	-	-	55,558
Total revenues	<u>144,866</u>	<u>144,866</u>	<u>106,676</u>
Expenditures			
Current			
General government	24,097	24,097	23,648
Economic development	-	-	1,646
Capital outlay	2,621,866	2,621,866	2,392,651
Total expenditures	<u>2,645,963</u>	<u>2,645,963</u>	<u>2,417,945</u>
Deficiency of revenues over expenditures	<u>(2,501,097)</u>	<u>(2,501,097)</u>	<u>(2,311,269)</u>
Other financing sources			
Transfer in	3,428,417	3,428,417	3,318,417
Total other financing sources	<u>3,428,417</u>	<u>3,428,417</u>	<u>3,318,417</u>
Net change in fund balance	<u>\$ 927,320</u>	<u>\$ 927,320</u>	1,007,148
Fund balance - beginning			<u>(117,035)</u>
Fund balance - ending			<u>\$ 890,113</u>

Village of Round Lake Beach, Illinois

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2016

	G.O. Bond Debt Service Fund		
	Original Budget	Final Budget	Actual
Revenues			
Intergovernmental	\$ 29,200	\$ 29,200	\$ 54,648
Interest on investments	500	500	1,340
Total revenues	29,700	29,700	55,988
Expenditures			
General government	-	-	8,926
Debt service			
Principal	1,385,000	1,385,000	1,385,000
Interest and fiscal services	554,103	554,103	554,103
Bond issue costs	-	-	37,865
Total expenditures	1,939,103	1,939,103	1,985,894
Deficiency of revenues over expenditures	(1,909,403)	(1,909,403)	(1,929,906)
Other financing sources			
Transfer in	1,912,903	1,912,903	1,912,904
Proceeds from bond issuance	-	-	2,265,000
Bond premium	-	-	146,867
Transfer to escrow	(3,500)	(3,500)	(2,374,001)
Total other financing sources	1,909,403	1,909,403	1,950,770
Net change in fund balance	\$ -	\$ -	20,864
Fund balance - beginning			2,322,472
Fund balance - ending			\$ 2,343,336

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, 2016

	Original and Final Budget	Actual
Operating revenues		
Charges for services	\$ 4,730,515	\$ 6,075,432
Tap on fees	-	17,725
Total operating revenues	<u>4,730,515</u>	<u>6,093,157</u>
Operating expenses		
Administration	585,345	724,381
Operations	5,096,456	5,069,817
Total operating expenses	<u>5,681,801</u>	<u>5,794,198</u>
Operating income (loss) before depreciation	(951,286)	298,959
Depreciation	-	689,111
Operating loss	<u>(951,286)</u>	<u>(390,152)</u>
Nonoperating revenues (expenses)		
Interest income	500	2,089
Interest expense	(38,138)	(38,139)
Grant revenue	10,000	10,117
Miscellaneous	107,140	108,433
Total nonoperating revenues	<u>79,502</u>	<u>82,500</u>
Income (loss) before transfers	(871,784)	(307,652)
Transfers	(274,616)	-
Change in net position	<u>\$ (1,146,400)</u>	(307,652)
Net position		
Beginning, as restated		<u>18,486,009</u>
Ending		<u>\$ 18,178,357</u>

STATISTICAL SECTION (UNAUDITED)

Village of Round Lake Beach, Illinois

**Net Position
Last Ten Fiscal Years**

	2007*	2008	2009	2010
Governmental activities				
Net investment in capital assets	\$ 2,038,870	\$ 77,890,585	\$ 79,851,265	\$ 84,449,620
Restricted net position	10,951,891	11,546,505	11,647,100	12,955,413
Unrestricted net position	5,730,421	6,149,521	5,917,409	2,266,015
Total governmental activities net position	\$ 18,721,182	\$ 95,586,611	\$ 97,415,774	\$ 99,671,048
Business-type activities				
Net investment in capital assets	\$ 7,128,310	\$ 8,381,253	\$ 9,645,944	\$ 9,682,487
Restricted net position	-	-	-	-
Unrestricted net position	5,114,520	5,304,708	5,439,572	4,594,467
Total business-type activities net position	\$ 12,242,830	\$ 13,685,961	\$ 15,085,516	\$ 14,276,954
Primary government				
Net investment in capital assets	\$ 9,167,180	\$ 86,271,838	\$ 89,497,209	\$ 94,132,107
Restricted net position	10,951,891	11,546,505	11,647,100	12,955,413
Unrestricted net position	10,844,941	11,454,229	11,356,981	6,860,482
Total primary government net position	\$ 30,964,012	\$ 109,272,572	\$ 112,501,290	\$ 113,948,002

Source: The Village of Round Lake Beach's Comprehensive Annual Financial Report

* The Village's 2007 financial statements did not include infrastructure assets as the requirements of GASB Statement No. 34 "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments" were not fully implemented until 2008.

Schedule 1

2011	2012	2013	2014	2015	2016
\$ 85,534,457	\$ 90,189,899	\$ 91,113,342	\$ 88,551,288	\$ 91,366,717	\$ 82,359,634
12,818,895	1,842,551	652,855	393,038	1,327,074	6,210,386
1,573,390	7,163,903	8,629,138	11,643,232	8,139,929	504,527
<u>\$ 99,926,742</u>	<u>\$ 99,196,353</u>	<u>\$ 100,395,335</u>	<u>\$ 100,587,558</u>	<u>\$ 100,833,720</u>	<u>\$ 89,074,547</u>
\$ 12,675,333	\$ 14,824,136	\$ 14,376,483	\$ 16,048,947	\$ 15,911,442	\$ 16,165,760
-	-	-	-	-	-
3,085,057	3,131,184	3,592,081	2,946,494	2,619,048	2,012,597
<u>\$ 15,760,390</u>	<u>\$ 17,955,320</u>	<u>\$ 17,968,564</u>	<u>\$ 18,995,441</u>	<u>\$ 18,530,490</u>	<u>\$ 18,178,357</u>
\$ 98,209,790	\$ 105,014,035	\$ 105,489,825	\$ 104,600,235	\$ 107,278,159	\$ 98,525,394
12,818,895	1,842,551	652,855	393,038	1,327,074	6,210,386
4,658,447	10,295,087	12,221,219	14,589,726	10,758,977	2,517,124
<u>\$ 115,687,132</u>	<u>\$ 117,151,673</u>	<u>\$ 118,363,899</u>	<u>\$ 119,582,999</u>	<u>\$ 119,364,210</u>	<u>\$ 107,252,904</u>

