

Village of Round Lake Beach, Illinois

Annual Financial Report

Year ended April 30, 2007

Village of Round Lake Beach, Illinois

Annual Financial Report
For the Year Ended April 30, 2007

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Introductory Section

VILLAGE OF ROUND LAKE BEACH, ILLINOIS

TRUSTEES AND OFFICIALS

April 30, 2007

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Richard Hill, Village President

Jerry Mattingly

Gina Miosi

Judy Armstrong

Larry Mount

Susan Butler

Pancho Villa

Sylvia Valadez, Village Clerk

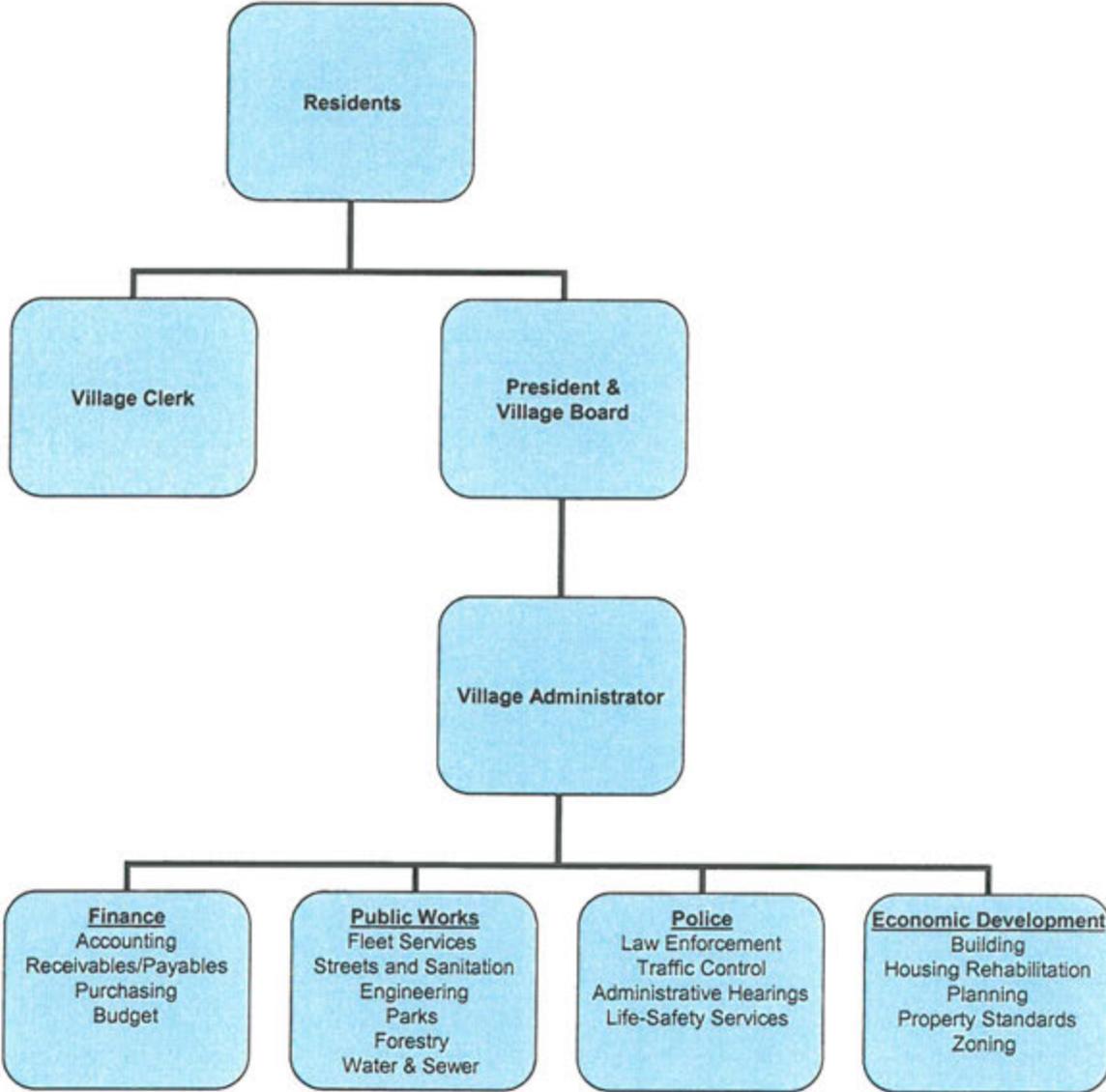
ADMINISTRATION

David Kilbane, Village Administrator

DEPARTMENT OF FINANCE

Patrice Sutton Burger, Finance Director

Round Lake Beach Organizational Chart



Financial Section

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Round Lake Beach, Illinois, as of and for the year ended April 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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, whose accounts are included in the basic financial statements. Total assets and revenues of the Police Pension Fund constitute 100% of the assets and revenues of the fiduciary fund types. 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 Police Pension Fund in the Village's basic financial statements, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

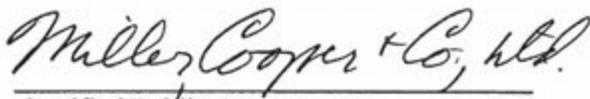
(Continued)

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

The management's discussion and analysis on pages 3 through 10 and retirement fund historical data, budgetary comparison information, and notes to the required supplementary information on pages 66 through 71 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual nonmajor fund schedules and other schedules, as listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MILLER, COOPER & CO., LTD.


Certified Public Accountants

Northbrook, Illinois
November 21, 2007

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2007. It is intended to be read in conjunction with the financial statements.

Financial Highlights

- The Village's net assets increased by \$5,212,784 (20.2%) during the fiscal year ended April 30, 2007.
- The governmental activities net assets increased by \$4,616,273 (32.7%) to \$18,721,182, using Fiscal year 2006 restated net assets. Business-type activities net assets increased by \$596,511 (5.1%) to \$12,242,830.
- The Village reported a combined fund balance of the governmental funds of \$16,850,445, a decrease of \$917,780 (5.2%).
- The Village's General Fund reported an increase in fund balance of \$1,231,589 (26.2%).
- Operations funded by the Village's General Fund cost \$706,462 (8.8%) more than in fiscal year 2006.
- The Village's General Fund actual revenues exceeded the budgeted amounts by \$1,277,465 (14.7%) and the actual expenditures were under the budgeted amounts by \$96,619 (1.1%).

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 Assets combines and consolidates the Village's financial resources (short term, spendable resources) with capital assets and long-term obligations. The difference between assets and liabilities is reported as "net assets."

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 statement 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 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.

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 ten 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, the TIF#2 Special Revenue Fund, the TIF#1 Debt Service and Capital Projects Funds, and the Bond Capital Projects Fund. Five other funds are summarized under the heading, “NonMajor Funds.” Individual fund data for these funds is provided in the combining statements and schedules on pages 72 – 75.

The Village adopts an annual 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 fees charged to the customers to the full cost of providing the service, including noncash costs such as depreciation of capital assets. This Fund is presented the same as in the Government-wide Financial Statements, but with much more detail, on pages 19 – 21.

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 Statement of Fiduciary Plan Net Assets and the Statement of Changes in Fiduciary Plan Net Assets are, 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 26 – 65.

Government-wide Statements

Over time, net assets may serve as a useful indicator of a government’s financial position. The Village’s assets exceeded liabilities by \$30,964,012 at the end of the most recent fiscal year.

Approximately thirty percent (29.6%) of the total net assets is the investment in capital assets, net of related debt, while 35.4% is restricted in its use by external sources. The remaining 35.0% is unrestricted and may be used to meet the government’s ongoing obligations to citizens and creditors.

The following table reflects the condensed Statement of Net Assets, comparing April 30, 2007 to April 30, 2006.

Village of Round Lake Beach – Net Assets

	Governmental Activities		Business-type Activities		Total Government	
	2007	2006	2007	2006	2007	2006
Assets						
Current and other assets	\$26,521,442	\$25,208,187	\$6,503,472	\$6,208,329	\$33,024,914	\$31,416,516
Capital assets	29,448,028	21,319,418	9,538,895	9,403,740	38,986,923	30,723,158
Total assets	55,969,470	46,527,605	16,042,367	15,612,069	72,011,837	62,139,674
Liabilities						
Current liabilities	9,419,848	7,020,826	1,318,894	1,696,340	10,738,742	8,717,166
Long-term liabilities	27,828,440	24,872,664	2,480,643	2,269,410	30,309,083	27,142,074
Total liabilities	37,248,288	31,893,490	3,799,537	3,965,750	41,047,825	35,859,240
Net assets						
Invested in capital assets, Net of debt	2,038,870	1,865,747	7,128,310	7,183,422	9,167,180	9,049,169
Restricted	10,951,891	13,311,994	-	-	10,951,891	13,311,994
Unrestricted	5,730,421	-543,626	5,114,520	4,462,897	10,844,941	3,919,271
Total net assets	\$18,721,182	\$14,634,115	\$12,242,830	\$11,646,319	\$30,964,012	\$26,280,434

At the end of the 2007 fiscal year, the Village is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The following table shows the revenues and expenses of the Village's activities, broken out by type, comparing fiscal year 2007 to fiscal year 2006.

Village of Round Lake Beach
Changes in Net Assets for the Fiscal Years ended April 30, 2007 and 2006

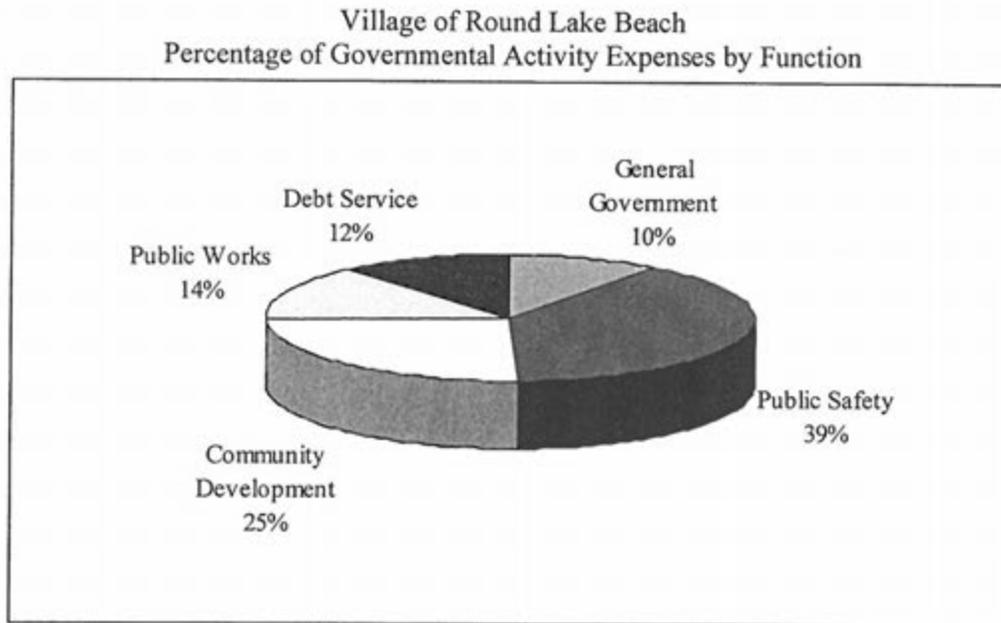
	Governmental Activities		Business-type Activities		Total Government	
	2007	2006	2007	2006	2007	2006
Revenues						
Program revenues						
Charges for service	\$1,329,494	\$1,127,567	\$3,850,617	\$3,851,082	\$5,180,111	\$4,978,649
Operating grants	801,579	945,254	-	-	\$801,579	\$945,254
Capital grants/contributions	132,520	766,341	533,020	327,950	\$665,540	\$1,094,291
Taxes						
Property taxes	4,978,106	4,122,709	-	-	\$4,978,106	\$4,122,709
Sales taxes	5,145,774	4,963,843	-	-	\$5,145,774	\$4,963,843
Other revenue	5,693,907	5,057,557	269,722	219,291	\$5,963,629	\$5,276,848
Total revenues	18,081,380	16,983,271	4,653,359	4,398,323	22,734,739	21,381,594
Expenses						
General government	1,345,676	1,118,629	-	-	\$1,345,676	\$1,118,629
Public safety	5,328,230	5,221,929	-	-	\$5,328,230	\$5,221,929
Community development	3,329,444	3,099,285	-	-	\$3,329,444	\$3,099,285
Public works	1,912,013	1,971,553	-	-	\$1,912,013	\$1,971,553
Debt service	1,549,744	1,159,455	-	-	\$1,549,744	\$1,159,455
Water	0	0	4,056,848	3,617,183	\$4,056,848	\$3,617,183
Total expenses	13,465,107	12,570,851	4,056,848	3,617,183	17,521,955	16,188,034
Excess (Deficiency)	4,616,273	4,412,420	596,511	781,140	5,212,784	5,193,560
Net Assets						
Beginning of Year	14,634,115	10,261,147	11,646,319	10,865,179	26,280,434	21,126,326
Prior Period Adjustment	(529,206)	(39,452)	-	-	(529,206)	(39,452)
Total Net Assets - End of Year	\$18,721,182	\$14,634,115	\$12,242,830	\$11,646,319	\$30,964,012	\$26,280,434

In the governmental activities, total revenues increased by \$1,098,109 (6.5%). While operating and capital grants saw a decrease, charges for service increased by \$201,927 (17.9%). Building permits generated \$52,424 (39.1%) more in revenue in fiscal year 2007 and the police began charging a towing charge in fiscal year 2007, which added \$53,250 in new revenue.