Village of Round Lake Beach, Illinois

Changes in Net Position
Last Ten Fiscal Years

	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 1,345,676	\$ 1,641,657	\$ 1,644,926	\$ 1,812,087
Public safety	5,328,230	5,873,764	6,325,907	6,021,289
Economic development	3,329,444	4,600,991	4,704,634	2,915,310
Public works	1,912,013	2,673,457	2,818,113	4,165,802
Interest	1,549,744	1,225,601	1,213,814	1,340,102
Total governmental activities expenses	13,465,107	16,015,470	16,707,394	16,254,590
Business-type activities:				
Water and sewer	4,056,848	4,225,254	4,233,428	6,609,712
Total business-type activities expenses	4,056,848	4,225,254	4,233,428	6,609,712
Total primary government expenses	\$ 17,521,955	\$ 20,240,724	\$ 20,940,822	\$ 22,864,302
Program Revenues				
Governmental activities:				
Charges for services	\$ 1,329,494	\$ 1,186,714	\$ 1,277,333	\$ 1,289,426
Operating grants and contributions	801,579	770,684	719,462	738,145
Capital grants and contributions	132,520	429,400	96,253	-
Total governmental activities program revenues	2,263,593	2,386,798	2,093,048	2,027,571
Business-type activities:				
Charges for services - water and sewer	3,850,617	4,054,168	3,990,272	5,655,864
Operating grants and contributions	-	-	-	-
Capital grants and contributions	533,020	1,343,479	1,549,683	85,000
Total business-type activities program revenues	4,383,637	5,397,647	5,539,955	5,740,864
Total primary government program revenues	\$ 6,647,230	\$ 7,784,445	\$ 7,633,003	\$ 7,768,435
Net (Expense)/Revenue				
Governmental activities	\$ (11,201,514)	\$ (13,628,672)	\$ (14,614,346)	\$ (14,227,019)
Business-type activities	326,789	1,172,393	1,306,527	(868,848)
Total primary government net expense	\$ (10,874,725)	\$ (12,456,279)	\$ (13,307,819)	\$ (15,095,867)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property	\$ 4,978,106	\$ 5,553,661	\$ 6,295,538	\$ 6,835,234
Local sales tax	1,155,448	1,097,934	1,083,433	1,195,589
Telecommunications	861,753	946,169	897,529	903,629
Utility	902,185	968,931	937,642	826,337
Amusement	269,842	301,427	316,778	330,864
Intergovernmental				
Income tax	2,240,729	2,431,015	2,234,944	1,826,254
Sales tax	3,990,326	3,940,908	3,931,359	4,163,818
Use tax	334,721	362,571	367,042	309,731
Personal property replacement tax	17,461	19,441	17,144	12,651
Gain on sale of capital assets	-	-	-	-
Investment Income	1,067,216	798,407	290,162	78,186
Miscellaneous	-	145,649	71,938	-
Transfers	-	-	-	-
Total governmental activities	15,817,787	16,566,113	16,443,509	16,482,293
Business-type activities:				
Investment income	266,078	268,778	91,988	24,781
Miscellaneous	3,644	1,960	1,040	35,505
Transfers	-	-	-	-
Total business-type activities	269,722	270,738	93,028	60,286
Total primary government	\$ 16,087,509	\$ 16,836,851	\$ 16,536,537	\$ 16,542,579
Change in Net Position				
Governmental activities	\$ 4,616,273	\$ 2,937,441	\$ 1,829,163	\$ 2,255,274
Business-type activities	596,511	1,443,131	1,399,555	(808,562)
Total primary government	\$ 5,212,784	\$ 4,380,572	\$ 3,228,718	\$ 1,446,712

Source: The Village of Round Lake Beach's Comprehensive Annual Financial Report

Schedule 2

	2011	2012	2013	2014	2015	2016
\$	1,844,261	\$ 1,432,078	\$ 3,372,391	\$ 1,780,192	\$ 3,593,903	\$ 3,294,477
	6,375,249	6,774,890	7,206,798	6,794,311	7,040,316	6,712,474
	2,880,881	2,960,370	735,731	817,430	640,703	1,524,181
	5,242,247	4,089,001	2,091,909	3,644,247	3,506,417	3,569,364
	1,215,969	1,091,552	833,783	695,443	596,031	545,850
	<u>17,558,607</u>	<u>16,347,891</u>	<u>14,240,612</u>	<u>13,731,623</u>	<u>15,377,370</u>	<u>15,646,347</u>
	6,458,082	6,572,445	6,451,933	7,005,521	6,700,095	6,413,015
	6,458,082	6,572,445	6,451,933	7,005,521	6,700,095	6,413,015
\$	<u>24,016,689</u>	<u>22,920,336</u>	<u>20,692,545</u>	<u>20,737,144</u>	<u>22,077,465</u>	<u>22,059,362</u>
\$	1,427,593	\$ 1,680,158	\$ 1,962,448	\$ 1,787,844	\$ 1,673,109	\$ 2,059,721
	874,803	1,069,468	917,215	950,970	1,319,302	909,508
	510,090	-	-	360,277	-	-
	<u>2,812,486</u>	<u>2,749,626</u>	<u>2,879,663</u>	<u>3,099,091</u>	<u>2,992,411</u>	<u>2,969,229</u>
	5,932,084	6,432,494	6,359,939	6,306,887	6,159,060	6,093,157
	-	-	-	-	-	-
	218,313	-	-	13,995	75,888	10,117
	<u>6,150,397</u>	<u>6,432,494</u>	<u>6,359,939</u>	<u>6,320,882</u>	<u>6,234,948</u>	<u>6,103,274</u>
\$	<u>8,962,883</u>	<u>9,182,120</u>	<u>9,239,602</u>	<u>9,419,973</u>	<u>9,227,359</u>	<u>9,072,503</u>
\$	(14,746,121)	\$(13,598,265)	\$(11,360,949)	\$(10,632,532)	\$(12,384,959)	\$(12,677,118)
	(307,685)	(139,951)	(91,994)	(684,639)	(465,147)	(309,741)
\$	<u>(15,053,806)</u>	<u>(13,738,216)</u>	<u>(11,452,943)</u>	<u>(11,317,171)</u>	<u>(12,850,106)</u>	<u>(12,986,859)</u>
\$	6,910,485	\$ 4,900,950	\$ 2,441,974	\$ 2,421,858	\$ 2,491,458	\$ 2,766,804
	1,156,365	1,200,661	4,010,969	3,524,842	3,451,734	3,505,656
	742,334	723,470	664,724	621,111	496,503	483,894
	865,983	848,918	882,826	967,202	904,707	784,601
	316,079	330,856	329,492	340,547	265,738	285,979
	2,001,151	2,387,157	2,665,846	2,690,667	2,838,511	2,881,930
	4,204,779	4,264,906	1,204,826	1,181,228	1,196,201	1,200,707
	405,459	411,048	452,152	499,249	576,188	650,392
	15,606	13,764	14,568	15,268	17,756	16,634
	-	-	-	-	-	-
	77,975	42,046	75,163	43,324	12,828	18,375
	66,486	61,191	190,380	230,310	379,497	545,453
	(1,760,887)	(2,317,091)	-	(1,710,852)	-	-
	<u>15,001,815</u>	<u>12,867,876</u>	<u>12,932,920</u>	<u>10,824,754</u>	<u>12,631,121</u>	<u>13,140,425</u>
	15,483	457	127	664	196	2,089
	14,751	17,333	105,111	-	-	-
	1,760,887	2,317,091	-	1,710,852	-	-
	<u>1,791,121</u>	<u>2,334,881</u>	<u>105,238</u>	<u>1,711,516</u>	<u>196</u>	<u>2,089</u>
\$	<u>16,792,936</u>	<u>15,202,757</u>	<u>13,038,158</u>	<u>12,536,270</u>	<u>12,631,317</u>	<u>13,142,514</u>
\$	255,694	\$(730,389)	\$ 1,571,971	\$ 192,222	\$ 246,162	\$ 463,307
	1,483,436	2,194,930	13,244	1,026,877	(464,951)	(307,652)
\$	<u>1,739,130</u>	<u>1,464,541</u>	<u>1,585,215</u>	<u>1,219,099</u>	<u>(218,789)</u>	<u>155,655</u>

Village of Round Lake Beach, Illinois

**Fund Balances of Governmental Funds
Last Ten Fiscal Years**

	2007	2008	2009	2010
General Fund				
Reserved	\$ 526,682	\$ 456,457	\$ 453,810	\$ 410,281
Unreserved	5,397,938	6,037,001	6,139,222	5,529,405
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total general fund	5,924,620	6,493,458	6,593,032	5,939,686
All Other Governmental Funds				
Reserved	10,925,825	11,520,721	11,647,099	13,685,042
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unreserved, reported in:				
Special revenue funds	-	-	-	(36,084)
Capital projects funds	-	-	-	-
Unassigned (deficit)	-	-	-	-
Total all other governmental funds	10,925,825	11,520,721	11,647,099	13,648,958
Total governmental funds	\$ 16,850,445	\$ 18,014,179	\$ 18,240,131	\$ 19,588,644

Source: The Village of Round Lake Beach's Comprehensive Annual Financial Report

Note: The Village implemented GASB Statement No. 54 in 2012

Schedule 3

2011	2012 (1)	2013	2014	2015	2016
\$ 427,608	\$ -	\$ -	\$ -	\$ -	\$ -
5,873,303	-	-	-	-	-
-	101,825	2,788,528	2,935,777	669,139	628,817
-	77,936	80,996	88,106	167,298	450,167
-	-	-	-	-	-
-	302,980	-	414,167	51,984	592,669
-	6,792,219	7,756,678	8,554,580	8,299,020	7,333,657
6,300,911	7,274,960	10,626,202	11,992,630	9,187,441	9,005,310
13,576,089	-	-	-	-	-
-	-	-	-	-	-
-	1,611,962	571,859	304,932	1,159,776	5,760,219
-	-	-	-	-	-
-	5,535,804	4,863,288	2,805,869	2,331,751	3,245,018
(45,724)	-	-	-	-	-
-	-	-	-	-	-
-	(1,869,760)	(1,699)	(5,750)	(117,035)	-
13,530,365	5,278,006	5,433,448	3,105,051	3,374,492	9,005,237
\$ 19,831,276	\$ 12,552,966	\$ 16,059,650	\$ 15,097,681	\$ 12,561,933	\$ 18,010,547