Taxes and shared revenue continue to play an important role in the Village's revenue structure. Sales tax, including the municipal share of the state income tax along with the home rules sales tax, continues to be a major contributor, totaling \$5,145,774 or about 28.4% of governmental activity revenue. Sales tax revenue grew by 3.7% over fiscal year 2006. The "Other Revenue" category, which includes income tax, utility taxes, amusement tax, use tax, and investment income, along with other miscellaneous income, grew by 12.6% over fiscal year 2006, by \$636,350.

Governmental activity expenses increased by \$894,256 over fiscal year 2006, or 7.1%. Health insurance costs increased by \$111,902 (19.8%) for all operating departments. Also, debt service payments resulting from a sales tax agreement (\$363,839) were placed in the finance operating budget for the first time in 2007, expenses that had previously been funded out of a nonoperational debt service fund. Rising personnel costs contributed to the increase as well.

The breakdown of expenses is shown in the chart below.



For business-type activities, the Village incurred \$4,056,848 in expenses, an increase of \$439,665 (12.2%) over fiscal year 2006. Personnel and health insurance costs increased in fiscal year 2007, due in large part to the fact that legitimate administrative overhead was allocated to this fund using directly allocable costs, in a proportion justifiable by staff effort. Charges for service actually went down by \$465, though Capital Grants and Contributions increased by \$205,070 (62.5%), due to a capital asset contribution from the TIF #1 Capital Projects Fund. Rates for water and sewer service stayed the same in fiscal year 2007 as fiscal year 2006. Total net assets in the Waterworks and Sewerage Fund (the Village's only business-type activity) increased by \$596,511 (5.1%).

Financial Analysis of the Village's Funds

Governmental Funds. The focus of the Village's governmental funds statements on pages 16 - 19 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, unreserved 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, 2007, the Governmental Funds reported a combined fund balance of \$16,850,445, which is a \$917,780 (5.2%) decrease from fiscal year 2006. The largest decrease in fund balance occurred in the Bond Capital Projects Fund, which decreased by \$3,058,445 (55.9%). The bond proceeds in this fund were used in fiscal year 2007 to finance the building of the Round Lake Beach Cultural and Civic Center and make significant capital improvements to streets on the west side of the Village. Of the total Governmental Funds fund balance, \$5,397,938 (32.0%) is unreserved, meaning that it is available for continuing Village services. The unreserved fund balance increased by \$1,498,830 (38.4%) over fiscal year 2006. This increase is due primarily to increased revenues and decreased expenditures. Of the remaining Governmental Funds fund balance, \$4,118,122 (24.4%) is reserved for capital projects and street improvements; \$4,413,169 (26.2%) is reserved for economic development; \$2,420,600 (14.4%) is reserved for debt service; \$35,734 (0.2%) is reserved for prepaid expenses; and \$464,882 (2.8%) is reserved for 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 total General Fund balance increased by \$1,231,589 (26.2%). Revenues for the General Fund of \$9,939,123 were higher than expenditures of \$8,759,817 specifically due to the increase in sales tax, income tax, and investment income and the continued effort to control expenditures.

General Fund Budgetary Highlights

The General Fund actual revenues were greater than the original budgeted revenues by \$1,277,465 (14.8%) for the fiscal year 2007. Significant revenue items exceeding the budgeted revenues include sales tax, income tax, use tax, police fines, and amusement tax.

The General Fund's total actual expenditures were \$96,619 (1.1%) under the General Fund budgeted amount of \$8,856,436. The Police Department's actual expenditures were \$204,968 (3.8%) under budget. Because the Police Department was not fully staffed during fiscal year 2007, its personnel costs were under the budgeted amounts by \$193,522 (6.3%). Overtime was necessary to cover the shortfall, and was over the budgeted amount of \$256,200 by \$111,520 (43.5%), which nets to \$82,002 under budget for personnel costs. Additionally, Cencom and jail expense came in under the budgeted amount for fiscal year 2007 of \$556,615 by \$126,395 (22.7%).

Capital Assets

Capital assets include land, buildings, infrastructure, and construction in process. The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2007, amounts to \$38,986,923 (see pages 43 - 45). This is an \$8,263,765 (26.9%) increase over fiscal year 2006, primarily in the governmental activities (\$8,128,610 or 38.1%). The increase is due in large part to the addition in buildings (completion of the Round Lake Beach Cultural and Civic Center), land purchase (property north of Village Hall), and infrastructure improvements.

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

	Governmental Activities		Business-type Activities		Total Government	
	2007	2006	2007	2006	2007	2006
Land	\$5,249,414	\$4,347,414	\$79,258	\$73,058	\$5,328,672	\$4,420,472
Buildings	10,122,841	6,571,288	345,859	358,915	10,468,700	6,930,203
Wells and pumping stations	-	-	403,117	446,089	403,117	446,089
Sewer and water system Infrastructure	-	-	8,489,086	4,806,547	8,489,086	4,806,547
Equipment, furniture, vehicles	6,437,618	5,730,993	-	-	6,437,618	5,730,993
Land improvements	1,055,744	841,791	203,629	286,357	1,259,373	1,128,148
Construction in progress	967,449	1,007,479	-	-	967,449	1,007,479
	5,614,962	2,820,453	17,946	3,432,774	5,632,908	6,253,227
Total net assets	\$29,448,028	\$21,319,418	\$9,538,895	\$9,403,740	\$38,986,923	\$30,723,158

Debt Outstanding

The Village had a total of \$30,309,083 in debt outstanding as of April 30, 2007. This is a \$2,637,803 (9.5%) increase over last year. The Village issued \$3,635,000 in general obligation bonds in fiscal year 2007, bringing the total outstanding amount of general obligation bonds payable to \$16,640,000 as of April 30, 2007. Moody's Investors Service, Inc. ("Moody's") assigned its municipal bond rating of "Aaa" to the Village's Series 2006 bonds.

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 \$16,640,000 million represents 4.228% of the Village's equalized assessed valuation, \$393,609,581.

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

The Village of Round Lake Beach
Debt Outstanding as of April 30, 2007 and April 30, 2006

	Governmental Activities		Business-type Activities		Total Government	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$16,640,000	\$13,595,000	\$-	\$-	\$16,640,000	\$13,595,000
TIF revenue bonds	5,010,000	5,765,000	-	-	5,010,000	5,765,000
Incremental sales tax revenue notes payable	5,568,968	5,578,583	-	-	5,568,968	5,578,583
Leases payable	190,190	93,671	-	-	190,190	93,671
Compensated absences	273,584	233,450	70,058	49,092	343,642	282,542
Net pension obligations	145,698	136,166	-	-	145,698	136,166
Illinois EPA loan payable	0	0	2,410,585	2,220,318	2,410,585	2,220,318
Total outstanding debt	\$27,828,440	\$25,401,870	\$2,480,643	\$2,269,410	\$30,309,083	\$27,671,280

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Village of Round Lake Beach, Illinois

STATEMENT OF NET ASSETS

April 30, 2007

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 17,894,032	\$ 5,148,829	\$ 23,042,861
Receivables			
Property taxes	5,415,310	-	5,415,310
Accounts	-	1,263,862	1,263,862
Other	410,868	78,886	489,754
Prepaid expenses	35,734	11,895	47,629
Due from other governments	1,745,071	-	1,745,071
Property held for resale	464,882	-	464,882
Deferred bond issuance costs	555,545	-	555,545
Capital assets			
Capital assets not being depreciated	10,864,376	97,204	10,961,580
Capital assets (net of accumulated depreciation)	18,583,652	9,441,691	28,025,343
Total assets	55,969,470	16,042,367	72,011,837
LIABILITIES			
Accounts payable	2,486,917	171,775	2,658,692
Sewer fees payable to Lake County	-	399,825	399,825
Accrued payroll	124,167	25,139	149,306
Accrued interest payable	304,396	-	304,396
Other payables and accrued liabilities	839,356	-	839,356
Due to Police Pension Fund	29,378	-	29,378
Note payable	220,324	-	220,324
Refundable deposits	-	722,155	722,155
Unearned revenue	5,415,310	-	5,415,310
Noncurrent liabilities			
Due within one year	1,844,200	174,189	2,018,389
Due in more than one year	25,984,240	2,306,454	28,290,694
Total liabilities	37,248,288	3,799,537	41,047,825
NET ASSETS			
Investment in capital assets, net of related debt	2,038,870	7,128,310	9,167,180
Restricted for economic development	3,294,120	-	3,294,120
Restricted by enabling legislation	7,657,771	-	7,657,771
Unrestricted	5,730,421	5,114,520	10,844,941
Total net assets	\$ 18,721,182	\$ 12,242,830	\$ 30,964,012

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

STATEMENT OF ACTIVITIES

For the year ended April 30, 2007

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions
Governmental activities:				
General government	\$ 1,345,676	\$ 336,792	\$ -	\$ -
Public safety	5,328,230	556,069	24,848	-
Community development	3,329,444	436,633	-	132,520
Public works	1,912,013	-	776,731	-
Debt service	1,549,744	-	-	-
Total governmental activities	13,465,107	1,329,494	801,579	132,520
Business-type activities:				
Waterworks and sewerage	4,056,848	3,850,617	-	533,020
Total business-type activities	4,056,848	3,850,617	-	533,020
Total	\$ 17,521,955	\$ 5,180,111	\$ 801,579	\$ 665,540

General revenues:

Taxes

 Property taxes

 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 assets

Net assets - beginning

Prior period adjustment - see Note 14

Net assets - restated

Net assets - ending

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Assets		
Governmental Activities	Business-type Activities	Total
\$ (1,008,884)	\$ -	\$ (1,008,884)
(4,747,313)	-	(4,747,313)
(2,760,291)	-	(2,760,291)
(1,135,282)	-	(1,135,282)
(1,549,744)	-	(1,549,744)
<u>(11,201,514)</u>	<u>-</u>	<u>(11,201,514)</u>
-	326,789	326,789
-	326,789	326,789
<u>(11,201,514)</u>	<u>326,789</u>	<u>(10,874,725)</u>
4,978,106	-	4,978,106
1,155,448	-	1,155,448
861,753	-	861,753
902,185	-	902,185
269,842	-	269,842
2,240,729	-	2,240,729
3,990,326	-	3,990,326
334,721	-	334,721
17,461	-	17,461
1,067,216	266,078	1,333,294
-	3,644	3,644
<u>15,817,787</u>	<u>269,722</u>	<u>16,087,509</u>
<u>4,616,273</u>	<u>596,511</u>	<u>5,212,784</u>
14,634,115	11,646,319	26,280,434
<u>(529,206)</u>	<u>-</u>	<u>(529,206)</u>
<u>14,104,909</u>	<u>11,646,319</u>	<u>25,751,228</u>
<u>\$ 18,721,182</u>	<u>\$ 12,242,830</u>	<u>\$ 30,964,012</u>

Village of Round Lake Beach, Illinois

BALANCE SHEET
Governmental Funds
April 30, 2007

	General	TIF #2 Special Revenue	TIF #1 Debt Service	TIF #1 Capital Projects
ASSETS				
Cash and investments	\$ 4,656,788	\$ 1,964	\$ 1,458,001	\$ 3,139,062
Receivables				
Property taxes	2,062,514	1,722,404	1,546,306	-
Other	193,160	-	16,580	-
Due from other governments	1,210,401	-	333,555	38,260
Prepaid expenses	35,734	-	-	-
Property held for resale	464,882	-	-	-
Total assets	\$ 8,623,479	\$ 1,724,368	\$ 3,354,442	\$ 3,177,322
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 160,428	\$ -	\$ 340	\$ 559,761
Accrued payroll	124,167	-	-	-
Deposits payable	102,048	-	-	-
Retention payable	-	-	-	174,119
Unearned revenue	2,062,514	1,722,404	1,546,306	-
Due to Police Pension Fund	29,378	-	-	-
Note payable	220,324	-	-	-
Total liabilities	2,698,859	1,722,404	1,546,646	733,880
Fund balances				
Reserved for capital projects	-	-	-	-
Reserved for streets and highways	-	-	-	-
Reserved for economic development	-	1,964	1,807,796	2,443,442
Reserved for debt service	26,066	-	-	-
Reserved for prepaid expenses	35,734	-	-	-
Reserved for property held for resale	464,882	-	-	-
Unreserved - general fund	5,397,938	-	-	-
Total fund balances	5,924,620	1,964	1,807,796	2,443,442
Total liabilities and fund balances	\$ 8,623,479	\$ 1,724,368	\$ 3,354,442	\$ 3,177,322

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.

Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net assets of governmental activities

The accompanying notes are an integral part of this statement.

Bond Capital Projects	Non- Major Funds	Total Governmental Funds
\$ 4,497,288	\$ 4,140,929	\$ 17,894,032
-	84,086	5,415,310
-	201,128	410,868
-	162,855	1,745,071
-	-	35,734
-	-	464,882
<u>\$ 4,497,288</u>	<u>\$ 4,588,998</u>	<u>\$ 25,965,897</u>
\$ 1,584,320	\$ 182,068	\$ 2,486,917
-	-	124,167
-	3,944	105,992
497,474	61,771	733,364
-	84,086	5,415,310
-	-	29,378
-	-	220,324
<u>2,081,794</u>	<u>331,869</u>	<u>9,115,452</u>
2,415,494	818,574	3,234,068
-	884,054	884,054
-	159,967	4,413,169
-	2,394,534	2,420,600
-	-	35,734
-	-	464,882
-	-	5,397,938
<u>2,415,494</u>	<u>4,257,129</u>	<u>16,850,445</u>
<u>\$ 4,497,288</u>	<u>\$ 4,588,998</u>	
		29,448,028
		555,545
		<u>(28,132,836)</u>
		<u>\$ 18,721,182</u>

Village of Round Lake Beach, Illinois
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Governmental Funds
STATEMENT OF ACTIVITIES

	General	TIF #2 Special Revenue	TIF #1 Debt Service	TIF #1 Capital Projects
Revenues				
Taxes	\$ 3,489,618	\$ 1,440,568	\$ 1,443,481	\$ -
Intergovernmental	4,890,797	-	1,685,055	38,260
Grants and contributions	-	-	-	-
Licenses and permits	554,383	-	-	-
Fines	500,538	-	-	-
Charges for services	145,141	-	-	-
Interest	227,955	40,660	96,981	147,966
Rental income	-	-	-	-
Miscellaneous	130,691	-	-	-
Total revenues	<u>9,939,123</u>	<u>1,481,228</u>	<u>3,225,517</u>	<u>186,226</u>
Expenditures				
Current				
General government	1,142,403	-	-	-
Public safety	5,225,442	-	-	-
Public works	1,380,219	-	-	-
Economic development	647,914	1,479,264	-	-
Debt service				
Principal	158,713	-	755,000	93,611
Interest	205,126	-	234,613	14,604
Bond issue costs	-	-	340	-
Fiscal agent fees	-	-	-	-
Capital outlay	-	-	-	1,966,682
Total expenditures	<u>8,759,817</u>	<u>1,479,264</u>	<u>989,953</u>	<u>2,074,897</u>
Excess (deficiency) of revenues over expenditures	<u>1,179,306</u>	<u>1,964</u>	<u>2,235,564</u>	<u>(1,888,671)</u>
Other financing sources (uses)				
Transfers in	50,096	-	-	2,315,360
Transfers out	-	-	(2,315,360)	-
Issuance of debt	-	-	-	-
Discounts and premiums	-	-	-	-
Capital leases	-	-	-	-
Proceeds from sale of equipment	2,187	-	-	-
Total other financing sources (uses)	<u>52,283</u>	<u>-</u>	<u>(2,315,360)</u>	<u>2,315,360</u>
Net change in fund balances	1,231,589	1,964	(79,796)	426,689
Fund balances - beginning of year	<u>4,693,031</u>	<u>-</u>	<u>1,887,592</u>	<u>2,016,753</u>
Fund balances - end of year	<u>\$ 5,924,620</u>	<u>\$ 1,964</u>	<u>1,807,796</u>	<u>\$ 2,443,442</u>

The accompanying notes are an integral part of this statement.

Bond Capital Projects	Non- Major Funds	Total Governmental Funds
\$ -	\$ 1,793,667	\$ 8,167,334
-	847,224	7,461,336
-	56,000	56,000
-	-	554,383
-	-	500,538
-	16,135	161,276
355,998	197,656	1,067,216
-	34,861	34,861
-	6,397	137,088
<u>355,998</u>	<u>2,951,940</u>	<u>18,140,032</u>
-	28,229	1,170,632
-	-	5,225,442
-	-	1,380,219
-	2,273	2,129,451
-	590,000	1,597,324
-	605,229	1,059,572
72,926	4,755	78,021
-	1,455	1,455
<u>6,736,055</u>	<u>1,582,358</u>	<u>10,285,095</u>
<u>6,808,981</u>	<u>2,814,299</u>	<u>22,927,211</u>
<u>(6,452,983)</u>	<u>137,641</u>	<u>(4,787,179)</u>
-	-	2,365,456
-	(50,096)	(2,365,456)
3,422,148	212,851	3,634,999
(27,610)	-	(27,610)
-	229,972	229,972
-	29,851	32,038
<u>3,394,538</u>	<u>422,578</u>	<u>3,869,399</u>
<u>(3,058,445)</u>	<u>560,219</u>	<u>(917,780)</u>
<u>5,473,939</u>	<u>3,696,910</u>	<u>17,768,225</u>
<u>\$ 2,415,494</u>	<u>\$ 4,257,129</u>	<u>\$ 16,850,445</u>

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
 STATEMENT OF ACTIVITIES

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	(917,780)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense and loss on disposal in the current period.		8,128,610
The repayment of the principal of long-term debt and capital leases consumes the current financial resources of governmental funds. These transactions, however, have no effect on net assets.		1,730,777
The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets.		(3,798,546)
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.		<u>(526,788)</u>
Change in net assets of governmental activities	\$	<u><u>4,616,273</u></u>

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

STATEMENT OF NET ASSETS

Proprietary Fund - Waterworks and Sewerage

April 30, 2007

ASSETS

Current assets

Cash and investments	\$	5,148,829
Receivables		
Accounts - billed		117,387
Accounts - unbilled		1,146,475
Accounts - other		78,886
Prepaid expenses		11,895
		<hr/>
Total current assets		6,503,472

Noncurrent assets

Capital assets not being depreciated		97,204
Capital assets, net of accumulated depreciation		9,441,691
		<hr/>
Total noncurrent assets		9,538,895
		<hr/>
Total assets		16,042,367

LIABILITIES

Current liabilities

Accounts payable		171,775
Sewer fees payable to Lake County		399,825
Accrued payroll		25,139
Compensated absences payable		70,058
Refundable deposits		722,155
Current portion of loan payable		104,131
		<hr/>
Total current liabilities		1,493,083

Long-term liabilities

Loan payable		2,306,454
		<hr/>
Total liabilities		3,799,537

NET ASSETS

Invested in capital assets, net of related debt		7,128,310
Unrestricted		5,114,520
		<hr/>
Total net assets	\$	12,242,830

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
Proprietary Fund - Waterworks and Sewerage Fund
For the year ended April 30, 2007

<hr/>	
Operating revenues	
Charges for services	\$ 3,761,081
Tap on fees	<u>89,536</u>
Total operating revenues	<u>3,850,617</u>
Operating expenses excluding depreciation	
Administration	630,370
Operations	<u>2,910,658</u>
Total operating expenses before depreciation	<u>3,541,028</u>
Operating income before depreciation	309,589
Depreciation	<u>402,142</u>
Operating loss	<u>(92,553)</u>
Nonoperating revenues (expenses)	
Interest income	266,078
Interest expense	(82,705)
Miscellaneous revenue	3,644
Other expense	<u>(30,973)</u>
	<u>156,044</u>
Income before contributions and transfers	63,491
Contributions and transfers	
Capital contributions	<u>533,020</u>
Change in net assets	596,511
Net assets	
May 1	<u>11,646,319</u>
April 30	<u><u>\$ 12,242,830</u></u>

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

STATEMENT OF CASH FLOWS Proprietary Fund - Water and Sewer Fund For the year ended April 30, 2007

<hr/>	
Cash flows from operating activities	
Receipts from customers and users	\$ 4,031,712
Payments to suppliers	(3,297,142)
Payments to employees	(597,862)
	<hr/>
Net cash provided by operating activities	136,708
Cash flows from capital and related financing activities	
Grant revenue	77,950
Capital assets purchased	(34,143)
Proceeds from note payable	279,874
Repayments on note payable	(89,607)
Interest paid on capital debt	(82,705)
	<hr/>
Net cash provided by capital and related financing activities	151,369
Cash flows from investing activities	
Purchases of investments	(3,552,637)
Sales of investments	3,552,637
Interest income	266,078
	<hr/>
Net cash provided by investing activities	266,078
Net increase in cash and investments	554,155
Cash and investments	
Beginning of year	<hr/> 4,594,674
End of year	\$ <hr/> <hr/> 5,148,829
Cash flows from operating activities	
Operating loss	\$ (92,553)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	402,142
Loss on disposal of fixed assets	29,866
Other income	3,644
Other expense	(30,973)
Changes in assets and liabilities	
Accounts receivable	177,451
Prepaid expenses	3,611
Accounts payable	(82,203)
Sewer payable to Lake County	(39,071)
Deposits payable	14,699
Retention payable	(282,413)
Accrued payroll	11,542
Compensated absences payable	20,966
	<hr/>
Net cash provided by operating activities	\$ <hr/> <hr/> 136,708

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

Police Pension Fund
Statement of Fiduciary Plan Net Assets
April 30, 2007

ASSETS

Cash	\$	553,791
Interest receivable		42,812
Due from Village		<u>29,378</u>
		<u>625,981</u>
Investments, at fair value		
U.S. Government obligations		3,731,000
Insurance company contracts		1,984,430
Mutual funds		<u>4,127,991</u>
		<u>9,843,421</u>
Total assets		10,469,402

LIABILITIES

Accrued expenses		<u>2,284</u>
------------------	--	--------------

NET PLAN ASSETS

Plan net assets held in trust for pension benefits	\$	<u><u>10,467,118</u></u>
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The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

Police Pension Fund

Statement of Changes in Fiduciary Plan Net Assets For the Year Ended April 30, 2007

Contributions		
Employer	\$	591,903
Employee		<u>241,587</u>
Total contributions		<u>833,490</u>
Investment income		
Net increase in fair value of investments		410,426
Interest, net		<u>482,728</u>
		893,154
Less: Investment expenses		<u>28,977</u>
Net Investment income		<u>864,177</u>
Total Additions		<u>1,697,667</u>
Deductions		
Benefits and refunds		562,229
Administration		<u>49,913</u>
Total deductions		<u>612,142</u>
Net increase		1,085,525
Plan net assets held in trust for pension benefits		
Beginning of year		<u>9,381,593</u>
End of year	\$	<u><u>10,467,118</u></u>

The accompanying notes are an integral part of this statement.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

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Village of Round Lake Beach, Illinois

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Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

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.

A. 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 was 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 material component units to be included in the Village's reporting entity.

Joint Ventures and Risk Pool

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 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).

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. For the most part, the effect of 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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

C. Fund Accounting

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When these assets are held under the terms of a formal trust agreement, a trust fund is used. The Village maintains a police pension trust fund.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers property taxes as available if they are collected within 60 days of the end of the current fiscal period. A six-month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property taxes, state income and sales taxes, local sales, amusement, use, and replacement taxes, utility taxes, motor fuel tax allotments, licenses, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures/expenses recorded. In the other, moneys are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

The Village reports unearned revenues on its financial statements. Unearned revenues arise when the potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant moneys are received prior to the incurrence of qualifying expenditures/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Village reports the following major governmental funds:

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

The *TIF #1 Debt Service Fund* accounts for the transactions related to the Tax Increment Redevelopment Project Area No. 1 established by Village Ordinances. The fund accumulates financial resources for the payment of interest and principal on the TIF Revenue Bonds 2003.

The *TIF #2 Special Revenue Fund* accounts for the transactions related to the Tax Increment Redevelopment Project Area No. 2 established by Village Ordinances. Property taxes received are returned to the Lake County Collector to be redistributed among the taxing bodies.

The *TIF #1 Capital Projects Fund* accounts for the revenues and expenses relating to the capital projects within the boundaries of the Tax Increment Redevelopment Project Area No. 1.

The *Bond Capital Projects Fund* accounts for the revenues and expenses relating to the capital projects financed by the issuance of bonds.

The Village reports the following major proprietary fund:

The *Waterworks and Sewerage Fund* accounts for the provision of portable 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:

The *Police Pension 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 property tax levy.

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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Village's enterprise fund applies all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case GASB prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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.

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.

E. 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, insurance contracts, and mutual funds. Investments of the Police Pension Fund are carried at fair value. All other investments are reported at cost, which approximates fair value.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. 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.