Village of Round Lake Beach, Illinois

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	2007	2008	2009	2010
Revenues				
Taxes	\$ 8,167,334	\$ 8,868,122	\$ 9,530,920	\$ 9,931,161
Intergovernmental	7,461,336	7,946,019	7,351,569	6,779,018
Licenses and permits	554,383	397,245	583,702	440,621
Grants and contributions	56,000	-	-	-
Fines and forfeitures	500,538	545,218	451,608	505,454
Investment income	1,067,216	798,407	290,162	78,186
Charges for services	196,137	221,476	238,984	250,723
Other revenues	137,088	176,424	89,612	88,351
Total revenues	18,140,032	18,952,911	18,536,557	18,073,514
Expenditures				
General government	1,170,632	1,301,534	1,362,480	1,425,155
Public safety	5,225,442	5,711,290	6,011,010	6,015,449
Economic development	2,129,451	2,618,838	2,608,198	2,901,711
Public works	1,380,219	1,489,883	1,538,218	1,692,656
Capital outlay	10,285,095	3,972,605	4,545,144	5,122,614
Debt service				
Principal	1,597,324	1,726,802	1,920,816	2,351,421
Interest and fees	1,059,572	1,015,463	972,984	1,002,309
Bond issuance costs	79,476	11,502	4,970	110,413
Total expenditures	22,927,211	17,847,917	18,963,820	20,621,728
Excess of revenues over (under) expenditures	(4,787,179)	1,104,994	(427,263)	(2,548,214)
Other Financing Sources (Uses)				
Proceeds of long-term debt	3,634,999	-	-	3,695,000
Bond Premium	-	-	-	-
Bond Discount	(27,610)	-	-	(2,801)
Transfer to escrow	-	-	-	-
Proceeds from capital lease	229,972	41,427	248,514	196,030
Disposal of land	-	-	-	-
Sale of assets	32,038	17,313	404,702	8,498
Transfers in	2,365,456	2,460,013	2,806,217	2,587,363
Transfers out	(2,365,456)	(2,460,013)	(2,806,217)	(2,587,363)
Total other financing sources (uses)	3,869,399	58,740	653,216	3,896,727
Net change in fund balances	\$ (917,780)	\$ 1,163,734	\$ 225,953	\$ 1,348,513
Debt service as a percentage of noncapital expenditures	17.9%	17.2%	17.9%	20.1%

Schedule 4

	2011	2012	2013	2014	2015	2016
\$	9,993,110	\$ 8,010,539	\$ 5,525,329	\$ 5,531,946	\$ 5,354,765	\$ 5,522,955
	7,467,580	8,143,702	8,052,123	8,266,085	8,523,594	8,413,099
	488,567	533,328	510,623	505,246	546,084	693,845
	-	-	-	-	-	-
	564,962	668,623	585,532	562,688	437,287	404,275
	77,975	42,046	75,163	43,324	12,828	18,375
	319,849	397,801	866,293	489,212	304,793	446,698
	123,685	81,059	61,566	83,805	125,718	205,776
	19,035,728	17,877,098	15,676,629	15,482,306	15,305,069	15,705,023
	1,269,352	1,317,527	1,745,380	1,368,408	3,377,208	2,500,736
	6,035,496	6,408,707	6,526,798	6,104,297	6,075,522	6,040,457
	2,863,832	2,947,096	723,037	831,597	637,849	674,022
	1,550,314	1,426,985	1,421,512	1,591,995	1,857,643	1,734,839
	6,797,475	8,722,066	2,973,316	1,978,092	1,599,737	2,626,156
	2,412,121	2,145,635	2,080,283	2,205,691	1,476,128	1,423,449
	939,478	891,849	829,912	683,426	596,384	558,335
	116,075	104,041	107,984	-	-	135,730
	21,984,143	23,963,906	16,408,222	14,763,506	15,620,471	15,693,724
	(2,948,415)	(6,086,808)	(731,593)	718,800	(315,402)	11,299
	3,000,000	3,815,000	7,485,000	16,500	-	7,265,000
	20,560	217,776	71,844	-	-	546,316
	-	-	-	-	-	-
	-	(3,921,176)	(5,091,133)	-	-	(2,374,001)
	170,487	120,012	75,297	-	129,654	-
	-	-	-	-	(2,350,000)	-
	-	-	-	-	-	-
	3,123,839	3,489,868	1,001,034	1,697,989	3,356,311	6,687,432
	(3,123,839)	(4,912,982)	(1,001,034)	(1,697,989)	(3,356,311)	(6,687,432)
	3,191,047	(1,191,502)	2,541,008	16,500	(2,220,346)	5,437,315
\$	242,632	\$ (7,278,310)	\$ 1,809,415	\$ 735,300	\$ (2,535,748)	\$ 5,448,614

17.8%	16.7%	20.3%	18.8%	14.0%	14.4%
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Village of Round Lake Beach, Illinois

**Program Revenues by Function/Program
Last Ten Fiscal Years**

Function/Program	2007	2008	2009	2010
Governmental activities:				
General government	\$ 336,792	\$ 414,748	\$ 402,873	\$ 600,450
Public safety	580,917	583,123	495,498	589,924
Economic development	569,153	642,000	495,351	133,855
Public works	776,731	746,927	699,326	703,342
Debt service	-	-	-	-
Subtotal governmental activities	2,263,593	2,386,798	2,093,048	2,027,571
Business-type activities:				
Water and sewer	4,383,637	5,397,647	5,539,955	5,740,864
Subtotal business-type activities	4,383,637	5,397,647	5,539,955	5,740,864
Total primary government	\$ 6,647,230	\$ 7,784,445	\$ 7,633,003	\$ 7,768,435

Source: The Village of Round Lake Beach's Comprehensive Annual Financial Report

Schedule 5

	2011	2012	2013	2014	2015	2016
\$	663,317	\$ 781,326	\$ 663,501	\$ 868,226	\$ 1,080,811	\$ 1,497,678
	634,073	753,622	1,166,990	781,300	470,204	431,962
	111,494	217,685	103,841	491,957	103,290	149,976
	1,403,602	996,993	945,331	957,608	1,338,106	889,613
	-	-	-	-	-	-
	2,812,486	2,749,626	2,879,663	3,099,091	2,992,411	2,969,229
	6,150,397	6,432,494	6,359,939	6,320,882	6,234,948	6,103,274
	6,150,397	6,432,494	6,359,939	6,320,882	6,234,948	6,103,274
\$	8,962,883	\$ 9,182,120	\$ 9,239,602	\$ 9,419,973	\$ 9,227,359	\$ 9,072,503

Village of Round Lake Beach, Illinois

**Tax Revenues by Source of Governmental Funds
Last Ten Fiscal Years**

Fiscal Year	Property tax	Sales tax	Telecom tax	Local Use tax
2016	\$ 2,766,804	\$ 4,706,363	\$ 483,894	\$ 650,392
2015	2,438,882	4,636,901	509,239	569,262
2014	2,421,858	4,706,070	621,111	499,249
2013	2,441,974	5,215,795	664,724	452,152
2012	4,900,950	5,465,567	723,470	411,048
2011	6,910,485	5,361,144	742,334	405,459
2010	6,835,234	5,359,407	903,629	309,731
2009	6,295,538	5,014,792	897,529	367,042
2008	5,553,661	5,038,842	946,169	362,571
2007	4,978,106	5,145,774	861,753	334,721
Change				
2007 - 2016 (10YR)	-31.4%	2.1%	-12.6%	143.5%
2012 - 2016 (5YR)	-43.5%	-13.9%	-33.1%	58.2%
2013 - 2016 (Last Rating)	13.3%	-9.8%	-27.2%	43.8%

Source: The Village of Round Lake Beach's Comprehensive Annual Financial Report

Schedule 6

	Utility tax	Income Tax	Other tax	Total
\$	784,601	\$ 2,881,930	\$ 302,613	\$ 12,576,597
	904,707	2,838,511	283,744	12,181,246
	967,202	2,690,667	355,815	12,261,972
	882,826	2,665,846	344,060	12,667,377
	848,918	2,387,157	344,620	15,081,730
	865,983	2,001,151	331,685	16,618,241
	826,337	1,826,254	343,515	16,404,107
	937,642	2,234,944	333,922	16,081,409
	968,931	2,431,015	320,868	15,622,057
	902,185	2,240,729	287,303	14,750,571
	-46.4%	55.9%	33.9%	-3.3%
	-7.6%	20.7%	-12.2%	-16.6%
	-11.1%	8.1%	-12.0%	-0.7%

Village of Round Lake Beach, Illinois

**Property Tax Levy by Fund
April 30, 2016**

Levy Year	Fiscal Year	Corporate Amount	Rate	Audit Amount	Rate
2014	2015/2016	\$ 1,011,240	0.338	\$ -	-
2013	2014/2015	977,350	0.311	-	-
2012	2013/2014	874,360	0.255	26,500	0.008
2011	2012/2013	724,549	0.180	26,500	0.007
2010	2011/2012	810,250	0.183	25,750	0.006
2009	2010/2011	880,000	0.200	32,000	0.008
2008	2009/2010	1,029,000	0.233	34,000	0.008
2007	2008/2009	980,000	0.229	34,000	0.008
2006	2007/2008	972,891	0.248	18,700	0.005
2005	2006/2007	903,945	0.245	18,280	0.005

Levy Year	Fiscal Year	Tort Amount	Rate
2014	2015/2016	\$ 365,000	0.122
2013	2014/2015	365,000	0.116
2012	2013/2014	325,000	0.095
2011	2012/2013	328,000	0.082
2010	2011/2012	328,000	0.074
2009	2010/2011	202,300	0.046
2008	2009/2010	188,000	0.043
2007	2008/2009	188,107	0.044
2006	2007/2008	150,593	0.039
2005	2006/2007	138,948	0.038

Source: State of Illinois County of Lake, Clerk of Lake County, Certification of Assessed Valuation

Schedule 7

IMRF		Police Pension		Police Protection	
Amount	Rate	Amount	Rate	Amount	Rate
\$ 150,000	0.050	\$ 962,273	0.322	\$ -	-
100,000	0.032	1,000,485	0.318	-	-
90,000	0.027	930,666	0.271	155,474	0.046
137,500	0.035	1,030,951	0.256	154,500	0.039
125,000	0.029	963,000	0.217	150,000	0.034
235,000	0.054	890,599	0.202	150,000	0.034
198,000	0.045	740,000	0.168	146,000	0.034
178,581	0.042	684,447	0.160	145,000	0.034
162,481	0.042	601,521	0.153	142,667	0.037
150,000	0.041	560,638	0.152	131,635	0.036

Grand Total			
Total Amount	Rate	Change Amount	%
\$ 2,488,513	0.832	\$ 86,513	3.60%
2,442,835	0.777	40,835	1.70%
2,402,000	0.702	-	0.00%
2,402,000	0.599	-	0.00%
2,402,000	0.543	12,101	0.51%
2,389,899	0.544	54,899	2.35%
2,335,000	0.531	124,865	5.65%
2,210,135	0.517	161,282	7.87%
2,048,853	0.524	145,407	7.64%
1,903,446	0.517	213,365	12.62%

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Levy Year	Fiscal Year	Taxes Levied	Collected within the Fiscal Year after the Levy		Subsequent Year Collections	Total Collections Per Levy	
			Amount Collected	Percentage of Levy		Taxes Received	Percentage of Levy
2014	2015/2016	\$ 2,488,513	\$ 2,419,835	97.24%	\$ 13	\$ 2,419,848	97.24%
2013	2014/2015	2,442,835	2,405,034	98.45%	199	2,405,233	98.46%
2012	2013/2014	2,402,000	2,418,644	100.69%	2,104	2,420,748	100.78%
2011	2012/2013	2,402,000	2,402,829	100.03%	731	2,403,560	100.06%
2010	2011/2012	2,402,000	2,396,498	99.77%	303	2,396,801	99.78%
2009	2010/2011	2,389,899	2,337,808	97.82%	460	2,338,268	97.84%
2008	2009/2010	2,335,000	2,212,106	94.74%	-	2,212,106	94.74%
2007	2008/2009	2,210,135	2,065,191	93.44%	180	2,065,371	93.45%
2006	2007/2008	2,048,853	1,913,352	93.39%	-	1,913,352	93.39%
2005	2006/2007	1,903,446	1,709,571	89.81%	-	1,709,571	89.81%

Notes: amounts in excess of 100% may include prior year collections

Source: State of Illinois County of Lake, Clerk of Lake County, Certification of Assessed Valuation

Source: The Village of Round Lake Beach's Comprehensive Annual Financial Report

Village of Round Lake Beach, Illinois

**Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years**

Levy Year	Fiscal Year	Village of RLB	Lake County	Lake County Forest	Avon Township	RLA Sanitary	College of Lake County
2014	2015/2016	0.832	0.682	0.210	0.081	-	0.306
2013	2014/2015	0.777	0.663	0.218	0.076	-	0.296
2012	2013/2014	0.702	0.608	0.212	0.150	-	0.272
2011	2012/2013	0.599	0.554	0.201	0.127	-	0.240
2010	2011/2012	0.543	0.505	0.198	0.132	-	0.218
2009	2010/2011	0.544	0.464	0.200	0.128	-	0.200
2008	2009/2010	0.531	0.453	0.199	0.126	-	0.196
2007	2008/2009	0.517	0.444	0.201	0.124	-	0.192
2006	2007/2008	0.524	0.450	0.204	0.132	-	0.195
2005	2006/2007	0.517	0.454	0.210	0.134	-	0.197

Source: Lake County Clerk Tax Extension Office, Rate Sheet 2014, based on Township 09 Avon rates only.
Rates related to other townships that may extend into Village of Round Lake Beach corporate listed above.