G. Capital Assets

Capital assets, which include property, plant, equipment, 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.

GASB Statement No. 34 - *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* requires the Village to report and depreciate new infrastructure assets effective with the beginning of fiscal year 2005. These infrastructure assets are likely to be the largest asset class of the Village. Neither the historical cost nor the related depreciation have been reported for all infrastructure assets acquired prior to fiscal year 2005 in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2008.

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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Capital Assets (Continued)

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, and vehicles	5 - 15
Land improvements	20 - 30
Infrastructure	20
Wells and pumping stations	25
Sewer and water system	50

H. 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. All 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 and, 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.

I. Deposits Payable and Retention Payable

In the governmental funds, deposits payable consist of builder bonds deposits. The Village has retainage amounts for various construction projects. In the proprietary funds, deposits consist of household security deposits for the activation of water services.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

K. Fund Equity

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

L. 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.

M. Use 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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets

The governmental funds balance sheet includes a reconciliation between fund balance – total governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.” The details of this (\$28,132,836) difference are as follows:

General obligation bonds payable	\$ (16,640,000)
TIF revenue bonds	(5,010,000)
Incremental sales tax revenue notes payable	(4,797,053)
Accumulated note deficit on sale tax note payable	(771,915)
Leases payable	(190,190)
Compensated absences	(273,584)
Net pension obligation	(145,698)
Accrued interest payable	<u>(304,396)</u>
Net adjustment to reduce fund balance-total governmental funds to arrive at net assets of governmental activities.	\$ <u><u>(28,132,836)</u></u>

Costs incurred to issue new debt are expensed in the governmental funds but are capitalized in the government-wide statements and amortized over the life of the bonds. Total deferred bond issuance costs included in the government-wide statements are \$555,545.

Deferred bond issuance costs.	\$ <u><u>555,545</u></u>
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Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$8,128,610 difference are as follows:

Capital outlay	\$ 8,965,935
Depreciation expense	(835,230)
Difference in gain on disposal of fixed assets	<u>(2,095)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	<u>\$ 8,128,610</u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g. bonds, notes payable) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consume the current financial resources of governmental funds.” The details of this \$1,730,777 difference are as follows:

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Continued)

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Principal repayments	
General obligation bonds payable	\$ 590,000
TIF revenue bonds payable	755,000
Incremental sales tax revenue note payable	252,324
Leases payable	<u>133,453</u>
Net adjustment to increase net change in fund balances – total governmental funds to arrive at change in net assets of governmental activities	\$ <u>1,730,777</u>

Another element of that reconciliation states that "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." The details of this \$(526,788) are as follows:

Compensated absences	\$ (40,134)
Accrued interest on sales tax note payable	(242,709)
Accrued interest on general obligation bonds	(181,983)
Amortization of deferred issuance costs	(52,430)
Pension contributions	<u>(9,532)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(526,788)</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, notes, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net assets." The details of this (\$3,798,546) difference are as follows:

Issuance of incremental general obligations bonds payable	\$ (3,635,000)
Capital lease financing	(229,972)
Additions to deferred bond issuance costs	<u>66,426</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(3,798,546)</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

3. 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 \$100,000 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.
- 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)
- Farms Home Administration bonds
- General Service Administration Bonds (GSA)
- Maritime Administration bonds
- Small Business Administration (SBA)
- Tennessee Valley Authority (TVA)
- Washington Metropolitan Area Transit Authority
- Federal National Mortgage Associate bonds (Fannie Mae)
- Federal Home Loan Bank bonds (FHLB)
- Student Loan Marketing Association (Sallie Mae)
- Common stocks through a mutual fund or an investment advisor

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

3. DEPOSITS AND INVESTMENTS (Continued)

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.

A. Deposits

At year-end, the carrying amount of the Village's deposits totaled \$(555,068) and the bank balances totaled \$75,677 (cash on hand of \$1,387 has been excluded). The bank balances are covered by federal depository insurance or by collateral held by the Village, or its agent, in the Village's name.

To guard against custodial risk for deposits with financial institutions, the Village's investment policy requires 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.

B. Investments

As of April 30, 2007, the Village has the following investments and maturities.

Investment Type	Investment Maturities (In Years)			
	Fair Value	Less than 1	1-10	Greater than 10
Certificates of Deposit	\$ 1,804,491	\$ 1,804,491	\$ -	\$ -
Money Market	70,818	70,818	-	-
The Illinois Funds	14,357,233	14,357,233	-	-
Mutual Funds	6,647,000	6,647,000	-	-
Repurchase Agreement	717,000	-	717,000	-
	<u>\$ 23,596,542</u>	<u>\$ 22,879,542</u>	<u>\$ 717,000</u>	<u>\$ -</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

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 \$1 per share value, which equals the Village's fair value of the pool. Funds deposited in the Village's sweep account are invested in mutual funds at \$1 per share value, which equals the Village's fair value of the pool.

Investments in mutual funds consist of amounts invested in a sweep agreement and are reported at \$1 per share value, which equals the Village's fair value in the sweep agreement. At April 30, 2007, all investments in the mutual fund are in compliance with the requirements of Illinois statutes.

In accordance with the bond requirements of the Series 2003 TIF Revenue Bonds, the Village entered into a repurchase agreement with a financial institution, in which the Village purchased securities from the financial institution with an agreement to sell them back on December 1, 2013 at the same price plus the contracted rate of interest of 5.55%. The market value of the securities underlying the repurchase agreement normally exceeds the cash paid, which provides the Village with a margin against a decline in the market value of the securities. If the financial institution defaults on its obligation to buy back these securities from the Village or to provide securities or cash of equal value, the Village would suffer an economic loss equal to the difference between the market value plus accrued interest of the underlying securities. This credit exposure at year-end was approximately \$757,000.

As of April 30, 2007, the Police Pension Fund has the following investments and maturities.

<u>Investment Type</u>	<u>Investment Maturities (In Years)</u>			
	<u>Fair Value</u>	<u>Less than 1</u>	<u>1-10</u>	<u>Greater than 10</u>
Money Market/Liquid Assets	\$ 553,791	\$ 553,791	\$ -	\$ -
Insurance Company Contracts	1,984,430	680,180	1,304,250	-
U.S. Treasury Notes	2,169,860	159,847	2,010,013	-
U.S. Agency Securities	1,561,140	202,810	563,237	795,093
Mutual Fund Equities	4,127,991	4,127,991	-	-
	<u>\$ 10,397,212</u>	<u>\$ 5,724,619</u>	<u>\$ 3,877,500</u>	<u>\$ 795,093</u>

Interest Rate Risk. 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 to meet all operating requirements.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

3. DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk. State law limits investments in commercial paper, corporate bonds, and mutual bonds 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. As of April 30, 2007, The Illinois Funds Money Market and Prime Funds were rated AAAM by Standard & Poor's. The Village's investment in US Treasury Notes, Federal Home Loan Mortgage, Federal Home Loan Bank, and GNMA bonds were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service.

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.

It is the Pension Fund's policy that no financial institution shall hold more than 10% of the Pension Fund investment portfolio (exclusive of U.S. Treasury securities) and that separate accounts of investments in Insurance Company Contracts should not exceed 10 % of the Pension Fund investment portfolio. At April 30, 2007, the Police Pension Fund had 20.9% invested in U.S. Treasury Notes, 2.0% invested in Federal Home Loan Bank Agency Notes, 5.7% invested in Federal Home Loan Mortgage Notes, 6.7% invested in Federal National Mortgage Association Notes, 0.7% invested in GNMA Notes, 19.1% invested in Insurance Company Contracts with each separate contract being less than 10% of the Pension Fund's investment portfolio, and 39.7% invested in Mutual Fund Equity investments with one mutual fund making up more than 10% of the Pension Fund's investment portfolio. At April 30, 2007, the Pension Fund's investment in Vanguard Institutional Index Fund of \$1,123,845 represents 10.77% of plan net assets.

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, 2007, all of the Village's Money Market/Liquid Assets deposits were fully insured and collateralized.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

4. RECEIVABLES

A. Property Taxes

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

The 2006 property tax levy is recorded as a receivable, net of estimated uncollectibles. Based upon collection histories at April 30, 2007, the Village does not deem it necessary to provide an allowance for uncollectible property taxes.

B. Accounts and Other Receivables

Receivables as of year-end for the governmental, proprietary, and fiduciary funds, less applicable allowances, are as follows:

	Governmental Activities	Business-Type Activities	Fiduciary Fund
Amusement tax	\$ 15,092	\$ -	\$ -
Gas utility tax	46,372	-	-
Home rule sales tax	164,150	-	-
Telecommunications	145,815	-	-
Water fees	-	824,078	-
Sewer fees	-	439,784	-
Accrued interest	2,813	23,568	42,812
Miscellaneous	36,626	55,318	-
Total other receivables	<u>\$ 410,868</u>	<u>\$ 1,342,748</u>	<u>\$ 42,812</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

4. RECEIVABLES (Continued)

C. Due from Other Governments

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

	<u>Governmental Activities</u>
State of Illinois	\$ 1,631,449
Regional Transportation Authority	58,312
Lake County	<u>55,310</u>
Total due from other governments	<u>\$ 1,745,071</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2007 was as follows:

A. Governmental Activities

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated				
Land	\$ 4,347,414	\$ 902,000	\$ -	\$ 5,249,414
Construction in progress	2,820,453	8,086,156	5,291,647	5,614,962
Total capital assets, not being depreciated	7,167,867	8,988,156	5,291,647	10,864,376
Capital assets, being depreciated				
Buildings	7,388,693	3,757,060	-	11,145,753
Equipment, furniture, and vehicles	2,418,239	497,583	314,939	2,600,883
Land improvements	1,139,473	-	-	1,139,473
Infrastructure	6,294,263	1,014,783	-	7,309,046
Total capital assets being depreciated	17,240,668	5,269,426	314,939	22,195,155
Less accumulated depreciation for:				
Buildings	817,405	205,507	-	1,022,912
Equipment, furniture, and vehicles	1,576,448	281,535	312,844	1,545,139
Land improvements	131,994	40,030	-	172,024
Infrastructure	563,270	308,158	-	871,428
Total accumulated depreciation	3,089,117	835,230	312,844	3,611,503
Total capital assets being depreciated, net	14,151,551	4,434,196	-	18,583,652
Governmental activities capital assets, net	\$ 21,319,418	\$ 13,422,352	\$ 5,291,647	\$ 29,448,028

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

5. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
B. <u>Business-type Activities</u>				
Capital assets, not being depreciated				
Land	\$ 73,058	\$ 6,200	\$ -	\$ 79,258
Construction in progress	3,432,774	27,943	3,442,771	17,946
Total capital assets, not being depreciated	3,505,832	34,143	3,442,771	97,204
Capital assets, being depreciated:				
Buildings	522,257	-	-	522,257
Wells and pumping stations	1,816,108	-	-	1,816,108
Sewer and water system	7,507,581	3,975,791	-	11,483,372
Equipment	1,161,160	-	29,866	1,131,294
Total capital assets, being depreciated	11,007,106	3,975,791	29,866	14,953,031
Less accumulated depreciation for:				
Buildings	163,342	13,056	-	176,398
Wells and pumping stations	1,370,019	42,972	-	1,412,991
Sewer and water system	2,701,034	293,252	-	2,994,286
Other equipment	874,803	52,862	-	927,665
Total accumulated depreciation	5,109,198	402,142	-	5,511,340
Total capital assets being depreciated, net	5,897,908	3,573,649	29,866	9,441,691
Business-type activities capital assets, net	\$ 9,403,740	\$ 3,607,792	\$ 3,472,637	\$ 9,538,895

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

5. CAPITAL ASSETS (Continued)

C. Depreciation Expense

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

Governmental activities

Economic development	\$ 14,286
General government	125,378
Public safety	163,772
Public works	<u>531,794</u>

Total depreciation expense – governmental activities \$ 835,230

Business – type activities

Water	\$ <u><u>402,142</u></u>
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D. Construction Commitments

The value of construction contracts signed, where the work has not yet been performed at April 30, 2007, is as follows:

TIF 1 Capital Projects Fund	\$ 26,164
Bond Project Fund	1,562,898
Motor Fuel Tax Fund	<u>11,217</u>
	\$ <u><u>1,600,279</u></u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

6. INTERFUND BALANCES

A. Interfund Balances

At April 30, 2007, the interfund balances consisted only of contributions owed by the General Fund to the Police Pension Fund. The detail of those amounts is as follows.

	Due From	Due To
General Fund		
Police Pension Fund	\$ <u> -</u>	\$ <u> 29,378</u>
Police Pension Fund		
General Fund	<u> 29,378</u>	<u> -</u>
Total all funds	\$ <u> 29,378</u>	\$ <u> 29,378</u>

B. Transfers

Transfers among funds reported within the same activities column are eliminated from that column in the government-wide statement of activities. The purpose of the Village's interfund transfers is to transfer excess property and sales tax revenues from the TIF # 1 Debt Service Fund to the TIF #1 Capital Projects Fund for the purpose of financing capital expenditures. A transfer was made from the General Improvement Fund to the General Fund in order to finance the activities of the Metra station accounted for in the General Improvement Fund in prior years.