Overlapping Rates

School District	CLCJAWA	RLA Library	RLA Fire District	RLA Park District	Avon Road & Bridge	Total
116						
9.972	0.056	0.709	1.155	0.842	0.108	14.954
9.418	0.055	0.656	1.093	0.797	0.102	14.151
8.376	0.052	0.581	0.988	0.720	0.007	12.668
6.883	0.047	0.475	0.862	0.603	0.006	10.597
5.815	0.045	0.404	0.754	0.530	0.011	9.155
5.392	0.042	0.371	0.688	0.485	0.017	8.531
5.308	0.042	0.365	0.664	0.477	0.017	8.378
5.295	0.042	0.363	0.652	0.473	0.017	8.320
5.617	0.046	0.375	0.674	0.486	0.017	8.720
5.485	0.049	0.381	0.690	0.495	0.018	8.630

Village of Round Lake Beach, Illinois

Equalized Assessed Value (EAV) and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Lewy Year	Fiscal Year	Residential EAV	Farm EAV	Commercial EAV	Industrial EAV
2014	2015/2016	\$ 243,499,591	\$ 97,519	\$ 53,400,947	\$ 2,132,453
2013	2014/2015	253,287,158	98,844	59,130,221	2,328,512
2012	2013/2014	276,707,816	101,166	64,072,287	2,531,424
2011	2012/2013	328,442,457	106,247	71,905,832	2,866,631
2010	2011/2012	366,797,159	95,534	74,169,931	2,776,852
2009	2010/2011	372,895,480	98,383	65,654,822	2,865,965
2008	2009/2010	375,731,460	58,672	63,368,853	2,858,562
2007	2008/2009	364,490,611	56,925	60,861,112	2,724,903
2006	2007/2008	344,684,360	600	46,280,929	2,574,305
2005	2006/2007	325,457,602	221,790	41,950,160	2,415,673
2004	2005/2006	303,575,530	196,341	39,090,006	2,287,358

Source: Office of the County Clerk of Lake County Certificate of Rates and Extensions.

Schedule 10

Railroads	Total EAV	Total Direct Tax Rate	Estimated Actual Value
\$ 86,249	\$ 299,216,759	0.832	\$ 897,650,277
73,654	314,918,389	0.777	944,755,167
71,286	343,483,979	0.702	1,030,451,937
109,268	403,430,435	0.599	1,210,291,305
117,878	443,957,354	0.543	1,331,872,062
98,945	441,613,595	0.544	1,324,840,785
103,231	442,120,778	0.531	1,326,362,334
85,018	428,218,569	0.517	1,284,655,707
69,387	393,609,581	0.524	1,180,828,743
55,255	370,100,480	0.517	1,110,301,440
59,891	345,209,126	0.494	1,035,627,378

**Principal Property Taxpayers by Equalized Assessed Valuation
Current Year and Ten Years Ago**

Name	2005			2015		
	EAV	Rank	% of Total EAV	EAV	Rank	% of Total EAV
BRE Retail Residual Owner 3 LLC				\$ 4,858,008	1	1.62%
Walmart Stores Inc	\$ 1,964,013	8	0.53%	4,399,075	2	1.47%
Cedar Villas Associates LLC	3,412,243	3	0.92%	2,968,087	3	0.99%
Round Lake Commons LLC	3,188,998	4	0.86%	2,801,107	4	0.94%
Kmart Corp Property Tax Compliance (formerly Kmart Inc)	3,851,251	1	1.04%	2,509,749	5	0.84%
Sida Enterprises, LTD	1,204,240	10	0.33%	2,018,985	6	0.67%
Home Depot U.S.A. Inc	1,501,521	9	0.41%	1,829,859	7	0.61%
Cadillac Sand Realty LLC	2,064,072	6	0.56%	1,532,564	8	0.51%
Equities Associates Corp. IV				1,496,359	9	0.50%
Fox, Stephen				1,034,507	10	0.35%
FW IL - Mallard Creedk LLC	3,430,406	2	0.93%			
Bradley Operating LTD	2,150,538	5	0.58%			
Bradley Operating LTD Partnership	2,030,316	7	0.55%			
TOTAL	\$ 24,797,598		6.70%	\$ 25,448,300		8.50%
VILLAGE OF ROUND LAKE BEACH EAV	\$ 370,100,480		100.00%	\$ 299,216,759		100.00%

Source: Office of the County Clerk of Lake County

**Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years
April 30, 2016**

Fiscal Year	Home Rule Sales Tax	RTA Sales Tax	State Sales Tax	Total Sales Tax
2016	0.50%	0.75%	6.25%	7.50%
2015	0.50%	0.75%	6.25%	7.50%
2014	0.50%	0.75%	6.25%	7.50%
2013	0.50%	0.75%	6.25%	7.50%
2012	0.50%	0.75%	6.25%	7.50%
2011	0.50%	0.75%	6.25%	7.50%
2010	0.50%	0.75%	6.25%	7.50%
2009	0.50%	0.75%	6.25%	7.50%
2008	0.50%	0.75%	6.25%	7.50%
2007	0.50%	0.25%	6.25%	7.00%

Source: Illinois Department of Revenue

All rates are as of April of each year.