The following transfers were made:

Funds	Transfers In	Transfers Out
General		
General Improvement	\$ <u> 50,096</u>	<u> </u>
General Improvement		
General	<u> -</u>	<u> 50,096</u>
TIF 1 Debt Service		
TIF 1 Capital Projects	<u> -</u>	<u> 2,315,360</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

6. INTERFUND BALANCES (Continued)

B. Transfers (Continued)

Funds	Transfers In	Transfers Out
TIF 1 Capital Projects		
TIF 1 Debt Service	2,315,360	-
	2,365,456	2,365,456
Total all funds	2,365,456	2,365,456
Amounts eliminated during GASB 34 implementation	(2,365,456)	(2,365,456)
Total primary government	\$ -	\$ -

7. SHORT-TERM DEBT

The Village has a revolving line of credit for \$1,000,000 for the purpose of economic development. The line of credit is renewable on August 29 of each year. The line of credit is unsecured and has an interest rate of 5.25%. The Village borrows from the line of credit to purchase and rehabilitate homes, then uses the proceeds of the sale to pay principal and interest. As of April 30, 2007, there was an outstanding balance of \$220,324.

	Beginning Balance	Borrowing	Payments	Ending Balance
Line of credit	\$ 349,022	\$ 40,000	\$ 168,698	\$ 220,324

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

8. LONG-TERM DEBT

A. Changes in Long-term Liabilities

Long-term liability activity for the year ended April 30, 2007 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
Series 2006	\$ -	\$ 3,635,000	\$ -	\$ 3,635,000	\$ -
Series 2004A	3,465,000	-	145,000	3,320,000	145,000
Series 2004	4,680,000	-	200,000	4,480,000	205,000
Series 2001	5,450,000	-	245,000	5,205,000	255,000
Total general obligation bonds payable	13,595,000	3,635,000	590,000	16,640,000	605,000
TIF Revenue Bonds, Series 2003	5,765,000	-	755,000	5,010,000	795,000

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

8. LONG-TERM DEBT (Continued)

A. Changes in Long-term Liabilities (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Incremental sales tax revenue notes payable					
Series 1993	4,729,115	-	158,713	4,570,402	217,347
Series 2004	320,262	-	93,611	226,651	89,665
Accumulated sales tax note deficit	<u>529,206</u>	<u>242,709</u>	<u>-</u>	<u>771,915</u>	<u>-</u>
Total incremental sales tax revenue notes payable	<u>5,578,583</u>	<u>242,709</u>	<u>252,324</u>	<u>5,568,968</u>	<u>307,012</u>
Leases payable	<u>93,671</u>	<u>229,972</u>	<u>133,453</u>	<u>190,190</u>	<u>125,988</u>
Compensated absences	<u>233,450</u>	<u>387,446</u>	<u>347,312</u>	<u>273,584</u>	<u>11,200</u>
Net pension obligation	<u>136,166</u>	<u>9,532</u>	<u>-</u>	<u>145,698</u>	<u>-</u>
Total Governmental Activities	<u>\$ 25,401,870</u>	<u>\$ 4,504,659</u>	<u>\$ 2,078,089</u>	<u>\$ 27,828,440</u>	<u>\$ 1,844,200</u>
Business-type activities					
Illinois EPA loan payable	<u>\$ 2,220,318</u>	<u>\$ 279,874</u>	<u>\$ 89,607</u>	<u>\$ 2,410,585</u>	<u>\$ 104,131</u>
Compensated absences	<u>49,092</u>	<u>100,874</u>	<u>79,908</u>	<u>70,058</u>	<u>70,058</u>
	<u>\$ 2,269,410</u>	<u>\$ 380,748</u>	<u>\$ 169,515</u>	<u>\$ 2,480,643</u>	<u>\$ 174,189</u>

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

8. LONG-TERM DEBT (Continued)

A. Changes in Long-term Liabilities (Continued)

Payments on the G.O. Bonds Series 2004A are made by the Bond Fund with 25% of all utility taxes collected by the Village. Payments on the G.O. Bonds Series 2004 are made by the Bond Fund with sales tax allocations from the General Fund, as well as motor fuel tax allotments. Payments on the G.O. Bonds Series 2001 are made by the Bond Fund with sales tax allocations from the General Fund. Payments on this series are to be made from motor fuel tax allotments, as well. Payments on the TIF Revenue Bonds, Series 2003 will be made by the TIF # 1 Debt Service Fund with real estate taxes and sales taxes. Payments on the Series 2004 and Series 1993 Sales Tax Revenue Notes Payable are made by the TIF # 1 Capital Projects Fund and the General Fund with incremental sales tax revenues from retailers in the district.

B. 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:

<u>Year Ending</u> <u>April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 605,000	\$ 676,855	\$ 1,281,855
2009	760,000	658,524	1,418,524
2010	785,000	632,114	1,417,114
2011	815,000	603,484	1,418,484
2012	840,000	573,090	1,413,090
2013-2017	4,735,000	2,344,984	7,079,984
2018-2022	5,830,000	1,267,061	7,097,061
2023-2026	2,270,000	191,742	2,461,742
Total	\$ 16,640,000	\$ 6,947,854	\$ 23,587,854

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 each year. The proceeds of this issue will be 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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

8. LONG-TERM DEBT (Continued)

D. Incremental Sales Tax Revenue Notes Payable (Continued)

Annual debt service requirements to maturity are as follows:

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 307,012	\$ 334,885	\$ 641,897
2009	355,054	289,484	644,538
2010	321,519	268,223	589,742
2011	296,374	248,164	544,538
2012	315,639	228,899	544,538
2013-2017	1,913,947	808,743	2,722,690
2018-2022	<u>1,287,508</u>	<u>160,173</u>	<u>1,447,681</u>
Total	<u>\$ 4,797,053</u>	<u>\$ 2,338,571</u>	<u>\$ 7,135,624</u>

E. Prior Years' Tax Increment Revenue Bond Defeasance

In 1993, the Village defeased a portion of the Tax Increment Revenue Bonds, Series 1987, by placing a portion of the proceeds of the Series 1993 Bonds in an irrevocable trust to provide for the advance refunding of the callable portion of the bonds.

In 2003, the Village defeased a portion of the outstanding 1993 Series bonds by placing the proceeds of the Tax Increment Revenue Series 2003 Bonds, \$1.1 million from the 1993 Tax Increment Revenue Bonds reserve account, and a portion of the proceeds from the Tax Allocation Fund established per the requirements of the 1993 Tax Increment Revenue debt issue.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

8. LONG-TERM DEBT (Continued)

F. Capital Lease Obligations

At April 30, 2007, the Village is obligated for future payments under noncancellable vehicle leases as follows:

<u>Year Ending April 30,</u>	<u>Payment on Capital Lease Obligation</u>
2008	\$ 145,113
2009	<u>83,343</u>
	228,456
Less interest portion	<u>38,266</u>
	<u>\$ 190,190</u>

The cost of the capital assets acquired through capital lease is \$417,256, with accumulated depreciation of \$107,188 at April 30, 2007.

G. Note 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, 2007 is \$2,500,192 and the principal outstanding at April 30, 2007 is \$2,410,585.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

11. JOINT VENTURES (Continued)

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

Current liabilities (payable from current assets)	\$ 915,933
Restricted liabilities (payable from restricted assets)	11,627,893
Long-term liabilities (net of amortization/accretion)	144,223,949
Total liabilities	<u>156,767,775</u>
Invested in capital assets - net of related debt	(19,442,914)
Restricted - bond covenants	11,633,575
Restricted - debt retirement	123,176
Restricted - rate stabilization	1,269,182
Unrestricted	9,038,631
Total net assets	<u>2,621,650</u>
Total liabilities and net assets	\$ <u>159,389,425</u>

Summary of revenues, expenses, and net income for CLCJAWA for the year ended April 30, 2007:

Total revenues	\$ 20,096,600
Total expenses	<u>19,177,548</u>
Net income	\$ <u>919,052</u>

Complete financial statements for CLCJAWA can be obtained from CLCJAWA's administrative office at 200 Rockland Road, Lake Bluff, Illinois, 60444.

B. 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.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

11. JOINT VENTURES (Continued)

B. CenCom E9-1-1 Joint Emergency Telephone System (Continued)

Summary of Financial Position at April 30, 2007:

Current assets	\$	434,956
Capital assets (net of accumulated depreciation)		<u>203,960</u>
Total assets	\$	<u><u>638,916</u></u>
Net assets		
Invested in capital assets, net of related debt		203,960
Restricted for E9-1-1 purposes		<u>434,956</u>
Total net assets		<u><u>638,916</u></u>
Total liabilities and net assets	\$	<u><u>638,916</u></u>

Summary of revenues, expenses, and changes in net assets for CenCom for the year ended April 30, 2007:

Total revenues	\$	334,401
Total expenses		<u>272,512</u>
Change in net assets	\$	<u><u>61,889</u></u>

C. 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 were transferred by CenCom E9-1-1 Joint Emergency Telephone System Board.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

11. JOINT VENTURES (Continued)

C. CenCom E9-1-1 Public Safety Communications Center (Continued)

Summary of Financial Position of CenCom E9-1-1 Public Safety Communications Center at April 30, 2007:

Current assets	\$	359,794
Capital assets		83,136
Total assets	\$	<u>442,930</u>
Invested in capital assets net of related debt	\$	83,136
Unrestricted		359,794
Total net assets	\$	<u>442,930</u>

Summary of revenues, expenses, and change in net assets for CenCom E9-1-1 Public Safety Communications Center for the year ended April 30, 2007:

Total revenues	\$	1,509,053
Total expenses		<u>1,449,678</u>
Change in net assets	\$	<u>59,375</u>

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

D. Solid Waste Agency of Lake County

Solid Waste Agency of Lake County ("SWALCO") is a municipal corporation formed by Lake County and 38 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 the Financial Statements

April 30, 2007

11. JOINT VENTURES (Continued)

D. Solid Waste Agency of Lake County (Continued)

Summary of Financial Position at November 30, 2006:

Current assets	\$ 1,407,104
Capital assets (net of accumulated depreciation)	1,563,432
Total assets	<u>\$ 2,970,536</u>
Liabilities	
Current liabilities	<u>\$ 694,062</u>
Invested in capital assets	1,563,432
Unrestricted	<u>713,042</u>
Total net assets	<u>2,276,474</u>
Total liabilities and net assets	<u>\$ 2,970,536</u>

Summary of revenues, expenses, and change in net assets for SWALCO for the year ended November 30, 2006:

Total revenues	\$ 3,496,437
Total expenses	<u>3,049,195</u>
Change in net assets	<u>\$ 447,242</u>

Complete 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 the Financial Statements

April 30, 2007

12. EMPLOYEE RETIREMENT SYSTEMS

A. Illinois Municipal Retirement Fund

Plan Descriptions and Provisions

The Village's defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 7.49% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 26 years.

For December 31, 2006, the Village's annual pension cost of \$164,479 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

Trend Information:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 164,479	100%	\$ -
12/31/05	145,494	100	-
12/31/04	91,818	100	-

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Police Pension

Plan Descriptions and Provisions

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit, single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Chapter 40 Illinois Compiled Statutes 5 and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2007 was \$2,356,890, out of a total payroll of \$4,435,383.

At April 30, 2007, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	15
Current employees	<u>38</u>
Total	<u><u>53</u></u>

The following is a summary of the Police Pension Plan as provided for in the Illinois state statutes:

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension is increased by 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Pensions are increased following the first anniversary of the date of retirement, or upon reaching the age of at least 55 years, whichever comes later, by 3% of the original pension for each year elapsed since the pension began. On each January 1 thereafter, pension recipients receive an additional increase of 3% of the current benefit amount.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Police Pension (Continued)

Plan Descriptions and Provisions (Continued)

Per the Illinois state statutes, active members are required to contribute 9.91% of their base salary to the fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village of Round Lake Beach is required to contribute the remaining amounts necessary, after net investment income, to finance the plan (including administration costs) at an actuarially determined rate. By the year 2033, plan net assets must accumulate to the point where past service costs are fully funded. As those service costs have not yet been fully funded, the entire amount of net assets is a legally required reserve.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Cash and cash equivalents

Cash and cash equivalents are defined as cash in demand deposits and money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Method Used to Value Investments

Investments are reported at fair value. Securities traded on a national exchange are valued at the last reported sales price. Certificates of Deposit and Repurchase Agreements are reported at cost, which approximates fair value.

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Police Pension (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Contributions

Village contributions are determined annually by an actuarial study using the entry age normal cost method. The valuation for fiscal 2006 was prepared as of April 30, 2006. Significant assumptions used in the calculations include (a) a 7% return on investments, (b) projected salary increases of 5.5% per year, and (c) 27-year amortization of unfunded liability.

Annual Pension Cost and Net Pension Liability

Annual required contribution (ARC)	\$	591,903	
Interest on net pension obligation		9,532	-----
Annual pension cost (APC)		601,435	
Contributions made		(591,903)	-----
Increase in net pension obligation		9,532	
Net pension obligation			
Beginning of year		136,166	-----
End of year	\$	145,698	-----

Schedule of Employer Contributions

Fiscal Year Ended	Annual Required Contribution	Percentage of APC Contributed	Net Pension Obligation
4/30/07	\$ 591,903	100.0 %	145,698
4/30/06	528,595	100.6	136,166
4/30/05	398,768	99.8	130,242

Village of Round Lake Beach, Illinois

Notes to the Financial Statements

April 30, 2007

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Police Pension (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	April 30, 2006
Actuarial cost method	Entry age normal cost
Mortality rate assumptions	1971 Group Annuity
Decrement assumption	Experience tables

Significant actuarial assumptions:

a)	Investment rate of return	7.00%
b)	Projected salary increases	5.50%
c)	Cost-of-living adjustments	3.00%

13. NET ASSETS RESTRICTED BY ENABLING LEGISLATION

The government-wide statement of net assets reports \$7,657,771 of net assets restricted by enabling legislation which consists of the following:

Roads (motor fuel tax allotments)	\$	884,054
Debt service (real estate, state sales, home rule, and utility taxes)		4,228,396
Channel dredging and stream bank stabilization (GO bond proceeds)		2,415,494
Economic development (real estate taxes)		<u>129,827</u>
Total net assets restricted by enabling legislation	\$	<u><u>7,657,771</u></u>

14. PRIOR PERIOD ADJUSTMENT

The Village recorded a prior period adjustment on the government-wide financial statements to record a liability for the accumulated sales tax note deficit on the Series 1993 incremental sales tax note payable. The total amount by which the beginning net assets of the Village were reduced was \$529,206.

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Village of Round Lake Beach, Illinois
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
Illinois Municipal Retirement Fund
April 30, 2007

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1997	\$ 2,894,137	\$ 2,279,528	\$ (614,609)	127.0%	\$ 1,506,578	(40.80) %
12/31/1998	3,400,982	2,515,428	(885,554)	135.2%	1,620,765	(54.64)
12/31/1999	4,173,648	2,806,385	(1,367,263)	148.7%	1,592,302	(85.87)
12/31/2000	4,777,589	3,299,277	(1,478,312)	144.8%	1,786,763	(82.74)
12/31/2001	5,115,416	3,617,990	(1,497,426)	141.4%	1,903,272	(78.68)
12/31/2002	4,974,993	4,092,813	(882,180)	121.6%	2,128,040	(41.46)
12/31/2003	4,750,275	4,100,973	(649,302)	115.8%	2,084,226	(31.15)
12/31/2004	4,907,514	4,479,678	(427,836)	109.6%	1,991,709	(21.48)
12/31/2005	5,134,095	4,576,431	(557,664)	112.2%	2,111,669	(26.41)
12/31/2006	5,298,911	4,595,090	(703,821)	115.3%	2,195,982	(32.05)

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$5,734,074. On a market basis, the funded ratio would be 124.79%.

Village of Round Lake Beach, Illinois
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
 Police Pension Fund
 April 30, 2007

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/1999 \$	4,907,657	\$ 7,135,988	\$ 2,228,331	68.8%	\$ 1,508,883	147.7%
12/31/2000	8,427,660	9,111,428	683,768	92.5%	1,541,218	44.4%
12/31/2001	8,006,202	10,094,610	2,088,408	79.3%	1,630,970	128.0%
4/30/2002	7,804,137	11,222,408	3,418,271	69.5%	1,763,299	193.9%
4/30/2003	7,759,487	11,798,483	4,038,996	65.8%	1,786,158	226.1%
4/30/2004	8,526,103	13,324,397	4,798,294	64.0%	2,185,061	219.6%
4/30/2005	9,051,618	14,738,480	5,686,862	61.4%	2,331,900	243.9%
4/30/2006	9,938,382	15,593,498	5,655,116	63.7%	2,356,890	239.9%

Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
General Fund
For the year ended April 30, 2007

	2007 Original and Final Budget	2007 Actual	Variance Positive (Negative)
Revenues			
Taxes	\$ 3,386,851	\$ 3,489,618	\$ 102,767
Intergovernmental	4,082,800	4,890,797	807,997
Licenses and permits	541,750	554,383	12,633
Fines	377,400	500,538	123,138
Charges for services	113,600	145,141	31,541
Interest	30,600	227,955	197,355
Miscellaneous	81,220	130,691	49,471
Use of fund balance	47,437	-	(47,437)
Total revenues	<u>8,661,658</u>	<u>9,939,123</u>	<u>1,277,465</u>
Expenditures			
General government			
Legislative	369,141	390,346	(21,205)
Boards and commissions	31,554	40,709	(9,155)
Administration	285,153	290,825	(5,672)
Village clerk	22,464	24,260	(1,796)
Finance	176,130	207,026	(30,896)
Village president's office	23,322	22,640	682
Insurance	392,180	530,436	(138,256)
Public safety	5,430,410	5,225,442	204,968
Economic development	658,857	647,914	10,943
Public works	1,467,225	1,380,219	87,006
Total expenditures	<u>8,856,436</u>	<u>8,759,817</u>	<u>96,619</u>
Excess (deficiency) of revenues over expenditures	(194,778)	1,179,306	1,374,084
Other financing sources			
Transfers in	-	50,096	50,096
Transfers out	(5,225)	-	5,225
Proceeds from sale of equipment	-	2,187	2,187
Total other financing sources	<u>(5,225)</u>	<u>52,283</u>	<u>57,508</u>
Net change in fund balance	<u>\$ (189,553)</u>	1,231,589	<u>\$ 1,431,592</u>
Fund balance, May 1		<u>4,693,031</u>	
Fund balance, April 30		<u>\$ 5,924,620</u>	

Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
TIF #2 Special Revenue Fund
For the year ended April 30, 2007

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Taxes			
Real estate taxes	\$ 1,120,000	\$ 1,440,568	\$ 320,568
Interest on investments	25,000	40,660	15,660
Total revenues	<u>1,145,000</u>	<u>1,481,228</u>	<u>336,228</u>
Expenditures			
Economic development TIF rebates	<u>1,145,000</u>	<u>1,479,264</u>	<u>(334,264)</u>
Excess of revenues over expenditures	<u>-</u>	1,964	<u>1,964</u>
Fund Balance			
May 1		<u>-</u>	
April 30		<u>\$ 1,964</u>	

Village of Round Lake Beach, Illinois
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2007

1. ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF FUNDING PROGRESS DIGEST OF CHANGES

Assumptions:

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002 - 2004 Experience Study.

The principal changes were:

- The 1994 Group Annuity Mortality was implemented.
- For regular members, fewer normal and early retirements are expected to occur.

2. BUDGETS

All governmental and proprietary fund types have legally adopted annual budgets except for the Police Pension Fund and the TIF #3 Special Revenue 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) The Village Board conducts a public budget review meeting to discuss the proposed budget.
- (d) A public hearing is conducted to obtain taxpayer comments on the proposed fiscal year appropriation ordinance.
- (e) 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 Project Funds, and Proprietary Fund Types.

Village of Round Lake Beach, Illinois
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
 April 30, 2007

2. BUDGETS (Continued)

(f) 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.

(g) All appropriations lapse at year-end. No supplemental appropriations were made by the Village Board of Trustees during fiscal 2007.

All governmental fund type budgets are prepared on a modified-accrual basis. Proprietary fund type budgets, which are prepared for management control purposes, are 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.

3. ACTUAL EXPENDITURES IN EXCESS OF BUDGET IN INDIVIDUAL FUNDS

<u>Fund / Account</u>	<u>Actual</u>	<u>Budget</u>	<u>Excess</u>
TIF # 2 Special Revenue Fund	\$ 1,479,264	\$ 1,145,000	\$ 334,264

The excess of expenses over budgeted amounts in the TIF # 2 Special Revenue Fund is due to TIF rebates remitted to Lake County being significantly higher due to higher property tax revenues.

Supplementary Information

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

Civic Center - The Civic Center Fund isolates the revenues and expenditures of the Round Lake Beach Civic and Cultural Center, which offers services for individual events along with a full line of meeting and event services for businesses or corporations. The Center is also used to host a variety of cultural performances and events.

DEBT SERVICE FUNDS

General Obligation Debt Fund - to accumulate monies for payment of principal and interest for bonds issued for the construction of major public improvements. The debt service for the 2001, 2004, 2004A, and 2006 series bonds is funded in this fund. The 2001 GO bonds were issued for the construction of the Village Hall; the 2004 GO series was issued for the West Side roadway improvements; the 2004A GO series was issued to pay for the construction of Public Facilities, including the Police Department and the Civic Center, and the 2006 GO series was issued to provide funds for the Village channel dredging project. Financing is provided with taxes on gas, electricity, and telecommunication utilities to allow the Village to abate the levied property taxes relating to these general obligation debts.

CAPITAL PROJECTS FUND

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. A major source of funding during fiscal year 2006 was the use of State of Illinois OSLAD grant monies, provided for the acquisition of land for a park on the north side of Round Lake. A portion of the Village's home rule sales tax and utility taxes provides ongoing resources for this fund.

Village of Round Lake Beach, Illinois

COMBINING BALANCE SHEET

Nonmajor Governmental Funds

April 30, 2007

	Special Revenue		
	Motor Fuel Tax	Civic Center	TIF #3
ASSETS			
Cash and investments	\$ 1,016,437	\$ 38,001	\$ 129,827
Receivables			
Property taxes	-	-	84,086
Other	-	-	-
Due from other governments	61,444	-	-
Total assets	\$ 1,077,881	\$ 38,001	\$ 213,913
 LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 137,973	\$ 7,861	\$ -
Deposits payable	-	-	-
Retention payable	55,854	-	-
Deferred revenue	-	-	84,086
Total liabilities	193,827	7,861	84,086
 Fund balances			
Reserved for capital projects	-	-	-
Reserved for streets and highways	884,054	-	-
Reserved for economic development	-	30,140	129,827
Reserved for debt service	-	-	-
Total fund balances	884,054	30,140	129,827
Total liabilities and fund balances	\$ 1,077,881	\$ 38,001	\$ 213,913

Total Special Revenue Funds	Debt Service General Obligation Debt	Capital Projects General Improvement	Total Nonmajor Governmental Funds
\$ 1,184,265	\$ 2,246,381	\$ 710,283	\$ 4,140,929
84,086	-	-	84,086
-	148,153	52,975	201,128
61,444	-	101,411	162,855
\$ 1,329,795	\$ 2,394,534	\$ 864,669	\$ 4,588,998
\$ 145,834	\$ -	\$ 36,234	\$ 182,068
-	-	3,944	3,944
55,854	-	5,917	61,771
84,086	-	-	84,086
285,774	-	46,095	331,869
-	-	818,574	818,574
884,054	-	-	884,054
159,967	-	-	159,967
-	2,394,534	-	2,394,534
1,044,021	2,394,534	818,574	4,257,129
\$ 1,329,795	\$ 2,394,534	\$ 864,669	\$ 4,588,998

Village of Round Lake Beach, Illinois
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
STATEMENT OF ACTIVITIES

	Special Revenue			
	Motor Fuel Tax	Civic Center	TIF #3	Total
Revenues				
Taxes	\$ -	\$ -	\$ 62,776	62,776
Intergovernmental	776,731	-	-	776,731
Grants and contributions	-	56,000	-	56,000
Charges for services	-	6,135	-	6,135
Rental income	-	-	-	-
Interest	67,079	1,234	5,862	74,175
Miscellaneous	78	-	-	78
Total revenues	<u>843,888</u>	<u>63,369</u>	<u>68,638</u>	<u>975,895</u>
Expenditures				
Current				
Economic development	-	-	2,174	2,174
General government	-	28,229	-	28,229
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issue costs	-	-	-	-
Fiscal agent fees	-	-	-	-
Capital outlay	918,426	5,000	-	923,426
Total expenditures	<u>918,426</u>	<u>33,229</u>	<u>2,174</u>	<u>953,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(74,538)</u>	<u>30,140</u>	<u>66,464</u>	<u>22,066</u>
Other financing sources (uses)				
Transfers out	-	-	-	-
Issuance of debt	-	-	-	-
Proceeds from sale of equipment	-	-	-	-
Capital leases	-	-	-	-
Total other financing uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(74,538)</u>	<u>30,140</u>	<u>66,464</u>	<u>22,066</u>
Fund balances - beginning of year	958,592	-	63,363	1,021,955
Fund balances - end of year	<u>\$ 884,054</u>	<u>\$ 30,140</u>	<u>\$ 129,827</u>	<u>1,044,021</u>