**Ratios of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-Type Activities		Total Outstanding Debt	Percentage of Personal Income*	Total Outstanding Debt Per Capita*
	General Obligation Bonds	Notes Payable	Loans Payable				
2016	\$ 19,226,640	\$ 1,759,669	\$ 1,426,698	\$ 22,413,007	4.00%	805	
2015	15,189,632	2,163,575	1,558,209	18,911,416	3.36%	675	
2014	16,568,539	4,892,829	1,686,494	23,147,862	4.01%	823	
2013	17,942,446	5,783,936	1,812,307	25,538,689	4.47%	905	
2012	18,888,003	4,283,309	1,934,373	25,105,685	4.55%	891	
2011	19,919,841	5,092,274	2,052,767	27,064,882	4.69%	963	
2010	17,915,000	6,332,013	2,168,916	26,415,929	4.61%	943	
2009	15,275,000	8,660,992	2,282,214	26,218,206	4.59%	940	
2008	16,035,000	9,619,337	2,380,475	28,034,812	4.92%	1,009	
2007	16,640,000	10,578,968	2,410,585	29,629,553	N/A	1,075	

Sources: The Village of Round Lake Beach's Comprehensive Annual Financial Report

* Additional demographic information is available in the schedule of *Demographic and Economic Statistics*

Legal Debt Margin Information
As of April 30, 2016

The Village of Round Lake Beach is a home rule municipality in the State of Illinois. Article VII, Section 6(k) of the 1970 Illinois Constitution governs computation of the legal debt margin and reads as follows:

“The General Assembly may limit by law the amount and require referendum approval of debt to be incurred by home rule municipalities, payable from ad valorem property tax receipts, only in excess of the following percentages of the assessed value of its taxable property...(2) if its population is more than 25,000 and less than 50,000 an aggregate of one percent;....Indebtedness which is outstanding on the effective date (July 1, 1971) of this constitution or which is thereafter approved by referendum...shall not be included in the foregoing percentage amount.”

To date, the Illinois General Assembly has not set limits for home rule municipalities.

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years**

Fiscal Year	Population	Equalized Assessed Value	General Obligation Bonded Debt	Less Debt Service Funds	Total	Ratio of General Obligation Bonded Debt to Assessed Value*	General Obligation Bonded Debt Per Capita Personal Income	General Obligation Bonded Debt Per Capita
2016	27,852	\$ 299,216,759	\$ 19,226,640	\$ -	\$ 19,226,640	6.43%	\$ 956	\$ 690
2015	28,012	314,918,389	15,189,632	-	15,189,632	4.82%	755	542
2014	28,114	343,483,979	16,568,539	-	16,568,539	4.82%	807	589
2013	28,221	403,430,435	17,942,446	-	17,942,446	4.45%	885	636
2012	28,175	443,957,354	18,888,003	-	18,888,003	4.25%	965	670
2011	28,105	441,613,595	19,919,841	-	19,919,841	4.51%	971	709
2010	28,015	442,120,778	17,915,000	-	17,915,000	4.05%	876	639
2009	27,880	428,218,569	15,275,000	-	15,275,000	3.57%	746	548
2008	27,784	393,609,581	16,035,000	-	16,035,000	4.07%	781	577
2007	27,565	370,100,480	16,640,000	-	16,640,000	4.50%	N/A	604

Sources:

United States Census Bureau Quick Facts, Population 2010
Office of the County Clerk of Lake County

**Ratio of General Bonded Debt Service to Total General Expenditures
Last Ten Fiscal Years**

Fiscal Year	General Expenditures	General Obligation Debt Service	Ratio of General Obligation Debt Service to General Expenditures
2016	\$ 15,693,724	\$ 2,117,514	13%
2015	15,620,471	2,072,512	13%
2014	14,763,506	2,889,117	20%
2013	16,408,222	3,018,179	18%
2012	23,963,906	3,141,525	13%
2011	21,984,143	3,467,674	16%
2010	20,621,728	3,464,143	17%
2009	18,963,820	2,898,770	15%
2008	17,847,917	2,753,767	15%
2007	22,927,211	2,736,372	12%

**Overlapping Bonded Debt
April 30, 2016**

Government Body	Outstanding GO Debt	Applicable to the Village	
		Percent ¹	Amount
Round Lake Area School District #116*	\$ 55,182,000	53%	\$ 29,064,359
Round Lake Area Park District**	6,936,000	44%	3,024,790
Elementary School District 41	10,748,000	13%	1,405,838
Grayslake Community High School District #127*	15,713,000	12%	1,953,126
Grayslake Community Consolidated School District #46*	48,317,000	12%	5,638,594
Central Lake County Joint Action Water Agency*	11,530,000	5%	576,500
Grayslake-Area Library District	775,000	4%	29,683
Grant Community High School District #124**	11,505,000	3%	297,980
College of Lake County*	72,220,000	1%	1,003,858
Lake County Forest Preserve	268,461,000	1%	3,489,993
Lake County	101,425,000	1%	1,318,525
Total Overlapping Debt	602,812,000		47,803,245
Total Direct GO Debt	\$ 19,226,640	100%	19,226,640
Total Overlapping & Direct GO Debt			\$ 67,029,885

¹ Based on EAV of district within corporate boundaries of the Village of Round Lake Beach

Sources:

* Lake County Clerk's Office

**Demographic and Economic Statistics
Last Ten Calendar Years**

Calendar Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment (1)	Unemployment Rate (6)
2015	27,852	\$ 560,271	\$ 20,116	31.8	7,249	7.4%
2014	28,012	563,489	20,116	30.6	7,276	9.1%
2013	28,114	577,265	20,533	30.5	7,274	11.1%
2012	28,221	571,927	20,266	29.4	7,225	11.5%
2011	28,175	551,638	19,579	28.6	7,127	12.7%
2010	28,105	576,518	20,513	30.2	6,936	13.4%
2009	28,015	573,243	20,462	29.0	6,863	14.6%
2008	27,880	570,620	20,467	29.0	6,869	9.9%
2007	27,784	570,350	20,528	29.2	6,844	7.7%
2006	27,565	N/A	N/A	N/A	6,687	6.9%