<u>Debt Service</u>		<u>Capital Projects</u>		<u>Total</u>	
<u>General</u>		<u>General</u>		<u>Nonmajor</u>	
<u>Obligation</u>		<u>Improvement</u>		<u>Governmental</u>	
<u>Debt</u>				<u>Funds</u>	
\$ 1,374,208	\$ 356,683	\$ 1,793,667			
-	70,493	847,224			
-	-	56,000			
-	10,000	16,135			
-	34,861	34,861			
97,036	26,445	197,656			
-	6,319	6,397			
<u>1,471,244</u>	<u>504,801</u>	<u>2,951,940</u>			
-	99	2,273			
-	-	28,229			
590,000	-	590,000			
605,229	-	605,229			
4,755	-	4,755			
1,455	-	1,455			
-	658,932	1,582,358			
<u>1,201,439</u>	<u>659,031</u>	<u>2,814,299</u>			
<u>269,805</u>	<u>(154,230)</u>	<u>137,641</u>			
-	(50,096)	(50,096)			
212,851	-	212,851			
-	29,851	29,851			
-	229,972	229,972			
<u>212,851</u>	<u>209,727</u>	<u>422,578</u>			
482,656	55,497	560,219			
<u>1,911,878</u>	<u>763,077</u>	<u>3,696,910</u>			
<u>\$ 2,394,534</u>	<u>\$ 818,574</u>	<u>\$ 4,257,129</u>			

Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Taxes			
Property Tax			
Corporate fund	\$ 903,950	\$ 910,756	\$ 6,806
Liability insurance	138,948	139,675	727
Police protection	131,635	132,021	386
Auditing	18,280	17,220	(1,060)
IMRF	150,000	151,155	1,155
Road and bridge	30,000	31,769	1,769
Police pension	560,638	562,525	1,887
Total Property Tax	1,933,451	1,945,121	11,670
Other Taxes			
Home rule	132,800	132,800	-
Telephone	573,825	542,978	(30,847)
Gas	181,950	194,392	12,442
Electric	354,825	404,485	49,660
Amusement	210,000	269,842	59,842
Total Other Taxes	1,453,400	1,544,497	91,097
Total Taxes	3,386,851	3,489,618	102,767
Intergovernmental - Revenue from Other Agencies			
Sales tax	1,880,400	2,273,038	392,638
Use	260,000	334,721	74,721
Personal property replacement tax	13,300	17,461	4,161
Income tax	1,850,000	2,240,729	390,729
Grant revenue	69,100	16,011	(53,089)
Police training grant reimbursement	10,000	8,837	(1,163)
Total Intergovernmental - Revenue from Other Agencies	4,082,800	4,890,797	807,997
Licenses and Permits			
Business certificates	49,000	68,011	19,011
Liquor	27,000	27,065	65
Billboard licenses	800	300	(500)
Contractor application fee	-	8,275	8,275
Rental certification	33,000	40,710	7,710
Occupancy permits	51,000	36,630	(14,370)
Building permits	200,000	186,676	(13,324)
Elevator inspections	450	-	(450)
Cable TV franchise fee	124,000	135,366	11,366
Nicor gas franchise fee	49,000	46,050	(2,950)

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Licenses and Permits (Continued)			
Annex/ZBA/Plan	\$ 7,500	\$ 5,300	\$ (2,200)
Total Licenses and Permits	<u>541,750</u>	<u>554,383</u>	<u>12,633</u>
Fines			
Police fines	365,000	463,552	98,552
State seizure revenue	-	6,103	6,103
DUI revenues	-	7,324	7,324
False alarm	5,400	10,650	5,250
Building fines	7,000	12,909	5,909
Total Fines	<u>377,400</u>	<u>500,538</u>	<u>123,138</u>
Interest	<u>30,600</u>	<u>227,955</u>	<u>197,355</u>
Charges for Services			
Police photocopy service	5,200	4,537	(663)
Weed cutting	8,000	13,042	5,042
Lien - other	9,000	37,385	28,385
Police security services	-	7,854	7,854
Daily parking collections	26,400	29,073	2,673
Police towing charge	30,000	53,250	23,250
Community event	35,000	-	(35,000)
Total Charges for Services	<u>113,600</u>	<u>145,141</u>	<u>31,541</u>
Miscellaneous			
Sale of property	800,000	171,317	(628,683)
Less amount capitalized	(800,000)	(171,317)	628,683
Gain on property sale	-	8,683	8,683
Rental income	31,220	31,462	242
Miscellaneous	50,000	90,546	40,546
Use of reserved fund balance	47,437	-	(47,437)
Total Miscellaneous	<u>128,657</u>	<u>130,691</u>	<u>2,034</u>
Total Revenues	<u>\$ 8,661,658</u>	<u>\$ 9,939,123</u>	<u>\$ 1,277,465</u>

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
General Government			
Legislative			
Salaries - full time	\$ 28,800	\$ 29,249	\$ (449)
IMRF	2,157	1,290	867
FICA	1,786	1,786	-
Medicare	418	418	-
Training	2,340	1,364	976
Travel/food	6,130	7,920	(1,790)
Dues and subscriptions	7,085	7,424	(339)
Employee recognition	8,375	17,533	(9,158)
Postage	-	26	(26)
Printing, advertising, publishing	1,980	1,203	777
Video service	5,720	5,515	205
Equipment purchase	-	3,798	(3,798)
Legal	288,000	282,877	5,123
Community events	12,350	25,056	(12,706)
Dollars for scholars	3,000	2,805	195
Miscellaneous	1,000	2,082	(1,082)
Total Legislative	369,141	390,346	(21,205)
Boards and Commissions			
Salaries - part time	3,280	4,140	(860)
FICA	204	174	30
Medicare	50	41	9
Training	1,800	1,823	(23)
Dues and subscriptions	375	-	375.00
Postage	-	22	(22)
Printing, advertising, publishing	3,400	1,300	2,100
Tech services	16,100	16,123	(23)
Legal	6,345	17,086	(10,741)
Total Boards and Commissions	31,554	40,709	(9,155)
Administration			
Salaries - full time	194,364	185,846	8,518
Health insurance	32,598	34,968	(2,370)
IMRF	14,560	19,465	(4,905)
FICA	12,050	10,667	1,383
Medicare	2,820	2,560	260
Training	1,370	674	696
Travel/food	483	794	(311)
Dues and subscriptions	905	6,603	(5,698)
Office supplies	738	1,325	(587)
Telephone	700	483	217
Cellular phone	1,320	1,163	157
Postage	125	397	(272)
Printing, advertising, publishing	200	413	(213)

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the Year Ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Administration (Continued)			
Village newsletter	\$ 13,260	\$ 14,924	\$ (1,664)
Web page maintenance	7,860	8,479	(619)
Data processing	100	239	(139)
Fuel/oil	950	1,182	(232)
Miscellaneous	750	643	107
Total Administration	<u>285,153</u>	<u>290,825</u>	<u>(5,672)</u>
Village Clerk			
Salaries - full time	10,000	10,091	(91)
IMRF	749	724	25
FICA	620	620	-
Medicare	145	145	-
Training	750	380	370
Travel/food	1,500	1,653	(153)
Dues and subscriptions	150	88	62
Office supplies	500	987	(487)
Telephone	1,000	1,010	(10)
Postage	150	45	105
Printing, advertising, publishing	500	173	327
Data processing	-	65	(65)
Codification	5,500	8,003	(2,503)
Archiving	750	276	474
Miscellaneous	150	-	150
Total Village Clerk	<u>22,464</u>	<u>24,260</u>	<u>(1,796)</u>
Finance			
Salaries - full time	67,019	99,377	(32,358)
Salaries - part time	9,000	-	9,000
Health insurance	11,291	7,228	4,063
IMRF	5,728	9,940	(4,212)
FICA	4,774	6,086	(1,312)
Medicare	1,125	1,423	(298)
Training	890	792	98
Travel/food	838	249	589
Due and subscriptions	670	510	160
Office supplies	2,500	3,563	(1,063)
Telephone	4,800	4,406	394
Postage	3,000	1,204	1,796
Printing, advertising, publishing	1,238	1,988	(750)
Network support	30,750	18,944	11,806
Data processing	6,332	5,350	982
Payroll processing	3,366	3,431	(65)
Cafeteria plan	540	545	(5)
Pre-employment screening	-	105	(105)

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Finance (Continued)			
Furniture and fixtures	\$ 900	\$ 590	\$ 310
Equipment maintenance	1,491	1,360	131
Equipment lease	3,828	4,463	(635)
Liens	4,000	5,834	(1,834)
Auditor/financial consultant	11,750	29,578	(17,828)
Miscellaneous	300	60	240
Total Finance	<u>176,130</u>	<u>207,026</u>	<u>(30,896)</u>
Village President's Office			
Salaries - full time	15,000	14,646	354
IMRF	1,124	1,035	89
FICA	930	894	36
Medicare	218	218	-
Training	500	470	30
Travel/food	2,000	2,316	(316)
Office supplies	200	-	200
Telephone	800	499	301
Cellular phone	500	-	500
Postage	50	-	50
Printing, advertising, publishing	500	57	443
Data processing	500	-	500
Equipment maintenance	-	1,899	(1,899)
Miscellaneous	1,000	606	394
Total Mayor's Office	<u>23,322</u>	<u>22,640</u>	<u>682</u>
Financing and Insurance			
Liability insurance	83,390	73,948	9,442
Worker's compensation	61,050	54,114	6,936
Unemployment insurance	20,000	11,878	8,122
Postage	-	4,262	(4,262)
Tech service	-	8,075	(8,075)
Bank fees	4,500	7,410	(2,910)
Interest	-	205,126	(205,126)
Principal	223,240	158,713	64,527
Miscellaneous	-	6,910	(6,910)
Total Financing and Insurance	<u>392,180</u>	<u>530,436</u>	<u>(138,256)</u>
Total General Government	<u>1,299,944</u>	<u>1,506,242</u>	<u>(206,298)</u>
Public Safety			
Salaries - full time	3,053,345	2,861,298	192,047
Salaries - part time	9,600	8,125	1,475
Court pay	14,709	24,159	(9,450)

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Public Safety (Continued)			
Overtime	\$ 256,200	\$ 367,720	\$ (111,520)
Health insurance	449,500	461,941	(12,441)
Police pension contribution	591,903	591,903	-
IMRF	30,739	34,205	(3,466)
FICA	27,656	26,824	832
Medicare	44,603	43,164	1,439
Training	29,914	28,687	1,227
Travel/food	4,300	8,173	(3,873)
Clothing	31,715	34,957	(3,242)
Due and subscriptions	1,900	8,001	(6,101)
Safety equipment	8,800	4,005	4,795
Medical supplies	2,000	60	1,940
Office supplies	9,678	10,599	(921)
Telephone	17,640	26,981	(9,341)
Cellular phone	10,200	11,450	(1,250)
Postage	3,000	6,984	(3,984)
Printing, advertising, publishing	7,612	5,578	2,034
Tech services	11,333	10,302	1,031
Data processing	27,582	19,684	7,898
Equipment purchase	5,595	5,887	(292)
Equipment lease	3,540	-	3,540
Equipment maintenance	8,700	10,386	(1,686)
Furnitures and fixtures	-	4,911	(4,911)
Vehicle accessories	8,484	2,820	5,664
Vehicle maintenance	62,000	58,848	3,152
Fuel/oil	71,500	85,368	(13,868)
Operating supplies	6,600	7,571	(971)
Community service	4,205	4,704	(499)
Weapons supplies	8,005	6,406	1,599
Jail expense	56,615	16,937	39,678
Cencom	500,000	413,283	86,717
Warning siren	3,300	1,665	1,635
Youth crime prevention	378	-	378
Child safety seat program	187	(147)	334
Drug prevention asset seizure	34,212	5,110	29,102
DUI prevention	12,660	-	12,660
Grant expense	-	6,779	(6,779)
Miscellaneous	500	114	386
Total Public Safety	5,430,410	5,225,442	204,968
Economic Development			
Salaries - full time	242,829	237,851	4,978
Health insurance	53,237	53,945	(708)
IMRF	18,188	15,577	2,611
FICA	15,055	13,824	1,231
Medicare	3,521	3,233	288

(Continued)

Village of Round Lake Beach, Illinois
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Economic Development			
Training	\$ 4,100	\$ 3,985	\$ 115
Travel/Food	2,000	910	1,090
Clothing	3,480	5,387	(1,907)
Due and subscriptions	1,620	1,067	553
Office supplies	3,000	3,025	(25)
Telephone	10,000	8,075	1,925
Cellular phone	3,300	2,605	695
Postage	6,000	4,971	1,029
Printing, advertising, publishing	5,000	4,249	751
Tech services	1,500	979	521
Data processing	580	-	580
Pre-employment screening	-	185	(185)
Film/batteries	600	555	45
Equipment purchase	240	1,763	(1,523)
Equipment maintenance	1,600	993	607
Vehicle accessories	800	293	507
Fuel/oil	5,500	5,214	286
Planning/consulting	100,000	102,604	(2,604)
Engineering	-	1,755	(1,755)
Subcontract plumbing inspector	9,000	7,131	1,869
Elevator inspections	900	987	(87)
Boardups	2,500	1,504	996
Operating supplies	40,000	-	40,000
Utilities	1,200	347	853
Utilities - natural gas	600	1,741	(1,141)
Interest expense	7,500	11,153	(3,653)
Property purchase	600,000	57,546	542,454
Less amount capitalized	(600,000)	(44,612)	(555,388)
Amusement tax rebate	80,007	80,000	7
Rental management	-	550	(550)
Building maintenance	-	32,721	(32,721)
Miscellaneous	-	12,405	(12,405)
Total Economic Development	<u>623,857</u>	<u>634,518</u>	<u>(10,661)</u>
Public Works			
Salaries - full time	616,935	587,983	28,952
Salaries - part time	3,840	1,677	2,163
Overtime	37,142	27,380	9,762
Health insurance	103,891	119,866	(15,975)
IMRF	46,578	35,399	11,179
FICA	41,267	36,064	5,203
Medicare	9,651	8,434	1,217
Medical exams	-	1,121	(1,121)
Medical expenses	-	829	(829)
Training	3,250	3,195	55

(Continued)

Village of Round Lake Beach, Illinois
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 General Fund
 For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Public Works (Continued)			
Travel/Food	\$ 1,061	\$ 629	\$ 432
Clothing	3,060	3,238	(178)
Due and subscriptions	450	446	4
Safety equipment	4,500	3,224	1,276
Medical expenses	1,150	-	1,150
Medical supplies	250	205	45
Office supplies	2,040	1,498	542
Telephone	10,350	12,351	(2,001)
Cellular phone	5,700	4,956	744
Utilities	56,400	46,532	9,868
Natural gas	45,000	35,423	9,577
Postage	504	396	108
Printing, advertising, publishing	850	995	(145)
Tech services	3,500	4,500	(1,000)
Data processing	600	279	321
Pre-employment screening	-	370	(370)
Janitorial services	38,200	28,835	9,365
Janitorial supplies	3,500	3,222	278
Furniture/fixtures	750	709	41
Equipment purchase	19,000	17,992	1,008
Equipment maintenance	18,500	19,143	(643)
Equipment lease	-	3,700	(3,700)
Equipment rental	5,000	-	5,000
Vehicle accessories	2,200	2,504	(304)
Vehicle maintenance	30,000	27,208	2,792
Fuel/oil	33,600	30,356	3,244
Park maintenance	15,460	14,549	911
Storm sewer maintenance	8,280	5,118	3,162
Building maintenance	31,000	28,779	2,221
Landscape waste stickers	10,500	-	10,500
Street light maintenance	70,000	94,329	(24,329)
Traffic signal maintenance	23,000	19,702	3,298
Lifeguards	25,000	25,963	(963)
Pest control	41,000	34,760	6,240
Lakefront	4,200	547	3,653
Mowing contract	60,000	55,279	4,721
Street sweeping	8,000	9,750	(1,750)
Tree replacement	15,000	13,887	1,113
Graffiti removal	720	1,063	(343)
Miscellaneous	6,346	5,834	512
Total Public Works	1,467,225	1,380,219	87,006
Community Events	35,000	13,396	21,604
Total Expenditures	\$ 8,856,436	\$ 8,759,817	\$ 96,619

(Concluded)

Village of Round Lake Beach, Illinois
 SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Special Revenue Funds
 For the year ended April 30, 2007

	Motor Fuel Tax Fund		Civic Center Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental				
Allotments from state of Illinois	789,000	776,731	-	-
Grants and contributions	-	-	-	56,000
Charges for services	-	-	87,000	6,135
Interest on investments	15,000	67,079	-	1,234
Other income	-	78	-	-
Use of fund balance	281,253	-	-	-
Total revenues	<u>1,085,253</u>	<u>843,888</u>	<u>87,000</u>	<u>63,369</u>
Expenditures				
General government	-	-	89,116	28,229
Economic development	-	-	-	-
Capital outlay				
Civic center	-	-	-	5,000
Roadway improvements	1,085,253	918,426	-	-
Reserve for fund balance	-	-	-	-
Total expenditures	<u>1,085,253</u>	<u>918,426</u>	<u>89,116</u>	<u>33,229</u>
Other financing uses				
Transfers in	-	-	5,225	-
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>(74,538)</u>	<u>\$ 3,109</u>	<u>30,140</u>
Fund Balance				
May 1		<u>958,592</u>		<u>-</u>
April 30		<u>\$ 884,054</u>		<u>\$ 30,140</u>

TIF # 3		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 17,600	\$ 62,776	\$ 17,600	\$ 62,776
-	-	789,000	776,731
-	-	-	56,000
-	-	87,000	6,135
2,400	5,862	17,400	74,175
-	-	-	78
-	-	281,253	-
<u>20,000</u>	<u>68,638</u>	<u>1,192,253</u>	<u>975,895</u>
-	-	89,116	28,229
-	2,174	-	2,174
-	-	-	5,000
-	-	1,085,253	918,426
<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>-</u>
<u>20,000</u>	<u>2,174</u>	<u>1,194,369</u>	<u>953,829</u>
-	-	5,225	-
<u>\$ -</u>	<u>66,464</u>	<u>\$ 3,109</u>	<u>22,066</u>
	<u>63,363</u>		<u>1,021,955</u>
	<u>\$ 129,827</u>		<u>\$ 1,044,021</u>

Village of Round Lake Beach, Illinois
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Debt Service Funds
 For the year ended April 30, 2007

	<u>TIF #1 Debt Service</u>		<u>General Obligation Debt</u>	
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Original and Final Budget</u>	<u>Actual</u>
Revenues				
Taxes	\$ 1,176,000	\$ 1,443,481	\$ 1,352,928	\$ 1,374,208
Intergovernmental	1,430,350	1,685,055	-	-
Interest on investments	85,000	96,981	34,000	97,036
Total revenues	<u>2,691,350</u>	<u>3,225,517</u>	<u>1,386,928</u>	<u>1,471,244</u>
Expenditures				
Debt service				
Principal	1,417,110	755,000	590,000	590,000
Interest	252,854	234,613	621,628	605,229
Bond issue costs	-	340	-	4,755
Fiscal agent fees	-	-	8,400	1,455
Reserve of fund balance	-	-	166,900	-
Total expenditures	<u>1,669,964</u>	<u>989,953</u>	<u>1,386,928</u>	<u>1,201,439</u>
Excess of revenues over expenditures	<u>1,021,386</u>	<u>2,235,564</u>	<u>-</u>	<u>269,805</u>
Other financing sources (uses)				
Transfers out	(1,021,386)	(2,315,360)	-	-
Issuance of debt	-	-	-	212,851
Total other financing sources (uses)	<u>(1,021,386)</u>	<u>(2,315,360)</u>	<u>-</u>	<u>212,851</u>
Excess (deficiency) of revenues and other financing uses over expenditures	<u>\$ -</u>	<u>(79,796)</u>	<u>\$ -</u>	<u>482,656</u>
Fund Balance				
May 1		<u>1,887,592</u>		<u>1,911,878</u>
April 30		<u>\$ 1,807,796</u>		<u>\$ 2,394,534</u>

Totals	
Original and Final Budget	Actual
\$ 2,528,928	\$ 2,817,689
1,430,350	1,685,055
119,000	194,017
<u>4,078,278</u>	<u>4,696,761</u>
2,007,110	1,345,000
874,482	839,842
-	5,095
8,400	1,455
166,900	-
<u>3,056,892</u>	<u>2,191,392</u>
<u>1,021,386</u>	<u>2,505,369</u>
(1,021,386)	(2,315,360)
-	212,851
<u>(1,021,386)</u>	<u>(2,102,509)</u>
\$ <u>-</u>	402,860
	<u>3,799,470</u>
	\$ <u>4,202,330</u>

Village of Round Lake Beach, Illinois
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 Capital Projects Funds
 For the year ended April 30, 2007

	TIF #1 Capital Project Fund		Bond Capital Projects Fund	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues				
Capital projects				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	38,260	-	-
Charges for services	-	-	-	-
Rental income	-	-	-	-
Interest on investments	40,000	147,966	75,000	355,998
Other income	-	-	-	-
Use of fund balance	2,060,000	-	5,415,000	-
Total revenues	<u>2,100,000</u>	<u>186,226</u>	<u>5,490,000</u>	<u>355,998</u>
Expenditures				
Current				
Economic development	-	-	-	-
Debt service				
Principal	-	93,611	-	-
Interest	-	14,604	-	-
Bond issue costs	-	-	100,000	72,926
Capital outlay	2,100,000	1,966,682	9,390,000	6,736,055
Reserve of fund balance	1,021,386	-	-	-
Total expenditures	<u>3,121,386</u>	<u>2,074,897</u>	<u>9,490,000</u>	<u>6,808,981</u>
Excess (deficiency) of revenues over expenditures	<u>(1,021,386)</u>	<u>(1,888,671)</u>	<u>(4,000,000)</u>	<u>(6,452,983)</u>
Other financing sources (uses)				
Transfer in	1,021,386	2,315,360	-	-
Transfers out	-	-	-	-
Issuance of debt	-	-	4,000,000	3,422,148
Premiums and discounts	-	-	-	(27,610)
Proceeds from sale of equipment	-	-	-	-
Proceeds from equipment under capital lea	-	-	-	-
Total other financing sources (uses)	<u>1,021,386</u>	<u>2,315,360</u>	<u>4,000,000</u>	<u>3,394,538</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>426,689</u>	<u>\$ -</u>	<u>(3,058,445)</u>
Fund Balance				
May 1		<u>2,016,753</u>		<u>5,473,939</u>
April 30		<u>\$ 2,443,442</u>		<u>\$ 2,415,494</u>

General Improvement Fund		Totals	
Original and Final Budget	Actual	Original and Final Budget	Actual
\$ 328,540	\$ 356,683	\$ 328,540	\$ 356,683
431,050	70,493	431,050	108,753
58,750	10,000	58,750	10,000
17,112	34,861	17,112	34,861
-	26,445	115,000	530,409
-	6,319	-	6,319
-	-	7,475,000	-
<u>835,452</u>	<u>504,801</u>	<u>8,425,452</u>	<u>1,047,025</u>
19,500	99	19,500	99
-	-	-	93,611
-	-	-	14,604
-	-	100,000	72,926
660,791	658,932	12,150,791	9,361,669
155,161	-	1,176,547	-
<u>835,452</u>	<u>659,031</u>	<u>13,446,838</u>	<u>9,542,909</u>
-	(154,230)	(5,021,386)	(8,495,884)
-	-	1,021,386	2,315,360
-	(50,096)	-	(50,096)
-	-	4,000,000	3,422,148
-	-	-	(27,610)
-	29,851	-	29,851
-	229,972	-	229,972
-	<u>209,727</u>	<u>5,021,386</u>	<u>5,919,625</u>
<u>\$ -</u>	<u>55,497</u>	<u>\$ -</u>	<u>(2,576,259)</u>
	<u>763,077</u>		<u>8,253,769</u>
<u>\$ 818,574</u>		<u>\$ 5,677,510</u>	

Village of Round Lake Beach, Illinois
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN
NET ASSETS - BUDGET AND ACTUAL
Waterworks and Sewerage Fund
For the year ended April 30, 2007

	Original and Final Budget	Actual	Variance Positive (Negative)
Operating revenues			
Charges for services	\$ 4,303,946	\$ 3,761,081	\$ (542,865)
Tap on fees	156,250	89,536	(66,714)
Total operating revenue	4,460,196	3,850,617	(609,579)
Operating expenses			
Administration	670,097	630,370	39,727
Operations	3,087,218	2,910,658	176,560
Total operating expenses	3,757,315	3,541,028	216,287
Operating income before depreciation	702,881	309,589	(393,292)
Depreciation	325,000	402,142	(77,142)
Operating income	377,881	(92,553)	(470,434)
Nonoperating revenues (expenses)			
Interest income	53,000	266,078	213,078
Interest expense	(66,000)	(82,705)	(16,705)
Grant revenue	80,000	-	(80,000)
Miscellaneous revenue	8,000	3,644	(4,356)
Other expense	(3,031)	(30,973)	(27,942)
	71,969	156,044	84,075
Income before contributions and transfers	449,850	63,491	(386,359)
Contributions and transfers	-	533,020	533,020
Change in net assets	\$ 449,850	596,511	\$ 146,661
May 1		11,646,319	
April 30		\$ 12,242,830	