Sources:

United States Census Bureau

(1) Excludes Nursery School and College / Graduate School

(1) Based on School District 116 Financial Documents

**Principal Employers
April 30, 2016**

Employer	2016	
	Employees	Percentage of Total Employment
Wal-Mart	415	2.77%
Jewel/Osco	160	1.07%
Kohl's	150	1.00%
The Home Depot	150	1.00%
Garden Fresh Market	86	0.57%
Buffalo Wild Wings Grill & Bar	75	0.50%
Village of Round Lake Beach	73	0.49%
Raymond Ellis Elementary School	70	0.47%
Midwest Printed Circuits	65	0.43%
U.S. Post Office	55	0.37%
Sub Total Principal Employers	<u>1,299</u>	<u>8.67%</u>
Labor Force	<u>14,982</u>	

Source: Lake County Partners/IDES

Note: Historical data is not available.

**Full-Time Equivalent Employees by Function/Program
Last Ten Fiscal Years**

Function/Program	Full-time-Equivalent Employees by Function/Program									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Administration/Civic Center	5.00	4.80	5.10	5.10	4.80	4.00	5.10	5.60	5.80	3.50
Economic development	6.80	6.70	6.70	6.30	6.60	5.50	6.40	5.40	5.20	4.00
Finance	7.50	7.20	7.20	7.20	7.40	6.70	5.90	6.30	6.70	5.20
Police	53.40	54.40	56.40	54.40	49.40	51.80	47.80	45.70	40.2*	40.2*
Public works	28.00	27.80	28.80	27.80	25.00	20.60	20.50	21.50	20.70	20.70
Total	100.70	100.90	104.20	100.80	93.20	88.60	85.70	84.50	78.60	73.60

Source: Finance Department

*The decrease in FTE Employee for Police relates to the Clerical/Support Services functions. Patrol personnel remains the same as in prior 10 fiscal years.

Village of Round Lake Beach, Illinois

**Operating Indicators
Last Ten Fiscal Years**

Function/Program	2007	2008	2009	2010
General government				
General business licenses issued	268	210	325	312
Number of commercial units constructed	4	4	-	2
Number of residential single family constructed	5	1	1	-
Number of residential multiple unit family constructed	-	-	-	-
Number residential addition and alterations	381	591	109	137
Number commercial addition and alterations	23	46	31	21
Value of building permits	\$96,900	\$242,375	\$20,226,039	\$161,965
Public Safety				
Police responses	N/A	15,222	15,054	15,600
Arrests	N/A	1,869	1,848	2,182
Traffic citations written	6,893	4,631	7,836	8,008
Inches of snowfall	N/A	N/A	N/A	45
Tons of salt used in snow plowing	N/A	N/A	N/A	1,981
Number of parkway trees planted	N/A	N/A	N/A	N/A
Public Works				
Number of water main breaks	N/A	N/A	N/A	40
Total water consumption (millions of gallons)	629	637	617	632
Number of water meters replaced	N/A	N/A	N/A	N/A
Average daily consumption pumped (millions of gallons)	1.7	1.7	1.7	1.7

Source: Various Village departments.

NOTE: Police responses include contact through 9-1-1, non-emergency lines, walk-up window traffic, self initiated by officer.

Schedule 21

2011	2012	2013	2014	2015	2016
314	295	284	308	293	386
-	-	1	1	1	-
2	-	-	1	-	-
1	-	-	-	-	-
101	98	75	146	130	85
14	34	33	50	43	42
\$92,517	\$458,218	\$581,317	\$165,726	\$551,414	\$201,853
14,632	14,429	14,632	14,676	14,382	14,503
1,774	1,477	1,278	1,173	1,114	1,141
6,597	5,887	6,940	5,139	4,882	4,074
37	27	40	44	40	37
1,544	1,285	3,447	958	910	1,370
N/A	N/A	24	35	65	265
54	52	41	34	34	43
595	594	588	586	586	650
N/A	381	217	217	217	128
1.6	1.6	1.4	1.5	1.5	1.8

Village of Round Lake Beach, Illinois

**Capital Asset Statistics
Last Ten Fiscal Years**

Function/Program	2007	2008	2009	2010
Municipal Buildings				
Police station/dispatch center	1	1	1	1
Public works facilities	1	1	1	1
Village Hall	1	1	1	1
Lift stations	7	7	7	7
Pump stations	2	2	2	2
Water tanks	3	3	3	3
Commercial parking lot	1	1	1	1
Village beach	1	1	1	1
Civic Center	1	1	1	1
Streets and Highways				
Miles of streets				
Village	73	73	73	73
Number of street lights (Village owned)				
Village	519	519	519	519
County	n/a	n/a	n/a	n/a
Utility				
Miles of watermain	69	69	69	69
Miles of sanitary sewers	71	71	71	71
Miles of storm sewers- Village	32	32	32	32
Number of sanitary force mains	7	7	7	7
Facilities not included in the reporting entity				
Number of elementary schools***	2	2	2	2
Number of middle schools***	1	1	2	2
Number of high schools***	1	1	1	1
Fire Stations ¹	2	2	2	2
Park District acres*	N/A	N/A	N/A	N/A

Sources: Various village departments.

** Lake County

*** Round Lake District #116

¹ The Village is covered through the Greater Round Lake Fire Protection District, which operates 2 fire stations within the Village

Schedule 22

2011	2012	2013	2014	2015	2016
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
7	7	7	7	7	7
2	2	2	2	2	2
3	3	3	3	3	3
1	1	1	1	1	1
1	1	1	1	1	1
1	1	1	1	1	1
73	73	73	73	73	73
519	519	519	519	519	519
n/a	157	157	157	157	157
69	69	69	69	69	69
71	71	71	71	71	71
32	32	32	32	32	32
7	7	7	7	7	7
2	2	2	2	2	2
2	2	2	2	2	2
1	1	1	1	1	1
2	2	2	2	2	2
N/A	N/A	N/A	733	733	733